

## European Parliament, Daily Notebook: motion of censure on the Commission (11 January 1999)

**Caption:** The Daily Notebook details the reactions of some MEPs during a debate concerning the motion of censure on the activities of the Commission in January 1999.

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## **European Parliament: Daily Notebook (11 January 1999)**

## **Commission faces censure**

(B4-1165/98, B4-0012/99, B4-0011/99, B4-0002/99, B4-0013/99, B4-0014/99, B4-0016/99, B4-0015)

Monday 11 January — In tabling her motion of censure on the Commission, Pauline Green (London North, PES) declared that the decision to refuse discharge of the 1996 budget was a clear declaration that the Commission was financially incompetent. Those who voted to refuse discharge should take the only possible institutional step in their power and vote to sack the Commission. Mrs Green stated that she had tabled the censure motion so that those who felt the Commission to be culpable over the 1996 budget should face up to their responsibility and the logical consequences of their vote. She argued that the coming three months were critical for the EU and that the Commission needed to enjoy a partnership of trust and confidence with Parliament and Council. Therefore she believed the crisis could not extend any further.

Mrs Green noted that the great majority of her group had voted in favour of a budget discharge as it believed the Commission had made significant progress in responding to Parliament's concerns. While recognising that a number of MEPs had voted against discharge for sincere reasons, she considered that there were others "whose motives were more about the smell of election in their nostrils or a particular domestic agenda to which they were playing". She pointed out that the Commission had no ability to ask Parliament for a vote of confidence and that this was a major weakness in the constitutional arrangements. Her first demand therefore was that the Treaty and/or Rules of Procedure should be changed to put in place such a procedure.

Mrs Green recognised that there were serious problems at the heart of the current crisis and an ambience of "secrecy, patronage, nepotism, and obstructionism" appeared to surround the Commission and its officials. This had to be dealt with, she said. She believed that the Commission, which was presently the accumulation of fifteen different national administrative cultures, needed to develop a European administrative culture, with common rules of engagement. She pledged her Group's support to tackling corruption, but could not accept that Parliament should act on media speculation before proper investigations were carried out. Her Group's second demand was therefore for a set of transparent rules governing relations between Commissioners, their Cabinets and their directorate-generals, to be drawn up before the end of March 1999.

In view of the fact that Parliament did not have the right to "cherry-pick" amongst the College of Commissioners, her Group would not support resolutions seeking to apportion blame for all the ills of the Commission on the heads of selected individuals, against whom no case had been proven.

Mrs Green stressed that her Group supported the concept of whistle-blowing, but believed the rights of both the whistle-blower and those against whom the accusations were being made should be protected until there was a proper investigation of the matter. In the case of Paul van Buitenen, she believed that those responsibilities had been breached. Although she had no doubts about his motives, she believed he had been used by some politicians and by some in the media. Mrs Green argued that if the Commission had possessed procedures to deal with abuses properly then the Van Buitenen allegations would not have been necessary. Her Group's third call therefore was for an independent review to assess and make recommendations on the detection and follow-up of abuses before the end of this year. The fourth demand by the end of this week was that a timetable for negotiations between Parliament and Commission should be drawn up to structure the final shape of the Commission management system of the future.

In conclusion, Mrs Green stressed that the refusal to grant discharge had become a major issue of confidence in the Commission and she believed that it was simply unacceptable for Parliament to say that it did not trust the Commission with the spending of public money and then not be prepared to do anything further about it. "This debate, and in particular the Commission's response," she concluded, "is our opportunity to make our judgement".

Introducing the second motion of censure for the House this evening Hervé Fabre-Aubrespy (F, I- EN) stressed that he was tabling a real motion of censure which had cross-party support and the signatures of MEPs from all Member States except Luxembourg. He noted that the Court of Auditors had denounced

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many scandals in areas that were the Commission's responsibility and that the Commission had not fulfilled many of the obligations imposed on it by the Treaty. Therefore there needed to be a clear political link between the refusal to grant discharge and voting for a censure motion. Parliament's credibility was at stake, he concluded, and he called on it to vote to censure the Commission.

Wilfried Martens (B, EPP) also noted that this debate marked a serious crisis in relationships between Parliament and Commission and that the issue had become highly politicised. He stressed that he maintained his confidence in President Santer's ability to carry out reforms, but he believed that the motion of censure under debate was being used to protect certain Commissioners. He considered that it would be disastrous for the Commission if the majority of Parliament voted against it through the censure motion. Mr Martens pointed to many political achievements of the Commission, but stressed that it was faced by a heritage of bad management. He wanted to see proper codes of conduct, transparent recruitment of senior management, clear rules of budget management, and more clarity on the procedure for the employment of outside staff. He believed that there needed to be zero tolerance of fraud and that there should be a debate on an independent fraud unit — OLAF. The Commission, he concluded, had to be tough, as the time for a "softly, softly" approach had gone.

