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Parliamentary scrutiny of international institutions

Report

Committee on Political Affairs and Democracy

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Summary:

International institutions play an increasingly important role in the system of governance and their influence over national policies has been constantly growing. The decisions taken in these institutions are influence the lives of millions of citizens.

However, in most cases, these institutions suffer from a democratic deficit which damages their image in the eyes of the public and the efficiency of their activities. Citizens are often poorly informed about decisions affecting them, and have insufficient means of expressing their opinions. The imbalance between the growing power of international institutions and the absence of democratic scrutiny of their activities constitutes a major challenge for democracy.

The Assembly believes that parliamentarians must play a leading part in implementing a democratic mechanism to control these international institutions, and to this end proposes a series of measure to be taken at national and international level.



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A. Draft resolution

1. The emergence of issues on a continental and global scale is increasingly challenging the effectiveness and competence of national policies, and reinforces the need for greater international scrutiny and co-operation.
2. In response to this need, the international community has established a great many worldwide or regional international institutions. Over recent years, their role in the system of governance and their influence over national policies have been constantly growing.
3. Decisions taken in these institutions increasingly influence the lives of millions of citizens. Yet the latter are often poorly informed about the activities of international institutions and are rarely enabled to exercise influence on decisions affecting them. The imbalance between the growing power of international institutions and the absence of democratic scrutiny of their activities constitutes a major challenge for democracy.
4. The insufficient transparency of their decision-making tools and the absence of machinery to monitor international institutions prompt in the general public to reject or even amongst certain minority groups to react violently against them. Civil society's need to express itself on the major issues of the day which the international institutions are supposed to resolve finds expression in alternative forums. The potential for protest can also be exploited by extremist political movements.
5. It is accordingly necessary to make good the democratic deficit at present suffered by international institutions, which seriously hampers their efficiency, and to make them more accountable to society. The decision-making process needs to be made more transparent, and the public, through their democratically elected representatives, needs to be able to take part in it effectively.
6. The Assembly believes that in this field parliamentarians, in their national parliaments and international parliamentary assemblies must play a leading part in this.
7. It considers that parliamentary scrutiny of the work of international institutions must begin at national level. Consequently, it calls upon the national parliaments of Council of Europe member states to exercise their powers to the full in this sphere and in particular:
 - a. to hold regular debates on the activities of international institutions, based on reports submitted by the government;
 - b. to make use for this purpose of budgetary procedures and other means at their disposal;
 - c. to propose to the governments to include parliamentarians in national delegations participating in meeting of international institutions.
8. The Assembly reaffirms its support for a parliamentary dimension of the United Nations and believes that greater parliamentary involvement in the work of this worldwide international organisation would help enhance its authority and efficiency. It welcomes the fact that several national delegations to the United Nations General Assembly now include national parliamentarians and calls upon the governments of member States of the Council of Europe:
 - a. to make this practice more general, by reserving seats for parliamentarians of both ruling and opposition parties in the delegations to the General Assembly;
 - b. to apply this practice to other conferences and meetings organised in the framework of the United Nations and its specialist agencies.
9. The Assembly stresses the importance of the debates it organises on the work of several international institutions, such as OECD, the EBRD, IMF, WTO, etc. For international financial bodies, transparency and accountability are necessary requirements if they are to command public support. It believes in this context that the proposal made by the Inter-Parliamentary Union to establish a parliamentary assembly of the WTO deserves careful consideration. Similarly, while underlining the already existing role of the PACE in the accountability of OECD and EBRD, it believes that parliamentary accountability of the IMF, the World Bank and other global organisations deserve equally careful consideration.
10. Regarding the European Union, the Assembly welcomes the institutional role of the European Parliament, the first international parliamentary institution to be elected by direct suffrage, and urges that the competences of this Parliament should be enhanced. However, national parliaments, which play a key role in adapting national legislation to Community standards, should be more involved in the Union's decision-making process.

B. Draft recommendation

1. The Assembly refers to its Resolution(2002) on parliamentary scrutiny of international institutions, and, as regards the Council of Europe, it contends that the effectiveness of its work depends to a great extent on effective co-operation between its two statutory bodies, the Parliamentary Assembly and the Committee of Ministers.
2. In order to improve this co-operation, the Assembly recommends that the Committee of Ministers:
 - a. allow for greater involvement by the Parliamentary Assembly in the budgetary process, especially as regards determining the ceiling of the Council of Europe's overall budget;
 - b. establish a co-decision-making process for the adoption of any text of a treaty nature;
 - c. introduce the practice of the official participation of the President of the Assembly at the meetings of the Committee of Ministers;
 - d. reinforce monitoring procedures, including by the use of comparative methods;
 - e. improve the transparency of the implementation of Assembly recommendations.

C. Draft order

The Assembly refers to its Resolution ... (2002) on parliamentary scrutiny of international institutions, and instructs its Political Affairs Committee:

- a.* to give detailed consideration as to how a parliamentary dimension can be introduced into the work of the United Nations;
- b.* to come forward with a report and recommendations.

