

## EU Civil Society Contact Group

# How to make a transparent registration in the Joint European Commission & Parliament "Transparency Register"

Published by the EU Civil Society Contact Group in co-operation with the Alliance for Lobbying Transparency and Ethics Regulation in the EU (ALTER-EU)

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#### 1. Introduction

The new voluntary "Transparency Register" (a joint effort of the European Commission and the European Parliament) was launched on 23 June 2011. It replaces the Register of Interest Representatives of June 2008, which followed the European Transparency Initiative¹ launched in November 2005 to ensure that the European Union is "open to public scrutiny". The Register of Interest Representatives avoided the terms 'lobbyist' and 'lobbying', replacing them by 'interest representative' and 'interest representation'. The new "Transparency Register" only mentions "organisations and self employed individuals [...] engaged in activities falling within the scope of the register."

The EU Civil Society Contact Group and ALTER-EU criticise the "Transparency Register" as fundamentally flawed because it is not mandatory, it does not require organisations to register all individual lobbyists who work for them, and because the required financial reporting on lobbying expenditure is inconsistent and not comparable.

Members of the EU Civil Society Contact Group and ALTER-EU have therefore decided to adopt a higher standard of transparency than the inconsistent and insufficient requirements for registration in the "Transparency Register". Our guidelines for registration set a constructive example of how the "Transparency Register" could be easily improved.

A meaningful register must disclose:

o the names of lobbyists and the number of full-time equivalents (fte's) should be declared by all registrants

o the finances involved in any lobbying effort, including the specific funding resources

o the specific lobbying issues, including the official reference numbers of targeted legislative pieces

Our guidelines are addressed to all entities that want to register in the voluntary "Transparency Register"<sup>2</sup>. We wrote them primarily for organisations that will register in the NGO category of the register but the standard that we set should in our view apply to all lobbyists.

In the guidelines you can find:

- which additional information we believe you should submit in the interest of transparency
- an example of how to calculate your expenditures related to lobbying
- a short text with a critique of the register that we suggest you include in your registration

These guidelines cover those steps of the registration that are particularly relevant to improve EU lobbying transparency. They do not cover each step of the online registration procedure.

http://europa.eu.int/comm/commission\_barroso/kallas/doc/transp\_report\_en.pdf

In the past, the European Commission used the words "Lobby register" and "Register of Interest Representatives" interchangeably. See: <a href="http://ec.europa.eu/commission\_barroso/kallas/transparency\_en.htm">http://ec.europa.eu/commission\_barroso/kallas/transparency\_en.htm</a>

Our guidelines reflect in depth discussion within the EU Civil Society Contact Group and ALTER-EU as well as the advice of lobby transparency experts, and aspects of US lobby disclosure legislation.

Once you have registered, we encourage you to send an email to the ALTER-EU co-ordinator (koen@alter-eu.org) so we can send you future updates of these guidelines and keep you informed about the progress of our lobby transparency campaign.

#### 2. Background to our involvement with EU lobbying

ALTER-EU, the Civil Society Contact Group and other groups have been calling for EU lobby transparency since 2005. When the European Commission was preparing the lobby register in 2007-2008 and when the European Parliament and the Commission were preparing the joint "Transparency Register", our groups have repeatedly alerted these institutions that the proposals fell short of the initial objectives and transparency standards<sup>3</sup>. We consider the voluntary "Transparency Register" an improvement, but would go further to improve lobbying transparency. Greater transparency could be promoted through:

- o Making registration mandatory in the future, which would create more sanctions to ensure completeness and accuracy of the information that the register contains
- Include names of all individual lobbyists
- o Including the European Council in the register
- Providing consistent requirements on financial disclosure

#### 3. Why register?

While the current Joint European Parliament and European Commission 'Transparency Register' is weak, we do want to move forward towards a proper EU lobbying transparency register in the future.