Pat Cox (Munster, ELDR) noted that this was a painful debate about public accountability against the backdrop of the need for the EU to achieve its agenda of moving towards EMU and preparing for enlargement. Parliament and Commission were allies in the task of achieving this agenda. However Parliament also needed to ensure the accountability of the Commission, and twice in the last twelve months the Commission had failed to get the 1996 budget accepted. The debate, he stressed, had crossed the line from the politics of accounting to the politics of accountability. He believed that the "nuclear option" of dismissing the Commission was so drastic that there was a need for great caution. Nevertheless, he argued, the buck had to stop somewhere, and everyone being responsible under a system of collective responsibility meant that, in fact, nobody was responsible. Although calling on individual Commissioners to take responsibility and consider their positions was not a legal step, Mr Cox believed that it was an appropriate political step. Commissioners, he argued, could not simply rely on the "legal shield of collegiality". Parliament, he concluded, must move from simply uttering aspirations to demanding reform, with Commissioners taking individual responsibility.

Jean-Claude Pasty (F, UFE) argued that the Commission had been "putting its head in the sand" and had been hiding behind a screen of confidentiality. It should have been transparent at the start and individual Commissioners should consider resigning. There was a need for a searching inquiry in the way the Commission operated, he said, in order to create an atmosphere of confidence. At present, the Commission had to be judged on its deeds as well as its words and it could not at present, receive a blank cheque of confidence such as was being proposed by some members of the Socialist Group.

Joaquim Miranda (P, EUL/NGL) believed that Parliament could not neglect the logical follow-up in its decision to refuse discharge last month and the Commission's credibility was under question. There was a need to react to the Commission's statement before the discharge vote. He too wanted the Commission to deal with the serious issue of fraud and to face up to its collective responsibilities. Magda Aelvoet (B, Greens) questioned whether a weakened Commission could help the EU and argued that it had penalised Paul van Buitenen whose only crime had been to approach Parliament. The Commission, she said, had a heavy responsibility to bear and she would be supporting the motion of censure. Catherine Lalumière (F, ERA) wanted President Santer to give proper guarantees of action, as she believed that the credibility of the EU was paramount and was now being besmirched.

Eric Pinel (F, Ind) accused Mrs Green of wanting to protect the Commission. It should resign en masse, he said. It had concealed irregularities and there were no real extenuating circumstances. The official suspended was being made a scapegoat. The National Front would vote in favour of censuring a Commission which believed that it was above the law.

Mr Santer said that last December the House debated in detail the discharge for the 1996 budget. Today's debate was a different one. A censure motion and a series of oral questions were on the table. So what they

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were debating was the question of confidence between the two institutions. This confidence had come under pressure lately. He was ready to bear his share of the responsibility for this. The time was manifestly right for clarification. He had the deepest respect for the European Parliament's institutional role. Over the past four years, he had come to realise just how important the relationship of trust between the two institutions was for the European Union. Recent successes would not have been possible without close cooperation between the European Parliament and the Commission. He was convinced that members of the House would judge the Commission on its activities as a whole. He would endeavour to show that the House would be right to express its confidence.

Mr Santer then listed a series of recent achievements and asked Parliament, bearing in mind the confirmation speech he had made in the House in January 1995, whether he had kept his word. These successes included the launch of the euro, the single market (its opening up in energy and telecommunications, the improved transpose of directives and a rigorous competition policy), giving a top priority to employment, the Amsterdam Treaty, enlargement and Agenda 2000.

His January 1995 speech had referred in particular to the special effort needed in respect of internal management and the need to prioritise the fight against fraud. The events surrounding the discharge show that he had been right to attach so much importance to this matter, which had been neglected in the past. They also showed that the reforms made to date were far from adequate and much remained to be done. The Commission had embarked on ambitious modernisation programmes with the clear objective of restoring sound management, improving effectiveness and supervision, decentralising the work of departments and making staff accountable. "We have undertaken more by way of reform in the last four years than in the forty years that went before," he said. They had acted against irregularities and stepped up the fight against fraud. In 1994, UCLAF had a staff of 50. Today the figure was 140. In 1994 UCLAF had handled 220 investigations. Today the figure was 950. The Commission was not out to hide anything. Anyone found guilty of fraud must be punished.