D. Explanatory memorandum by the Rapporteur

1. Introduction

1. The resignation of the European Commission on 16 March 1999 has drawn public attention to the lack of transparency in the decision-making procedures of international institutions and also to the way in which public resources are spent by their executive organs. A motion for a resolution was tabled by Mr Ruffy and others on 31 May 1999 and led to the commencement of work on a report on these matters.

2. International institutions often suffer from a lack of credibility which stems from the so-called "democratic deficit" experienced by citizens *vis-à-vis* these institutions. Symptoms of this institutional *malaise* can manifest themselves both internally and externally. The former category includes issues of representation; voting rights and weighting; effective participation in debates; effective consultation in decision-making processes and the accountability of executive organs to their corresponding parliamentary bodies. As regards external symptoms, questions of transparency, accountability, information-disseminating mechanisms and participatory democracy are all to the fore.

3. There is a patent need to increase parliamentary control of, and involvement in, the business and activities of the executive branch of international institutions in order to:

- make these institutions more accountable;
- make decision-making processes more transparent (to promote public interest and further support);
- enhance citizens' comprehension of the functioning of these institutions;
- ensure more effective participation in debates by both citizens and their national representatives.

4. In order to guarantee continuity in case of governmental change, as well as to offer the broadest parliamentary involvement possible, parliamentary control should be carried out by delegations which are constituted by the representatives of both the majority and the opposition.

5. "Parliamentary scrutiny" becomes even more crucial at a time when most issues become global. Globalisation increases the role and competence of international organisations and policy-making tends to shift from national level to international level. Parliamentary involvement should therefore be considered more important at this juncture.

6. Clearly much improvement remains to be made in the way in which the national parliaments address the activities of various international institutions. While some national parliaments hold annual debates on their activities, others never do so. It is essential to improve this as the scrutiny must start at the national level. By holding annual debates, the national parliaments can give valuable recommendations to their governments on matters related to the activities of specific institutions.

7. This report provides an analysis of existing parliamentary control mechanisms in a selection of international political and financial institutions. The report also suggests measures for strengthening such control mechanisms and for enhancing the overall operational transparency of international institutions.

2. Overview of Parliamentary Control in International Political Institutions

2.1. European Organisations: Different Levels of Parliamentary Control

2.1.1. Council of Europe

8. The Parliamentary Assembly of the Council of Europe plays a determinative role, in particular in accession and monitoring procedures. It is consulted on the elaboration of legal instruments and elects the judges of the European Court of Human Rights. At present, interaction by the Committee of Ministers with the Parliamentary Assembly takes several forms: the Statutory Report of the Committee of Ministers; its requests for the Assembly's opinion; the follow-up to Recommendations of Assembly and replies to oral and written questions submitted by Assembly members. The Joint Committee is the forum set up to co-ordinate the activities of, and maintain good relations between, the Committee of Ministers and the Assembly. It is composed of a representative of each member Government and a corresponding number of representatives of the Assembly (the members of the Bureau and one representative of each parliamentary delegation of member States not represented in the Bureau).

9. The Political Affairs Committee of the Parliamentary Assembly started under its former Chair, Mr Terry Davis, a new practice by which it holds an exchange of views with the Minister for Foreign Affairs of the country that has just taken over the Chair-in-office of the Committee of Ministers. Also the out-going Chair-in-office and the next-to-come Chair participate in this exchange of views. These meetings have proven very useful, not only for the parliamentarians as they allow them to get their voices heard as regards the priorities of the Chairs-in-office, but also for the Chairs-in-office themselves as they get to reconsider what ought to be continued as a priority from the previous Chair and what the next-to-come Chair should prepare for. As from the second half of 2002 these exchanges of views will be organised by the Standing Committee.

10. In conformity with the proposal made by the Committee of Wise Persons (October 1998), the Secretary General should submit annually to the Parliamentary Assembly and to the Committee of Ministers a short report on the state of the Council of Europe including proposals for developing the activities of the Organisation.

2.1.2. European Union

11. The European Parliament is one of the world's most fully-fledged international parliamentary assemblies and its legitimacy is underwritten by the election of its members by direct universal suffrage every five years. Its status has evolved by virtue of successive treaties from being a purely consultative body to a veritable legislature. Plenary sessions of the Parliament take place for one week per month and its deliberations and decisions are of public character. The extensive use of all eleven working languages of the Union (including simultaneous translation of all parliamentary and committee debates) renders the activities of the Parliament accessible to all parliamentarians and also to ordinary citizens of member states.

12. Members of the Parliament participate in standing committees which deal with thematic issues. Joint parliamentary committees maintain relations with the parliaments of States linked to the EU by association agreements. Inter-parliamentary delegations perform a similar role with the parliaments of many other countries and with international organizations. As is the case with the Parliamentary Assembly of the Council of Europe, a secretariat provides necessary back-up support for parliamentary work. The Parliament shares powers of co-decision with the Council of Ministers in most matters, but the power to adopt the annual budget of the EU is vested in the Parliament alone. The Parliament's brief for the democratic supervision of other EU institutions covers the European Commission, the Council of Ministers, the European Council and the political co-operation bodies which are accountable to Parliament. It is also empowered to establish committees of inquiry into matters of concern.

