



ALTER-EU assessment of European Parliament – Commission agreement on a common “Transparency Register”

***Alliance for Lobbying Transparency and Ethics Regulation in the EU
February 2011***

Key message: While the proposed “Transparency Register” will result in a number of improvements, it leaves several fundamental flaws and loopholes. These should be fixed at the earliest opportunity. Making registration mandatory must remain a priority.

Six years after the launch of the European Transparency Initiative, there’s still a long way to go to reach the goal of transparency around the role of lobbying in EU decision-making. European Union citizens, members of the European Parliament and journalists have the right to know which stakeholders are trying to influence the policy process in Brussels and what resources they are using to shape decisions that affect EU citizens directly. Ending secrecy around lobbying is essential to restore confidence in the EU institutions and improve the functioning of European democracy. Only a mandatory system of lobbying registration, providing extensive and reliable information on EU lobbying, will effectively address this problem.

Positive aspects of the proposed common “Transparency Register”

ALTER-EU welcomes the following improvements that have been proposed for the new “Transparency Register”:

- **One stop shop**
Information on lobbying in one place; no parallel lobbying transparency systems for the Parliament and the Commission.
- **Better incentive for registration**
Lobbyists working with a firm or organisation that is not registered in the joint register will no longer be able to get a long term ‘lobbyist’ access badge to the European Parliament.
- **Individual lobbyists named**
Names of individual lobbyists will be displayed in the register, but the proposal only covers lobbyists with access badges to the Parliament. ALTER-EU insists that registered organisations should be asked to list the names of all their lobbyists.
- **Number of lobbyists per firm or organisation is to be reported**
- **Main legislative proposals lobbied on**
The proposal only requires a general list. Especially for consultancies (incl. law firms) a list of the main legislative proposals being lobbied on for each client is crucial.
- **‘Open data’**
Data to be “made available in electronic, machine-readable format”.
- **One code of conduct for all lobbyists**
All registered lobbyists have to comply with a common code of conduct. They can also adhere to more elaborate or stricter codes drawn up by professional organisations.
- **Regular data checks**

- **Improved complaints and sanctions mechanism**
Complaints procedure has been clarified; maximum penalty is removal from the register, blacklisting and withdrawal of Parliament access badges.
- **Annual reporting on operation of the register**
With input from stakeholders.
- **Review**
There will be a review of the register at the latest two years after its launch.

Addressing loopholes and other shortcomings

The proposed “Transparency Register” will lead to a number of improvements, but it still contains flaws and loopholes. These should be fixed at the earliest opportunity.

1) Mandatory registration by 2015 at the latest

While it is to be expected that the majority of EU lobbyists will file their information in the new register (as registration will become a precondition for receiving lobbyist access badges for the Parliament), it remains to be seen whether those who have so far not registered in the Commission’s Register of Interest Representatives (in particular law firms and think tanks) will be under enough pressure to register. As long as registration is on a voluntary basis, a significant number of those involved in lobbying will choose not to register.

Therefore, ALTER-EU urges the Commission and Parliament to start preparations for a transition to mandatory registration, which should happen at the latest by the end of this term, in 2015.

2) Transparency regarding the size of lobbying consultancies’ clients

The agreement for a new register will allow larger consultancies and law firms to hide how much they are paid by their clients: firms with an annual turnover on lobbying of over € 1 million, can declare the ‘size’ of their clients in bands of € 250,000.

ALTER-EU recommends that all consultancies and law firms should have to declare clients’ expenditure in the same way, ideally in bandwidths of € 10,000. This would be comparable to the reporting requirements in the United States.

3) Safeguards against under-reporting

In the Commission’s Register of Interest Representatives, many firms and corporate lobby groups under-report their spending on EU lobbying. For example, BusinessEurope, one of the most active and influential corporate lobby groups in Brussels, has declared that it only spent between € 550,000 and € 600,000 on lobbying in 2010. This would not even put BusinessEurope among the fifty highest spending professional associations in the register. The oil company BP, which reported spending millions of dollars a year on lobbying in the US (even before the Deepwater Horizon disaster), declared spending just € 400,000 and € 450,000 (2009) in the EU.

ALTER-EU stresses the need for clear guidance on disclosure requirements, regular checks on registrations to prevent under-reporting and meaningful enforcement to prevent under-reporting.

4) Transparency on funding sources

Organisations that are not commercial lobbyists (such as NGOs and thinktanks) only have to declare very general information on their funding sources. The proposed “Transparency Register” only requires disclosure of how much of the budget comes from public and how much from private sources. But more detailed transparency on sources of income is essential for uncovering front groups. Front groups are organisations that pretend to be neutral or public interest groups but that in reality represent the interest of one or more companies or other organisations. **ALTER-EU recommends that registrants are asked to name all government agencies, grant-making foundations, companies and others that may contribute to their budget, and to specify the amounts of funding received from each of these sources. Small private donations from individuals should be exempt from these disclosure requirements (up to a certain threshold).**

5) Up-to-date information

It is unacceptable that financial data in the register can be up to three years old. As of January 2011 dozens of registrations still contain financial data from 2007! And the register does not clarify to what extent the client lists of lobby firms are up-to-date. Such an outdated register is of little use for MEPs, media and citizens who want to get a good picture of ongoing lobbying in Brussels. Therefore, **ALTER-EU recommends a requirement for all registrations to be updated twice a year, on fixed and known dates, so that transparency and compliance may be improved.**

6) Short transition period from existing to new register

The joint proposal foresees a transition period of one year during which the existing registers (the list of lobbyists accredited to the European Parliament and the Commission’s Register of Interest Representatives) will continue to function in parallel to the new register. All existing registrants in the Commission’s Register of Interest Representatives will be invited to switch to the new register, but there are no consequences if they decide to stay in the old register until the expiry of their one year registration (at the latest in May 2012). In practice, this will lead to a confusing situation, with the likelihood that most of the registrants will be in the new register, but some will not, potentially leading to duplications, inconsistencies and a lack of clarity.

If the objective of the joint register is to provide transparency, such a long and confusing transition period is unacceptable. **ALTER-EU recommends that all existing registrants in the Commission’s Register of Interest Representatives and those holding ‘lobbyist’ access badges to the European Parliament should be asked to re-register within three months of the launch of the new register.**