The criticism the House had levelled at the Commission in the discharge debate would serve as a further guide. It prompted the Commission to take a critical look at the way it operated and how it managed its affairs. It was for the Commission to put its own house in order but as the political control body, Parliament had a legitimate interest in the matter. He suggested they get together in the coming months to discuss the issues in detail. As regards the oral questions tabled by political groups on the subject for today's debate and with respect also to points 26 and 27 in Mr Elles's motion for a resolution on the 1996 discharge, his reply was the following eight point programme:

- 1. He intended to present the future President-designate with a complete reasoned proposal on the structure of portfolios and the organisation of departments.
- 2. In future, the Commission intended to pose systematically the question of staff resources. Management difficulties were partly due to the fact that the Commission had all too often taken on tasks without having sufficient human resources. "We have reached the limits of what is achievable with our current human resources," he said.
- 3. He intended to put in place overall arrangements to govern the work of the members of the Commission, their offices and the departments. These arrangements would be made up of 3 codes of conduct, the preparation of which was well under way. They would be the foundation of a real European administrative culture.
- 4. As regards staff management reform which was currently under way, by the end of January 1999 he intended to propose a timetable for modernising the administration.
- 5. As regards appointments, in the case of A1 and A2 posts, he had always tried to ensure that priority was given to internal promotions and intended to draft a clear set of rules for appointments for outside. A probationary period would be introduced for management posts.

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- 6. As regards budget management, in addition to the SEM 2000 reforms, he mentioned three other initiatives: an official proposal for a revision of the Financial Regulation would be presented in the first half of 1999; there would be early introduction of clear rules on the introduction of outside staff; and a general guide on technical assistance offices would be presented in the spring. As regards the Leonardo office, the question of whether the Commission should continue working with it after its contract expired at the end of the year, would depend on whether it made radical improvements in its management.
- 7. As regards fraud, he agreed with Parliament that the policy in this area must be one of zero tolerance. He invited discussion with the Parliament on his proposal to set up an independent inter-institutional office. Agreement should be reached as quickly as possible. He had raised the question this morning with Mr Gerhard Schröder, the President of the European Council. He welcomed the Chancellor's suggestion that a high level group of representatives of the European Parliament, the Council and the Commission, be set up to look into the Commission proposal and seek agreement before the end of March. As regards the Commission official, Mr Van Buitenen, who had been recently suspended, he said that disciplinary proceedings had not been commenced because he had reported a case of fraud. The point was rather that the official had made confidential documents public on his own initiative, contrary to staff regulations and the general administrative rules. Certain of these documents were *sub judice*. The Commission was fully available to answer any questions that the Budgetary Control Committee might wish to put to it.
- 8. As regards the information which Parliament received from the Commission, he repeated his offer to draw up an inter-institutional agreement on practical arrangements on keeping Parliament informed. The suggestion of having spending programmes regularly scrutinised by the appropriate Parliamentary committees, could well be included in that agreement.

As regards Parliament's wish to be involved in the follow-up to Commission reforms, he agreed that this was a fair demand. He would therefore come himself to Parliament's Conference of Presidents to give regular progress reports on the programme. Secondly, a committee of independent experts would be set up to consider the whole issue of management, scrutiny and the evaluation of Community expenditure. "What I ask from you now is an expression of your confidence in me to deliver success for Europe" he concluded.

Willi Görlach (D, PES) said that those investigations which had taken place, had occurred because of pressure from the European Parliament and public opinion. The letter the Commission had published at the time of the discharge debate last December had been counter-productive. The Commission should agree to bear responsibility for what had gone wrong. It should not imply that it would ignore Parliament unless there was a vote with a two-thirds majority against it. In every crisis there was a germ of opportunity for improvement. The Commission would have to acknowledge something by Thursday. Diemut Theato (D, EPP) thanked Mr Santer for the sound words he had finally found but said that Parliament had waited too long. The confidence needed had been put to a very high test. Many would find it difficult to give the Commission the trust it asked for. Nonetheless, a vote of no confidence was not the right approach. The Budgetary Control Committee had deferred the discharge. It had allowed time for the Commission to come forward with a clear statement regarding outstanding matters. She asked Mr Santer to consider a number of acid tests by Thursday, when Parliament would react accordingly:

- \* Seventeen cases had been listed by UCLAF. Full details were available concerning only five of them. What about the others?
- \* A reply was needed for Mrs Cresson to the letter which had been sent to her by the Budgetary Control Committee.
- \* What was the state of affairs concerning cases taken up with the judicial authorities?