13. Valuable ideas have been raised in the Political Affairs Committee aiming at improvement of the involvement of the national parliaments in the work of the EU. Notwithstanding the foregoing, concern has been expressed over their lack of involvement of decision-making of the European Union. It has been argued that policies of European application should be formulated with the full knowledge and approval of its constituent peoples. This stance has prompted calls for debate on the establishment of an upper chamber in the European Parliament representing the national parliaments of the EU countries. However, several parliaments of central Europe, who are candidates for EU membership, are now beginning to increase their impact on EU related issues. The work on the adaptation of national legislation to EU standards must obviously go through national parliaments and members of Parliament should be very well aware of EU policies.

14. It has also been proposed as alternative idea for debates that an assembly of the European Union should be constituted, acting not only as an upper chamber of the European Parliament, but also maintaining dialogue with the European Council, the European Commission and other institutions of the EU. This assembly could be constituted of MPs appointed by their national parliaments. The applicant countries for membership could enjoy a status of 'special guest' or 'observer' with a right to speak but not to vote. It would promote their readiness to act properly and accordingly when their countries join the EU and it would increase the knowledge of members of the European Parliament of the problems faced by the applicant countries.

2.1.3. Organisation for Security and Co-operation in Europe

15. The Parliamentary Assembly of the OSCE convenes annually and its sessions are ordinarily public. The Assembly provides a forum for debate on, and assessment of, OSCE activities. It is also the forum for putting questions to the Ministerial Council, which comprises Foreign Ministers of Participating States. A Final Declaration is adopted at the end of each Annual Session, as well as resolutions and recommendations, all of which are transmitted to the Ministerial Council, the Chairperson-in-Office and the national parliaments of Participating States. It is stated in the Rules of Procedure of the OSCE Parliamentary Assembly that reports of

Committees and decisions of the Assembly shall be transmitted to the Ministerial Council for their consideration, but no reciprocal consultative process would seem to exist. Reports of Committees and decisions of the Assembly are also forwarded to the national parliaments of Member States, but as the words “for their consideration” are omitted, it can be assumed that the purpose of such transmission is informative and not consultative.

2.2. United Nations: The Need for a Parliamentary Dimension

16. In its [Recommendation 1476 \(2000\)](#), the Parliamentary Assembly of the Council of Europe encourages the United Nations to start developing a parliamentary dimension to its work, in close co-operation with the Inter-Parliamentary Union. Such a development could address the need to heighten awareness of the UN’s objectives and activities in national parliaments; stimulate greater participation by parliamentarians in the work of the UN and thereby facilitate consultative, or at least communicative, interaction between the UN and national bodies. The UN Secretary General, Mr Kofi Annan, has set a course for significant structural reform of the UN and the strengthening of its already existing parliamentary element could be examined in this context, as well as the enhanced involvement of NGOs from around the world in UN activities.

17. The Sub-Committee on the Relations with Non-Member Countries has participated on two occasions in the General Assembly debate on the co-operation between the United Nations and the regional agencies (55th session in October 2000 and 56th session in December 2001). It is encouraging to note that during the 56th debate, three national delegations (Germany, Sweden and the United Kingdom) allowed a member of the Sub-Committee to address the General Assembly on behalf of their national delegation. Members of the Assembly must continue to pressure their governments to include each year parliamentarians in the national delegations to the General Assembly and to allow more parliamentarians to address the General Assembly.

18. It is equally reassuring to note that during his address to parliamentarians attending the 56th General Assembly, Secretary General Kofi Annan said that “*the parliamentary voice - voice of the people – must be a component of the work of the United Nations. Parliaments are places where much of a country’s important business is carried out. [...] it is in parliament that the laws of the land are made.*” He furthermore added that today the role of the parliaments is more pivotal than ever, especially in the struggle against terrorism. He called on the parliamentarians for assistance in implementing the Security Council [Resolution 1373 \(2001\)](#) on terrorism, as well the UN conventions and protocols on international terrorism.

2.3. North Atlantic Treaty Organization

19. There is no explicit mention of the NATO Parliamentary Assembly (NATO-PA) in the NATO Treaty, yet a working relationship between NATO-PA and NATO proper has been developed since 1967. NATO-PA is an inter-parliamentary assembly and in recent times, its Standing Committee has tended to meet annually with both the Secretary General and the Permanent Representative to the North Atlantic Council at NATO headquarters. The purpose of such meetings is to exchange views on the state of the Alliance and the perspectives of legislators. Throughout the year, contacts are maintained between both bodies at various levels. As a rule, NATO-PA meets in public.