We can do this by including in our registration additional information that the Transparency Register currently does not ask for. In this way, we show what a future EU transparency register could look like, and give the European Parliament and European Commission constructive criticism.

http://www.alter-eu.org/pless-releases/2011/06/22/the-missing-millions-of-the-lobby-register and http://www.alter-eu.org/pless-releases/2011/06/22/the-missing-millions-of-the-lobby-register and http://www.alter-eu.org/pless-releases/2011/06/22/the-missing-millions-of-the-lobby-register and http://www.alter-eu.org/pless-releases/2011/06/22/the-missing-millions-of-the-lobby-register.

eu.org/documents/2011/02/11/alter-eu-position-on-transparency-register

<sup>&</sup>lt;sup>3</sup>Find here related letters the Civil Society Contact Group sent to the Commission: http://www.act4europe.org/code/en/actions.asp?id\_events=128 and http://www.act4europe.org/code/en/actions.asp?id\_events=132. For letters of ALTER-EU, go to http://www.alter-eu.org/press-releases/2011/06/23/%E2%80%9Ctransparency-register%E2%80%9D-does-not-yet-live-up-to-its-name, http://www.alter-eu.org/press-releases/2011/06/22/lobby-millions-missing-from-the-transparency-register,

### 4. Registration step by step

We propose a step by step approach for registering your organisation in the joint European Commission and Parliament "Transparency Register". There is some preparation work you need to do, before starting to register online. Please read carefully all steps before starting to register. For each of the steps, you will find the "Transparency Register" requirements set by the Commission and Parliament and our recommendations.

Step 1:	What costs should I include in the calculation of my organisation's lobbying expenses?
Step 2:	How do I calculate my organisation's lobbying expenses?
Step 3:	Who should I consider as an interest representative in my organisation?
Step 4:	How do I indicate specific lobbying issues?
Step 5:	Where and how can I voice my critique of the register?
Step 6:	How do I disclose the names of people who act on behalf of my organisation?
Step 7:	Where do I indicate specific lobbying issues?
Step 8:	What financial information should my organisation disclose?
Step 9:	Should my organisation sign up to the "Transparency Register" Code of Conduct?
Step 10:	What do I need to do after I have registered?

#### Before online registration

Before starting your online registration you need to prepare a certain amount of information. Follow steps 1-4 below to do so.

The Frequently Asked Questions on the Transparency Register<sup>4</sup>, prepared by the Register Secretariat, specifies that

all entities "engaged in 'activities carried out with the objective of influencing the policy formulation and decision-making processes of the European institutions' are expected to register". These activities include: contacting members or officials of the EU institutions, preparing, circulating and communicating letters, information material or argumentation and position papers, organising events, meetings or promotional activities (in the offices or in other venues) in support of an objective of interest representation. This also includes activities that are part of formal consultations on legislative proposals and other open consultations. Certain specific activities do not fall within this scope:

- Activities of legal and other professional advice, when they relate to the exercise of the fundamental right to a fair trial of a client, including the right of the de fence in administrative proceedings;
- o Activities of the social partners when they are part of the Social Dialogue;
- o Activities in response to the Commission's or Parliament's direct request.

#### Why we recommend adding extra information

We consider that some activities should be included in the scope of the "Transparency Register", for example activities carried out in response to a direct request by the Commission or Parliament itself.

#### Our recommendations

If your organisation is in any way engaged in "activities carried out with the objective of influencing the policy formulation and decision-making processes of the European institutions", it should register following the guidelines as outlined in this document.

We consider that one should also register and disclose activities such as participation in consultative committees or expert groups of the Commission, even if these activities happen in response to direct requests by the Commission or Parliament.

'Promotional activities' should be understood to include advertisements and sponsored media work done for the purpose of influencing EU policy.

<sup>&</sup>lt;sup>4</sup> http://europa.eu/transparency-register/pdf/faq\_en.pdf

## What costs should I include in the calculation of my organisation's lobbying expenses?

Guidelines are provided that apply to all categories of registrants regarding the activities that should be included in the calculation of "interest representation"<sup>5</sup>.

#### Why we recommend adding extra information

The Transparency Register's requirements are insufficient for all categories of registrants. Registrants largely have to decide by themselves what they consider lobbying/interest representation expenses and what not. This leads to financial information that is not transparent and not comparable.

#### Our recommendations

In an effort to arrive at a more objective way of calculating lobbying expenditures, we have drafted guidelines that reflect the advice of professionals working on lobby transparency as well as relevant aspects of US lobby disclosure legislation.