Caroline Jackson (Wiltshire North and Bath, EPP) intervened with a point of order calling on two Commissioners, Mrs Cresson and Mr Marin, to explain to Parliament tonight what had gone wrong and why they did nothing about it.

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Pat Cox (Munster, ELDR) said his group would study the detail of what Mr Santer had proposed. What he had said about corruption had fallen short of a tour de force. There had been no trace of embarrassment. "Why do you always have to be dragged here as a college, as a President before the bar of accountability?" He was staggered at the absence of a single word of Mr Santer on ECHO. Why did they have to wait for a crisis before they got action? He wondered why Mr Santer could be so bland on the question of Leonardo.

Jean-Antoine Giansily (F, UFE) said his group would examine Mr Santer's statement carefully. However, they would no longer put up with diplomatic language. Caesar's wife must be above suspicion. However, the motion of censure was premature and out of proportion until all light had been thrown on the matter. They would prefer the Budgetary Control Committee to continue its work with the Commission. On the other hand, they were expecting exceptional measures and they did not get them. They would decide what to do on Wednesday.

Joaquim Miranda (P, EUL/NGL) noted that the eight areas of activity mentioned by Mr Santer involved measures that were very skimpy. There was not much flesh on the bones. The Commission should reply to the specific problems raised.

Catherine Lalumière (F, ERA) regretted that the Commission had not acted openly earlier.

Ulla Sandbæk (Dk, I-EN) said she did not have much confidence in Mr Santer's promises. Something must happen before Thursday, otherwise they would support a vote of no confidence.

Gerhard Hager (A, Ind) said that mismanagement merited a vote of no confidence.

Wilfried Martens (B, EPP) said that the EPP group would tomorrow consider the far-reaching proposals and commitments made by Mr Santer and would define their position. However, he had a question. Mr Santer had said that he accepted his share of responsibility. Were other members of the Commission ready to accept their share of the responsibility? Let them take the floor now and explain themselves.

Commissioner Edith Cresson noted that she had recently appeared before the Budgetary Control Committee regarding the Joint Research Centre and that a reply to Mrs Theato was being sent out. She believed that the Leonardo programme had been a great success and a good example of cooperation between Council and Commission. This had been recognised by the Council which had given it more funds. She would be coming before the Social Affairs Committee to speak on the allegations by Mr Van Buitenen. In conclusion she was prepared to appear before any committee to allow a detailed discussion to take place on any allegations of fraud or corruption.

Commissioner Marin reminded MEPs that he had bee in his current post for 14 years. And that while he accepted that he might have made many mistakes, he had never covered up fraud. He argued that he had taken the necessary actions to combat fraud. He also noted that the lack of Commission staff had meant that many programmes had been implemented by external experts — some of whom were not completely honest.

Replying to questions raised in the debate, and in particular why the Commission was only reacting now to tackling the problem of fraud and financial mismanagement, Commission President Jacques Santer emphasised that the modernisation process and the SEM 2000 programme had in fact been set in place in 1995. In addition, he emphasised that out of the 950 cases at present being investigated by UCLAF, only 27 concerned the Commission, the rest relating to cases in the Member States. In fact, he continued, it was thanks to UCLAF that problems relating to the ECHO aid programme had been revealed. As far as fraud in this area was concerned, he underlined that the amount at stake was in the region of EUR 400 to 600 thousand out of a total of EUR 500m budget per annum. And he wanted to emphasise that no slurs should be cast on the voluntary agencies who worked closely with the Commission in administering EU aid programmes. The Commission's problems, had, he said, been exacerbated after the fall of the Berlin Wall, the collapse of Communism, and the resultant high profile PHARE programme constituting a sharp increase in aid to Eastern Europe. Furthermore, the civil war in Yugoslavia had resulted in a large number of refugees who looked to the EU for assistance. He did, however, emphasise his determination to eliminate financial

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irregularities and he thought this could be best done by working closely with Member States, Council and Parliament. As a sign of the Commission's intention to increase cooperation with Parliament, he told MEPs that the first report updating Parliament on inquiries into irregularities had been presented on the 20th of November and while acknowledging this did not contain names, he said, this was for confidentiality reasons. Cases of presumed fraud could only be referred to respective authorities when sufficient documentation had been assembled, he added, before concluding it was in the interest of all the institutions to cooperate closely with a view to tackling the challenges of the future.

Vote Thursday.

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