2.4. The Inter-Parliamentary Union

20. The Inter-Parliamentary Union is the world organization of parliaments of sovereign States. It is a forum for global parliamentary dialogue and its work is geared towards promoting peace and co-operation among peoples and towards the anchoring of representative democracy. However, delegations are appointed by different methods and the legitimacy and democratic credentials of some of the parliaments represented do not always correspond to best international standards. Through the contacts it facilitates and the activities it coordinates, the IPU seeks to stimulate and to direct action by parliaments and parliamentarians throughout the world. Foremost amongst the IPU’s concerns are the contribution made by national parliaments to processes of international co-operation, the implementation of international programmes and policies on a national level and the development of parliamentary dimensions to multilateral institutions. Crucially, it is the duty of each national group in the IPU to “submit the resolutions of the Union to its respective Parliament, in the most appropriate form; to communicate them to the Government; to stimulate their implementation and to inform the Secretariat of the Union, as often and fully as possible, particularly in its annual reports, as to the steps taken and the results obtained.” (Art. 8, Statutes of the IPU).

21. The Inter-Parliamentary Council is the plenary decision-making body of the IPU. It establishes the annual programme and budget of the Union and a number of committees and working groups conduct their activities under its auspices. The Secretary General is also accountable to the Council, at least insofar as

she/he is obliged to submit to each ordinary session a written report on the state and work of the IPU. The Council also exercises a very important control on the financial operations of the IPU. The Union's accounts, after having been examined by the External Auditor, must be submitted each year by the Secretary General to the two Auditors appointed by the Council from amongst its members. When audited, the accounts must then be presented for approval to the Council. All Council debates take place in public, save when decided otherwise by a majority of votes cast. Provision is made for attendance at Council debates - in an observatory capacity - by representatives of international organizations.

22. The primary responsibility of the Executive Committee is to oversee the administration of the IPU and it is expected to advise the Council on issues within its sphere of competence.

23. The Statutory IPU Conference is the principal statutory body that expresses the views of the IPU on political issues. It assembles parliamentarians twice a year for the purpose of studying international problems and making recommendations for action. In keeping with the policies of the IPU, the Statutory Conference designates national groups as the bridging link between its activities and national parliaments. One noteworthy feature of voting procedures in the Conference is that provision is made for authorizing delegates to briefly explain their vote after voting has taken place, save in the cases of amendments and procedural motions. The Conference reserves the right not to keep any records of meetings which it holds in private.

24. It should be pointed out that the IPU organises valuable annual meetings of members of parliaments included in the national delegations to the UN General Assembly. The Sub-Committee on the Relations with Non-Member Countries have participated in these meetings on several occasions. Not only are these meetings informative as UN high officials brief the participants on different UN activities, but also as they allow those members of parliament present at the General Assembly get to know one another and allow them to co-ordinate their participation.

2.5. Other Regional organisations

2.5.1. Central European Initiative

25. The stated objectives of the Central European Initiative pivot on a collective determination to strengthen (i) co-operation between its member states in economic matters, and (ii) their participation in the relentless process of European integration. The elimination of existing and potential dividing lines in Europe is another central goal of the initiative. The Parliamentary Committee / Conference of the CEI is attended by delegations representing national parliaments. The mainstay of its policy-formulation and decision-making takes place at the annual meetings of Ministers of Foreign Affairs and meetings of Heads of Government. The failure of the CEI – to date – to attain an optimal level of visibility can be explained, at least in part, by financial and personnel constraints. These constraints inevitably hamper attempts to develop an effective outreach programme and extensive structures for liaising with the media, NGOs, representatives of the business community and other interested parties.

2.5.2. Commonwealth of Independent States

26. The objectives of the Commonwealth of Independent States (CIS) can be briefly summarized as being promotional of political and economic co-operation between Adhering States. The main organs of the CIS are its Council of Heads of State and its Council of Heads of Government, which are assisted in their activities by supporting structures, in particular the Executive Committee. The Committee is responsible for the coordination of interaction with Member States, statutory and sectoral organs of the Commonwealth and also international organizations. The Committee seeks to facilitate consultation and information-exchange. To this end, it has developed a data-base of multilateral agreements between CIS states and is increasingly tapping the informative potential of internet resources. Different types of publications are issued by the Committee and its outreach strategies include participation in symposia and events organized in international fora.

27. In March 1992, the CIS set up the Interparliamentary Assembly of Member Nations of Commonwealth of Independent States (IPA). This body acts as an advisory body in preparing draft legislative instruments of common interest, harmonising national legislative efforts and according to its Convention of 1997 it is an inter-state body and a key agency of the CIS. At present, parliaments of the following states are members of IPA: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Takikistan, Ukraine and Uzbekistan. In June 1997, the IPA Council and the Bureau of the Parliamentary Assembly signed an Agreement of Co-operation. The IPA delegations attend regularly the Assembly sessions.

28. The Standing Committee of the Parliamentary Assembly of the Council of Europe will organise jointly with the CIS Interparliamentary Assembly an International Forum on Combating Terrorism in St. Petersburg on 27-28 March 2002.