When calculating your expenses related to lobbying the EU institutions, we suggest counting expenses for activities as listed below and related overhead costs. It is important that you also include expenses for any direct preparation of the activities below. This list goes beyond what the Commission and Parliament are asking for. It is not an exhaustive list, but for guidance only.

Meetings, conferences and demonstrations:

- 1. Meetings and discussions with members or officials of the EU institutions with the objective of influencing EU policy formulation and decision-making;
- 2. Participating in hearings, conferences and meetings organised by the EU institutions:
- 3. Organising or sponsoring events (such as conferences and round tables) that bring together representatives of the EU institutions and representatives who act on behalf of an interest group/organisation/company but are not lobbyists themselves (e.g. scientists, experts), with the purpose of influencing EU policy formulation and decision-making;
- 4. Organising or coordinating travel of people to meet members or officials of the EU institutions (primarily but not limited to Brussels or Strasbourg) with the specific objective of influencing EU policy formulation and decision-making;
- 5. Participating in expert groups, comitology and EU delegations;
- 6. Demonstrations and other forms of actions directly targeting EU institutions;
- 7. Travel, accommodations, in kind contributions, sponsored activities for members or officials of the EU institutions.

<sup>&</sup>lt;sup>5</sup> http://europa.eu/transparency-register/your-organisation/guidance-financial/index\_en.htm

#### **Our recommendations (continued)**

#### Written contributions:

- 1. Activities that are part of formal consultations on legislative proposals and other open consultations;
- 2. Preparing and sending letters and position papers to members or officials of the EU institutions with the objective of influencing EU policy formulation and decision-making;
- 3. Coordination of email and letter writing actions to members or officials of the EU institutions.

#### Publications, media work:

- 4. Publications produced specifically to influence EU policy formulation and decision-making;
- 5. Advertisements and media work done with the specific purpose of influencing EU policy formulation and decision-making.

For example this does not include activities such as capacity-building and coordination of a network if they are not carried out with the objective of influencing the policy formulation and decision-making processes of the European institutions.

Only if you consider that your organisation is entirely set up with the objective of influencing the policy formulation and decision-making processes of the European institutions and that all of your activities contribute to that objective, you can put your total budget as an estimate of your lobbying expenditure.

#### How do I calculate my organisation's lobbying expenses?

The Transparency Register secretariat provide limited guidance on how to calculate lobbying expenses. The Transparency Register Compliance Guidelines (Edition N° 1 of 23 June 2011)<sup>6</sup> lists 5 categories of costs that should be included in the lobbying expenses:

- "1. Staff cost: to be calculated on the basis of staff time (Calculated pro rata temporis) devoted to activities falling under the scope of the register and expressed in number of person/year. The share of personnel costs devoted to these activities will then be the sum of the respective shares.
- 2. Administrative costs (including costs of offices in Brussels): to be calculated by applying the share of staff cost, resulting from the above approach, to the administrative costs.
- 3. Outsourced activity costs, consultancies fees and subcontracted activities related to activities falling under the scope of the register.
- 4. In house operational expenditures: cost all operational expenditures related to activities falling under the scope of the register.
- 5. Full Membership fees, contributions and participation cost in all: trade or professional associations, think tanks, special event organized by third parties, which have not registered themselves in the joint Transparency register. These costs should not be taken into account for those organizations which have registered themselves. But in those cases, for transparency reasons, the list of these organizations should also be included in the list to provide under the label "networks" in the registration form."

#### Why do we recommend adding extra information?

You should include any expenses for lobby activities as listed in step 1. Your calculation should include expenses related to lobby activities done on your behalf or under your control, for example by national offices of your organisation, partner organisations, volunteers as well as public relations firms, event organisers, advertising agencies etc., unless these organisations register themselves.

When calculating the lobby expenses of your office you first need to determine how many people within your organisation do lobby work. To determine whether a person is doing lobby work please use the list of activities above (step 1). Once you have determined who does lobby work you can start calculating the lobbying expenses.

