Conference on

"Assessing the Implementation and Effectiveness of Systems for

Disclosing Interests and Assets by Public Officials"

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"Towards more robust disclosure systems by members of parliament, judges and prosecutors: GRECO's approach"

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Ladies and Gentlemen,

Integrity is the cornerstone of any system of good governance. It denotes the consistent alignment of, and adherence to, shared ethical values, principles and norms that uphold and prioritise the public interest over private interests.

Integrity must underlie public administration as a whole and each public office, as elected or appointed officials are there to serve society and the public good.

Today, many countries are finding that integrity frameworks that have traditionally governed their institutions and the behaviour of public officials are unfit for the ever more demanding, modern expectations of public integrity. Also, the continuing commercialisation of public services and the evolving public-private sector interconnections, risk placing more easily public officials in situations of possible conflicts of interest.

The public demand for integrity and incorruptibility of public officials is on the rise in all 49 GRECO member States. Surveys and indices point to elevated corruption perception levels and to soaring public disenchantment with the institutions that form the very foundations of a democracy. However, regaining public trust has become a challenge, as citizens, civil society and media have greater and easier access to information and are better equipped to call governments and individual officials to account.

Launched in 2012, GRECO's Fourth Evaluation Round aims at strengthening the ability of the legislature and the judiciary to prevent corruption within their own ranks. In a democratic society, parliaments, courts and prosecution services are vested with significant public authority and expected to be in the vanguard of preventing and fighting corruption. Their integrity and effectiveness help determine whether the seeds of corruption grow and flourish in a country or not. Similarly, MPs, judges and prosecutors, as individuals, are expected to not merely demonstrate respect for the rules but to set the example of probity, honesty and self-discipline.

Nowadays, the disclosure of interests and assets is widely regarded as a constituent element of a viable public integrity framework and a means to increase transparency and public trust in public officials.

Over the past two decades, a significant number of GRECO member States have introduced an obligation on public officials to disclose interests, assets, income and liabilities. GRECO analysis of policy and regulatory frameworks established specifically for MPs, judges and prosecutors, and the way these have been implemented in practice, has demonstrated a high degree of convergence as regards the common challenges faced. Regardless of the professional group, those challenges revolve around the following core issues: (i) the scope of disclosures; (ii) accessibility; and (iii) supervision and enforcement of disclosure rules.

First, the scope of disclosures. As regards *material scope*, GRECO has insisted in a number of countries *[e.g., Belgium, Denmark, Iceland, Luxembourg, Netherlands, Norway, Sweden and Switzerland]*[1] that asset declarations incorporate quantitative data on income, financial assets and liabilities. In others *[Germany and the United Kingdom]*, it recommended lowering the thresholds for reporting financial holdings such as stocks and shares. GRECO also called on (i) increasing the categories of interests and the level of detail reported on outside activities, positions, partnerships and other business arrangements; (ii) complementing the system with the declaration of benefits, hospitality, sponsorship and domestic and foreign travel paid by third parties, and (iii) introducing regular mandatory disclosure of outside ties by MPs.

As regards the *personal scope* of disclosures, recommended that consideration be given to widening the scope of declarations to also include information on spouses and dependent family members or close relatives of MPs, judges and prosecutors, it being understood that such information would not necessarily need to be made public.

Let's now turn to the second point: <u>public accessibility</u> of information on interests and assets. This remains a point of contention in certain GRECO member states. All of our reports reveal the necessary tension and difficult balance that must be struck between such fundamental principles as: transparency and privacy, earning trust and taking responsibility, encouraging good conduct and enforcing rules. In addressing this issue, GRECO has proceeded on the assumption that if a democracy passes disclosure laws with the aim of reducing corruption, the most effective laws would be those that make disclosure public. "Secret disclosure" does not really yield accountability and is futile.

[1] Just for reference, not to be read.

With this in mind, GRECO recommended to a number of countries that declarations be made publicly accessible in practice and all obstacles to access be removed. GRECO also requested that the contents of declarations of interests and assets be made available on an official web site and in a timely manner or for an adequate period of time (with due regard to the privacy and security of persons subject to the disclosure obligation).

Thirdly and finally, supervision and enforcement of disclosure rules. GRECO scrutinised bodies responsible for collecting declarations and checking their accuracy. The issue of independence and adequacy of resources was central to many of our reports. GRECO was particularly concerned that, in certain countries, those bodies were susceptible to political influence or their reputation was tainted by scandals or lack of leadership, sometimes for years. It has also found that a multiplicity of supervisory bodies, where the function of the registrar and that of verification were assigned to different agencies, was not necessarily synonymous with efficiency and effectiveness.

Against this background, GRECO recommended that the independence, including operational independence, of oversight bodies be strengthened, that they be given the clear mandate, powers and adequate resources to carry out substantive checks, investigate irregularities, initiate proceedings and impose effective, proportionate and dissuasive sanctions, and that inter-institutional co-operation be reinforced.

There is also a fourth element which is relevant when discussing this issue, that is the periodicity of disclosures. Overall, GRECO was satisfied with the systems in place and issued only very few recommendations, mostly concerning MPs, in a limited number of countries.
Ladies and Gentlemen,

Clearly, GRECO recommendations in its Fourth Round evaluation have contributed to making interests and assets of MPs, judges and prosecutors more visible and thus reinforced the drive for probity, integrity and accountability.

GRECO recommendations have also pushed our member States to take an honest, discerning look at the effectiveness of the disclosure of interests and of assets as elements of a comprehensive public integrity and corruption prevention frameworks.

Our work on this issue will continue in the future both under GRECO's Fourth Round compliance procedures and as part of our new Fifth Evaluation Round dedicated to "Preventing corruption and promoting integrity in central governments (top executive functions) and law enforcement agencies".

Needless to say, GRECO reports have provided and continue to provide solid guidance for technical assistance and co-operation projects carried out by the Council of Europe and the European Union. You will hear more on this in the next presentation.

Thank you for your attention!