2.5.3. Black Sea Economic Co-operation

29. The Black Sea Economic Co-operation has identified economic co-operation and the encouragement of free enterprise as appropriate vectors for hastening economic, technological and social progress. It is also mindful of environmental concerns within its geographical parameters and of the guiding principles of the ongoing work of the OSCE. The organizational structure of the BSEC comprises intergovernmental, inter-parliamentary, inter-business and financial components. The dominant body in the intergovernmental component is the Meeting of the Ministers of Foreign Affairs (MMFA) of the Participating States. It is a decision-making body with responsibility for all matters pertaining to the functioning of the BSEC. The MMFA has established Working Groups and a Permanent International Secretariat to supplement its own work. The objective of Parliamentary Assembly of the BSEC is to strengthen pluralist democratic structures and political stability in the Black Sea area by providing a legal basis for the co-operative activities espoused by the BSEC. The inter-business component is known as the BSEC Council. The Chairpersonship of the Council rotates every six months and regular interaction between national business communities of Participating States is secured by this and other means. The Black Sea Trade and Development Bank is the BSEC mechanism entrusted with the formulation and implementation of the organization's joint regional and other financing projects.

2.5.4. Nordic Council

30. The Nordic Council provides a forum for co-operation between Nordic parliamentarians and between parliamentarians and governments in the Nordic region. The Nordic Council of Ministers, for its part, hosts meetings between Nordic Ministers and / or civil servants. Its areas of interest include education, youth affairs, economic issues, welfare and industry, resource-management, the environment and regional politics.

2.6. Observations

31. The brief description (above) of the mechanisms for parliamentary control in a selection of international political institutions reveals a manifest lack of uniformity in the nature and indeed, in the varying efficiency of such mechanisms. Existing mechanisms in any given body are often indicative of its actual commitment to ideals of transparency and accountability. The European Parliament and the Parliamentary Assembly of the Council of Europe are not without structural and operational imperfections, yet they nonetheless stand out from the majority of other similarly-conceived bodies by virtue of the relative sophistication of their consultative structures and practices. Consultation is the vitalizing link which binds together the decision-makers and the public from whom they derive their mandate. Checks and balances have always been at the very heart of all models of modern democracy, where the primacy of Montesquieu's tripartite division of powers is assured.

3. Overview of Control Mechanisms in International Financial Institutions

3.1. Functioning of Financial Institutions

3.1.1. World Bank

32. The mission of the World Bank is to reduce poverty throughout the world by using its banking services (especially loans, policy advice and technical assistance) in a way that would favour the empowerment of local populations. The Bank consists of five institutions, the purposes of which are clearly delineated: the International Bank for Reconstruction and Development (provides market-based loans and development assistance to help middle-income countries and creditworthy poorer countries reduce poverty); the International Development Assistance (to provide interest-free loans, technical assistance and policy advice to the poorest countries); the International Finance Corporation (promotes growth in developing countries by financing private sector investments, mobilizing capital and providing technical and advisory assistance to governments and businesses); the Multilateral Investment Guarantee Agency (encourages foreign investment by providing guarantees to foreign investors by providing guarantees against loss caused by non-commercial risks in developing countries) and the International Centre for Settlement of Investment Disputes (provides facilities for the settlement by conciliation or arbitration of investment disputes between foreign investors and their host countries).

33. The World Bank works extensively with government agencies, NGOs and the private sector. The world-wide dimension to the Bank's activities, plus its interplay with a huge number of different actors, means that it is imperative that the Bank furnish a maximum amount of information about its activities and policies for public consumption. The Bank does, in fact, boast wide-ranging provisions for information disclosure, many of which impress by their elaborate character. One feature of the Bank's publicity strategy is its InfoShop which provides, on request, Project Information Documents free of charge.

34. The Bank has made concrete efforts to increase NGO involvement in its projects. It has also overseen a conscious trend towards the increased delegation of project decisions to Resident Missions in its Member States as part of an overall commitment to consolidating existing Resident Missions and establishing new ones.

35. As regards financial accountability, statements of the Bank's financial position are published quarterly. Audited financial statements are published in the Annual Report and unaudited statements are included in the semi-annual update of the Bank's Information Statement.

36. Any constraints on the disclosure of information have the objective of preserving the integrity of the Bank's deliberative process and its relations with its member countries. There is the further relevant consideration of confidentiality when information submitted to the Bank is commercially sensitive.

3.1.2. World Trade Organization

37. Since the Third Ministerial Conference of the World Trade Organization (WTO) in Seattle in 1999, issues of internal and external transparency have been understandably high on the organization's agenda. Consultations on how to improve internal transparency have been initiated and, in tandem, an investigation is being conducted by the Secretariat into practical ways of improving existing means for the communication of information to Members. These efforts have involved improving on-line data-bases available to Members and pilot projects to use electronic means for keeping delegations informed of WTO activities. A daily bulletin also contains information on the previous day's activities. Measures have been taken to enhance the level and quality of participation in WTO activities by Members who do not have permanent representatives in Geneva (including the appointment of a liaison officer for such Members). The objective of stimulating Members' participation in the work of the WTO also led to the establishment of 94 reference centres in lesser-developed countries, thus rendering relevant documentation more accessible to governments and other interested parties in those countries.