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<sup>&</sup>lt;sup>6</sup> http://europa.eu/transparency-register/pdf/guideline en.pdf

#### **Our recommendations**

#### Part 1:

a) Calculating lobbying costs related to salaries/fees:

Ask each employee to estimate (in %) how much time s/he spent on lobbying activities as listed above during the last 12 months.

Multiply this figure (% of working time spent on lobbying) with the (individual) staff cost (employee's gross salary+employer's costs; in the case of consultants: all fees+expenses).

#### Example

Person X spends 30% of his/her time on lobby activities. His/her gross salary and the cost to the employer amounts to 50 000 €/year. Following the calculation above the result would be: 0.30 X 50.000 = 15.000 €

b) Calculating lobbying costs related to support/organisational overhead cost:

Calculate in percentage how many persons of your total staff do lobbying activities (for example 5 out of 10 people = 50%).

Calculate the average working time (in %) that these employees together spend on lobbying. For the purpose of this example we say that this average is 30%.

The total work time that your office spends on lobbying would then be 15%.

Use this figure and multiply it with the total organisational overhead costs, for example 100.000€.

Result: Following the calculation above the result would be:  $0.15 \times 100.000 = 15.000$ .

c) Add up the results of staff cost figures and the organisational overhead costs related to lobbying.

Part 2: Calculate other costs related to any of the activities listed above, such as the production of lobbying material, advertisements, organising events, travel costs, per diems, paying external consultants which have been hired to help lobby or develop material for lobbying purposes, etc.

Part 3: Calculate the sum of results for part 1 and 2 and round it to the nearest 10.000€.

If your lobbying efforts also rely on other agents than your own staff (public relations/affairs firms, members, volunteers, head- and branch offices etc.) then you either add their lobbying expenses to your calculation or they register this information themselves and state clearly in their registration that the expense was done on behalf of your organisation. In that case, you should name the other registrant and indicate where the relevant information can be found in the register.

The result should equal a 'good faith estimate' of your total lobby expenses.



## Who should I consider as an interest representative in my organisation?

To obtain long-term accreditation to the Parliament a lobbyist must be named in the register.

#### Why do we recommend adding extra information?

Some of the biggest problems related to lobbying are conflicts of interests and revolving doors (former decision-makers taking on lobbying jobs and thereby providing clients who can afford to pay them with insider knowledge and contacts). Such problems cannot be identified unless lobbyists are named.

#### **Our recommendations**

We suggest that you prepare a list of the names of:

Anyone who is either employed or retained by your organisation for financial or other compensation for services that include four or more contacts (including letters) with members or officials of the EU institutions with the objective of influencing the policy formulation and decision-making processes of the European institutions during the reporting period; or whose lobbying activities (see non-exhaustive list under step 4) constitute 20 percent or more of his or her working time on behalf of your organisation.

The same criteria should be applied to persons who are employed or retained by an associated organisation (e.g. national office, member, head office, affiliate group), and who engage in EU interest representation on behalf of your organisation. You should either list these individuals in your registration, or name the other associated organisation and indicate where the relevant information can be found in the register.

Indicate on which policy issue(s) each person listed has lobbied during the reporting period.

Always indicate if any person you list has worked for the EU institutions within 5 years of first acting for you. In that case, state the position in which the person served within the EU institutions.

If some of the persons listed are volunteers you can indicate this if you wish.

#### How do I indicate specific lobbying issues?

The guidelines<sup>7</sup> recommend the following: "Registrants are advised to mention under this label the legislative files on which they have worked and led activities falling under the scope of the register during the preceding year. For the legislative files, it is the entirety of the process which is understood, that is: from earlier preparation (Green - White papers), including the Commission preparatory work up to the legislative process (Directives and regulations) and the adoption of the texts by the legislative bodies. It includes the Union annual budget, the multi-annual financial framework and major policy review processes."

#### Why do we recommend adding extra information?

Information about specific issues is essential to lobbying transparency.

#### **Our recommendations**

Prepare a list of all dossiers (EU laws, policies etc) that you have tried to influence during the reporting period (i.e. last 12 months). In so doing, it is important to list the references of the targeted legislative pieces as used within the European institutions that can be found on the European Parliament's legislative observatory: http://www.europarl.europa.eu/oeil/search/search.do.

