

ESM welcomes report by Transparency International

Luxembourg – The European Stability Mechanism welcomes Transparency International’s initiative to assess the transparency and accountability of the institution. The ESM fully engaged with Transparency International’s work on their report over the last months. It is particularly gratifying to see that the ESM is praised for a number of its practices.

“From the very first days of the ESM, I have worked hard to create a culture of transparency and accountability. For a public institution with a central role in the stability of the euro area, this is of the utmost importance. I am pleased to see that Transparency International recognises and supports this work,” said Klaus Regling, Managing Director of the ESM.

“Naturally, as a young institution, there are always areas where we can do better and we continuously aim at getting better when it comes to transparency and accountability. I take note of the report’s recommendations in the field of euro area governance. Many of them cannot be implemented by the ESM as they fall within the competence of the 19 euro area Member States, but the recommendations form a useful contribution to the public debate,” he said.

Transparency International positively notes a number of ESM practices and policies. The report notes the ESM’s “world class audit arrangements” and commends Mr Regling for engaging in a regular dialogue with the European Parliament, although he has no legal obligation to do so. The report also commends the ESM Board of Auditors and Board of Governors for publishing the 2015 Board of Auditors’ Annual Report. Furthermore, the report recognises the ESM’s initiative in publishing annotated agendas and summaries of decisions related to ESM financial assistance programmes. This has enhanced the ESM’s transparency regarding the decision-making process in relation to programme activities. The report also states that the ESM has “a detailed and public procurement policy that meets best practices”.

Finally, the ESM has decided to make improvements to its compliance procedures, following up on a recommendation made by Transparency International. For example, the Managing Director will from now on file a public declaration of financial interests in line with peer practice at EU institutions.

Transparency International will be invited to present the report to ESM staff in the near future.

For more information, please consult our [Explainer](#)

About the ESM

The European Stability Mechanism (ESM) has the mandate to preserve financial stability in the euro area by providing financial assistance to Member States with severe financing problems. It is a permanent inter-governmental institution, inaugurated on 8 October 2012. ESM assistance may include loans, precautionary credit lines, the purchase of bonds of ESM Members in primary and secondary markets, and the recapitalisation of financial institutions directly and through loans to governments. All financial assistance to Member States is linked to appropriate conditionality. The ESM finances its assistance by issuing bonds and other debt instruments. The shareholders of the ESM are the 19 euro area Member States. It has a total subscribed capital



of approximately €700 billion, which comprises €80 billion in paid-in capital and €620 billion in committed callable capital. The ESM's maximum lending capacity is €500 billion.

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