38. The founding agreement of the WTO provides for co-operation with NGOs, and subsequent guidelines have fleshed out the substance and import of this provision. While not directly involved in the WTO's work, NGOs are increasingly present at Ministerial Conferences and they continue to participate in symposia organized by the WTO Secretariat. A complementary practice which is also of importance to the organization's outreach activities, is that WTO staff participate in events organized by NGOs and academic institutions. Regular briefings for NGOs on the work of WTO committees and working groups are held under the auspices of the WTO Secretariat. Furthermore, the Secretariat provides Member Countries with a list of miscellaneous documents received from the NGO community each month. This documentation is made available to Members on request.

39. In his statement to the Parliamentary Assembly of the Council of Europe (23 January 2002), Mr Moore, Director-General of the WTO, called on the parliamentarians to be active at the national level in implementing priorities set by the 4th WTO Ministerial Conference. He also said that their work at the national level must be complemented at the international level: *"The trend of the globalisation of public policy issues will continue and cannot be ignored. Public apprehension needs to be calmed by elected officials and I believe you have a critical role to play. Parliamentarians need to engage in the critical issues and be perceived by the public to be doing so."*

40. The IPU organised a meeting of parliamentarians on the occasion of the 4th WTO Ministerial Conference. Similar meetings, organised either by the IPU or another organisation, should become a custom.

3.1.3. European Investment Bank

41. As the financing institution of the European Union, the European Investment Bank enjoys its own legal personality and financial autonomy. The *raison d'être* of the Bank is to finance capital projects which are consonant with the objectives of the EU as part of a concerted drive towards the integration, balanced

development and economic and social cohesion of EU Member States. Its remit extends beyond membership of the EU: it also implements the financial components of agreements concluded under European development aid and co-operation policies.

42. The policies of the EIB are informed by those of Member States and of the EU Institutions, but the interests of the business and banking sectors and other relevant international organizations are not without influence either. It consists of Ministers designated by each EU Member State, usually the Ministers for Finance. The principal institutional partner of the EIB within the EU is the European Commission, but it also keeps the other EU institutions – and the general public – informed of its activities through its contributions to the different Commission reports and publications on attainment of Community objectives. The Bank has an independent external audit structure.

3.1.4. Organisation for Economic Co-operation and Development

43. The aims of the Organisation for Economic Co-operation and Development are set out in Article 1 of the OECD Convention. They include the achievement of the highest sustainable economic growth in member states; contribution to economic expansion in Member States as well as non-member states in the process of economic development and contribution to the expansion of world trade on the basis of multilateral and non-discriminatory relations. Article 3 attaches importance to consultative and informative measures for the realization of OECD's objectives, by obligating Member States to: "(a) keep each other informed and furnish the Organisation with the information necessary for the accomplishment of its tasks; (b) consult together on a continuing basis, carry out studies and participate in agreed projects; and (c) co-operate closely and where appropriate take co-ordinated action." Article 6.1 gives expression to the OECD's concern for procedural transparency: "Unless the Organisation otherwise agrees unanimously for special cases, decisions shall be taken and recommendations shall be made by mutual agreement of all the Members." In practice, publicity for the Organisation's activities is ensured by the publication of books, a magazine and policy briefs, as well as multimedia products. Liaising with journalists and other international organisations is equally part and parcel of the OECD's publicity strategies. As can be seen below (see paragraph 47), the OECD since its earliest days is equipped with a parliamentary monitoring body, namely the Enlarged Parliamentary Assembly of the Council of Europe.

3.1.5. European Bank for Reconstruction and Development

44. The European Bank for Reconstruction and Development was established in 1991 to foster the transition towards open market-oriented economies and to promote private and entrepreneurial initiative in the countries of Central and Eastern Europe and the Commonwealth of Independent States (CIS) committed to and applying the principles of multiparty democracy, pluralism and market economics. The EBRD seeks to attain these objectives through investments which strive to ensure the implementation of structural and sectoral economic reforms and the promotion of private enterprise.

45. A presumption of information disclosure in the interest of public accountability is central to the philosophy of the EBRD. To this end, the Bank has adopted an official Public Information Policy (PIP) which prioritises, *inter alia*, operational transparency and receptiveness to comment. The Bank's commitment to the PIP can be gauged by its decision to assign a liaison specialist to communicate with NGOs and other stakeholders. This Policy provides for a consultation process involving the posting of draft sectoral policies on the Bank's web-site in advance of their finalization. The public is invited to submit any pertinent comments it might have prior to the adoption of the sectoral policies, after which time they will be duly presented as such, again on the web-site. This consultation procedure does not, however, extend to the Bank's financial policies. Summary documents for private sector projects are generally given similar advance publicity.