The CSCG and ALTER-EU recommend including lobbying issues that fall outside the scope of the Register, such as activities of social partners and activities that result as a request of the Parliament or Commission (i.e. expert groups).

<sup>&</sup>lt;sup>7</sup>http://europa.eu/transparency-register/pdf/guideline en.pdf

#### **During online registration**

Use the online registration form which can be found at:

http://ec.europa.eu/transparencyregister/public/ri/registering.do?locale=en#en,

bearing in mind the extra information as proposed in the aforementioned steps.

Step 5

Where and how can I voice my critique of the register? Use the box on "Goals/remit" to make a pro-transparency statement.

The Transparency Register will run for a one-year test period (until Spring 2012), after which it will be evaluated. A formal consultation is foreseen between April and May, 2012, and the Register Secretariat is to issue a first Annual Report in September/October 2012.

In order to make the most of this evaluation we suggest your organisation to make a protransparency statement at the beginning of the online registration process.

#### Why do we recommend adding extra information?

The Commission and Parliament have not committed to any criteria for evaluating the register. There is a serious risk that the flawed Transparency Register will be declared a 'success' based on the quantity of registrants, only. Clear criticism of the current "Transparency Register", both in the register itself (as suggested here) and during the evaluation are crucial for moving towards a better system of EU lobbying disclosure.

#### Our recommendations

The online registration has a text box "Describe your organisation's goals / remit" where you can give a short description of your organisation.

We recommend that you use this textbox also to clearly state your concerns about the current register. You can do this by adding the following lines in this textbox ("Describe your organisation's goals / remit"):

"[ORGANISATION NAME] is committed to transparency about EU lobbying. [ORGANISATION NAME] believes that the Transparency Register fails basic transparency standards and does not yet live up to its name. We support ALTER-EU's demand for a mandatory nature of the register, safeguards against underreporting, and publication of the names of interest representatives.

When registering, we have therefore chosen to provide additional information that we consider necessary and relevant for lobbying transparency. A credible EU lobbying transparency register should include names of individual lobbyists and the issues that they try to influence, provide precise and comparable financial information on lobbying, and have effective monitoring and sanctions to ensure the accuracy and completeness of the information disclosed. In an effort to arrive at a more objective way of calculating lobbying expenditures, we follow guidelines that result from consultations with public interest organisations, professionals working on lobby transparency as well as experts of US lobby disclosure legislation. Our registration is therefore providing a more comprehensive calculation of our expenses for activities that aim to influence the policy formulation and decision-making processes of the European institutions, and a list of those who, on behalf of [ORGANISATION NAME], carry out such activities.

Our registration is based on the guidelines for transparent registration developed by the Civil Society Contact Group and ALTER-EU. Find the guidelines on http://www.act4europe.org/register or http://www.alter-eu.org"



## How do I disclose the names of people who act on behalf of my organisation?

There is no requirement to name the persons involved in the lobbying activities of a registrant.

#### Why do we recommend adding extra information?

Some of the biggest problems related to lobbying are conflicts of interests and revolving doors (former decision-makers taking on lobbying jobs and thereby providing clients who can afford to pay them with insider knowledge and contacts). Such problems cannot be identified unless lobbyists are named.

#### **Our recommendations**

We suggest that, in the textbox "interest representationNumber of persons engaged in activities falling under the scope" of the register and the sub section "complementary information", you insert the list of names as prepared in step 4

To list the relevant individuals, you can use the following sentence: "On behalf of [NAME OF YOUR ORGANISATION] the persons listed below have had, during the reporting period, four or more contacts with members or officials of the EU institutions with the objective of influencing the policy formulation and decision-making processes of the European institutions; or they have spent 20 percent or more of their working time on behalf of [NAME OF YOUR ORGANISATION] carrying out such activities:".

Always indicate on which policy issue(s) each person listed has worked.

Always indicate if any person you list has worked for the EU institutions within 5 years of first acting for you. In that case, state the position in which the person served within the EU institutions.

If some of the persons listed are volunteers you can indicate this if you wish.