3.1.6. International Monetary Fund

46. The International Monetary Fund is, in its own words, an international organization "established to promote international monetary co-operation, exchange stability, and orderly exchange arrangements; to foster economic growth and high levels of employment; and to provide temporary financial assistance to countries to help ease balance of payments adjustment." Under the Articles of Agreement of the IMF, the organization is obliged to publish an annual report containing an audited statement of its accounts. It is also required to issue, at intervals of three months or less, a summary statement of, *inter alia*, its operations and transactions. The informal communication of views by the IMF to any Member on matters arising under the Agreement is provided for. Furthermore, the IMF may, with a 70% majority of the total voting power, decide to publish a report made to a Member State regarding its monetary or economic conditions and developments which directly tend to produce a serious disequilibrium in the international balance of payments of members.

3.2. Control by External Parliamentary Institutions

47. The Committee on Economic Affairs and Development of the Council of Europe's Parliamentary Assembly serves as a parliamentary forum by special agreement for annual or otherwise recurring debates on the activities of a number of international institutions, notable among them the Organization for Economic Cooperation and Development (OECD) and the European Bank for Reconstruction and Development (EBRD).

48. The yearly debates on OECD activities – on the theme “The OECD and the World Economy” - are held by an Enlarged Assembly with the participation of the OECD Secretary General. Here parliamentary delegations from all the forty-four member states of the Council of Europe and the six non-European member countries of the OECD (Australia, Canada, Mexico, New Zealand, the Republic of Korea and the United States) enjoy equal rights as regards voting, etc. The equally annual debates on EBRD activities – entitled “The EBRD and Progress in Transition” - include the participation of the President of the Bank.

49. Regular debates on the basis of reports originating with the Committee on Economic Affairs and Development are also held on the activities of the World Trade Organisation (often centered on the effects of globalisation), the World Bank and the International Monetary Fund (predominantly focussed on North-South cooperation), the European Free Trade Association (EFTA), the United Nations Economic Commission for Europe (UN-ECE), the European Conference of Ministers of Transport (ECMT) and the European Civil Aviation conference (ECAC). The Parliamentary Assembly can in this way be said to exert a parliamentary insight into, and influence over, the work of the above-mentioned organisations on behalf of national parliaments and, through them, on behalf of citizens and taxpayers.

50. Furthermore, the Parliamentary Assembly is the venue for occasional debates on the activities of organizations such as UNHCR, UNICEF, the International Labour Organization (ILO), the International Committee of the Red Cross and the International Organization for Migration.

51. I should point out here to the Inter-Parliamentary Forum of the Americas (FIPA), which held its inaugural meeting in Ottawa (Canada) in March 2001. This new Forum groups parliamentarians from 26 member countries of the Organization of American States. Its purpose is to promote parliamentary participation in the inter-American system and to contribute to inter-parliamentary dialogue. It has three working groups dealing with strengthening of democracy – good governance and corruption, creation of prosperity (Free Trade Area of the Americas), and realizing human potential. The FIPA will meet next in March in Mexico. The Parliamentary Assembly should follow the work of the FIPA and benefit from the presence of the Observer delegations from Canada and Mexico to keep it informed of the latest developments.

3.3. The Contribution of Parliamentary Control to the Democratic and Human Rights Dimension of the Objectives and Functioning of International Financial Institutions

52. Transparency and accountability are the minimum structural requirements for ensuring public support for the activities of the international organizations considered in this report. Projects should, ideally, be explained to and discussed with the public (or at the very least, representatives of the public) and then agreed, not imposed. Such consultative procedures are the only effective safeguard for democracy that is truly participatory. Whereas accountability is often considered to be largely the preserve of parliamentary control mechanisms, its sister-virtue of transparency is of the utmost importance to the general public.

53. The accessibility of information is a vehicle for stimulating debate, broadening knowledge and understanding, facilitating coordination amongst involved or interested parties. It is also a necessary prerequisite for securing public support for policies or their implementation. However, the ability to access information does not, of itself, fulfil the requirements of the democratic paradigm. Effective provision for consultative processes is a further *sine qua non* for creating or sustaining a healthy model of democracy.

4. Suggestions for Promoting Transparency and Openness

54. This report has focused on established and emerging trends for the promotion of transparency in international parliamentary assemblies. It has also subjected the decision-making processes of international financial institutions to renewed scrutiny. It is clear that any useful suggestions for enhancing transparency and openness in the type of institutions considered, will necessarily be defined by an imaginative implementation of some form of eclecticism drawing on examples of best current practices. It is clear that no new structures should be set up to carry out the parliamentary scrutiny, several bodies already carry out this

function in different ways. It is important that they co-ordinate in their function in order to improve their scrutiny in a more efficient manner. Given the dual nature of transparency, what is required is a recalibration of internal procedures and efforts to guarantee the external visibility of the activities of organizations:

4.1. General Recommendations:

- regular debates in national parliaments on the policies and activities of international institutions;
- set up committees in national parliaments responsible for following the activities of different international institutions and making recommendations to their respective governments;
- strengthening of other measures to ensure that the work of international institutions is kept high on the agenda of national parliaments;
- include parliamentarians in the national delegations to various international institutions, notably to the United Nations General Assembly;
- budgetary committees to closely monitor the financial operations of international institutions;
- independent audits of the financial accounts of international institutions;
- a presumption of disclosure to prevail within international institutions concerning all information on its policies and activities, with non-disclosure being strictly limited to instances where compelling competing interests are at stake;
- distribution of all pertinent documentation to national representatives in advance of and following meetings of supranational parliamentary bodies;
- internet sites and other means to facilitate communication with public;
- development of structures to ensure greater openness and responsiveness to NGOs;
- improvement of relationship with media, both structured interaction and *ad hoc* briefings;
- create a parliamentary organ in international institutions which lack such a structural dimension;
- strengthen political and budgetary control mechanisms within existing parliamentary organs;
- input into debates on the formulation of objectives and programmes and into decisions on the use of resources, by representatives of the governments and / or parliaments of Member States, NGOs, other interested parties, and, to the greatest extent possible, the public in general ;
- involvement of all parties concerned in decision-making by international institutions ;
- exchanges of views between the executive and the parliamentary body of national and international institutions;
- adequate means of sanctioning executive organs of international institutions.

4.2. Council of Europe: Specific Recommendations:

- improvement of working relations between the Parliamentary Assembly and the Committee of Ministers;
- improvement in the functioning of the parliamentary fora in which the functioning and future orientation of certain international institutions are debated;
- new proposals emerging from the Summit of Heads of State and Government and the Report of the Wise Persons, as outlined in [Opinion 208 \(1999\)](#);
- greater consultation with the Parliamentary Assembly before fixing the ceiling for the overall budget of the Council of Europe
- greater autonomy for the PA in the management of its own budgetary and administrative matters
- adoption of co-decision procedure for the adoption of any draft convention, agreement and protocol
- provision for an address by the President of the PA to the Committee of Ministers at the beginning of each ministerial meeting
- reinforcement of monitoring activities, with new sanctions and improved follow-up to Parliamentary Assembly Recommendations, introducing also comparative methods.

- reappraisal and stream-lining of activities, structures and working methods
- development of outreach projects, including medium- and long-term presence in certain Member States
- further development of inter-institutional cooperation
- adoption of policy of taking public political positions on current developments, notably through its Chairman
- enhancement of Council of Europe's field-presence
- improvement of contacts with media, NGOs, trade unions, youth organisations and national authorities.

4.3. European Union: Specific Recommendations

- promotion of strengthening of the involvement of EU national parliaments in the work of the European institutions

4.4. Other international institutions: Specific Recommendations

- allowing involvement of parliamentarians in their activities
- promotion better relations with the public, including NGOs and media

Reporting Committee: Political Affairs Committee

Reference to Committee: [Doc. 8430](#), Reference 2473, 24.01.00 (modifying Reference 2467)

Draft Resolution, draft Recommendation and draft Order unanimously adopted by the Committee on 7 May 2002

Members of the Committee: *Jakič* (Chairman), *Baumel* (Vice-Chairman), *Feric-Vač* (Vice-Chairperson), *Spindelegger* (Vice-Chairman), *Aliyev*, *Andican*, *Arzilli*, *Atkinson*, *Azzolini*, *Bakoyianni*, *Bársony*, *Behrendt*, *Berceanu*, *Bergqvist*, *Bianco*, *Björck*, *Blaauw*, *Blankenborg*, *Bühler*, *Cekuolis*, *Clerfayt*, *Daly*, *Diaz de Mera*, *Dreyfus-Schmidt* (*alternate: Lemoine*), *Durrieu*, *Frey*, *Glesener*, *Gligoroski*, *Gönül*, *Gross*, *Henry*, *Hornhues*, *Hovhannisyan*, *Hrebenciuc*, *Iwinski*, *Judd*, *Karpov*, *Kautto*, *Klich*, *Koçi*, *Lloyd*, *Loutfi*, *Margelov* (*alternate: Popov*), *Martinez-Casan*, *Medeiros Ferreira*, *Mignon* (*alternate: Goulet*), *Mota Amaral*, *Mutman*, *Naudi Mora*, *Neguta*, *Nemcova*, *Oliylyk*, *Paegle*, *Pangalos*, *Pourgourides*, *Prentice*, *Prisacaru*, *de Puig*, *Ragnarsdottir*, *Ranieri*, *Rogozin*, *Schloten*, *Severinsen*, *Stepová*, *Surjan*, *Timmermans*, *Toshev*, *Udoenko*, *Vakilov*, *Vella*, *Voog*, *Weiss* (*alternate: Svec*), *Wielowieyski*, *Wohlwend*, *Wurm*, *Yarygina*, *Zacchera* (*alternate: Malgieri*), *Ziuganov* (*alternate: Slutsky*), *Zhvania* (NN.....), *Bosnie-Herzégovine* (*alternate: Tokic*).

N.B. The names of the members who took part in the meeting are printed in italics

Secretaries of the Committee: Mr Perin, Mr Sich, Mr Chevtchenko, Mrs Entzminger