#### Where do I indicate specific lobbying issues?

The European Commission advises registrants to "to mention under this label the legislative files on which they have worked and led activities falling under the scope of the register during the preceding year. For the legislative files, it is the entirety of the process which is understood, that is: from earlier preparation (Green Papers and White Papers), including the Commission preparatory work up to the legislative process (Directives and Regulations) and the adoption of the texts by the legislative bodies. It includes the Union annual budget, the multi-annual financial framework and major policy review processes.

CSCG and ALTER-EU strongly recommend all registrants to implement this. In order to establish this list, registrants are invited to use, as far as possible, the terminology and the references used by the institutions in their official documents such as:

- The European Commission annual work program<sup>8</sup>
- The European Commission Impact assessment web page (including the road maps)<sup>9</sup>
- The Legislative Observatory (European Parliament)<sup>10</sup>
- The Prelex data base<sup>11</sup>
- The Work in Progress web page of the European Parliament<sup>12</sup>
- The Work in Progress document by parliamentary committee<sup>13</sup>

#### Why do we recommend adding extra information?

Information about specific issues is essential to lobbying transparency.

#### **Our recommendations**

In the register's open textbox "Activities", you should list all specific lobbying issues (policies etc) that you have tried to influence during the reporting period (i.e. last 12 months) and targeted legislative pieces, as prepared following step 5 with official references such as used in the European Parliament's "Legislative Observatory (OEIL)".

<sup>&</sup>lt;sup>8</sup>http://ec.europa.eu/atwork/programmes/index\_en.htm

<sup>&</sup>lt;sup>9</sup>http://ec.europa.eu/governance/impact/index\_en.htm

<sup>10</sup> http://www.europarl.europa.eu/oeil/

<sup>11</sup>http://ec.europa.eu/prelex/apcnet.cfm?CL=en

 $<sup>^{12}</sup> http://www.europarl.europa.eu/activities/committees/openWorks.do?language=EN$ 

<sup>13</sup>http://www.europarl.europa.eu/comparl/cpc/wip\_en.pdf

#### What financial information should my organisation disclose?

NGOs, think tanks, research and academic institutions – organizations representing religious communities and local authorities, should provide a breakdown of the main sources of funding that includes: European procurement, grants, national, regional and local sources, donations and contributions. Organisations are given the option to add any other source of funding that is used for activities under the remit of the register.

The CSCG and 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)

#### Why do we recommend adding extra information?

The lack of common data disclosure rules means that the financial information in the register cannot be compared or aggregated. If you register in the NGO category, the entire annual budget of your organisations might be compared to the lobbying expenses of a commercial firm. This could easily lead to false and misleading conclusions.

#### Step 9

## Should my organisation sign up to the Commission's Code of Conduct?

The "Transparency Register" requires that you agree to the Transparency Register Code of Conduct.

#### **Our recommendations**

While the Transparency Register Code of Conduct is insufficient, one has to agree with it in order to complete the registration process.

#### After online registration

#### Step 10

#### What do I need to do after I have registered?

Once you have registered, please send an email to the ALTER-EU co-ordinator (koen@alter-eu.org) so we can send you future updates of these guidelines and keep you informed about the progress of our lobby transparency campaign. We also welcome comments to further improve these guidelines.

#### **IMPORTANT**

Please keep a record of your registration and all updates, as long as the Commission register does not have its own public archive.

#### 5. Contact

Should you have further questions don't hesitate to contact:

ALTER-EU 26 rue, d'Edimbourg B-1050, Brussels

0032-28931062

#### 6. For more information

- o Find the register at: http://europa.eu/transparency-register/index\_en.htm
- o Find the FAQ from the Commission on: http://europa.eu/transparency-register/your-organisation/faq/index\_en.htm
- o Find the Civil Society Contact Group press release on the launch of the register: http://www.act4europe.org/code/en/actions.asp?id\_events=134 .
- o Find here related letters the Civil Society Contact Group sent to the Commission in <a href="May">May</a> and <a href="March">March</a> 2008.
- o Find earlier briefings on transparency by the Civil Society Contact Group dating from May 2007 and May 2006.
- o Find letters, press releases and general information about the ALTER-EU here: <a href="https://www.alter-eu.org">www.alter-eu.org</a>