

[REDACTED]

From: [REDACTED]

Sent:

To:

Euro-Ombudsman

Cc: [REDACTED]

Subject:

Dear Ms O'Reilly,

Thank you very much for the email and for the inspection report. To understand even better how the procedures and criteria used in the setting-up of the HLF CMU resulted in such a seriously biased expert group, a number of follow-up questions could be addressed to DG FISMA:

-) Why was the call for applications not extended to include Type C members?
-) It would be good to ask DG FISMA for a breakdown by type of reason for rejecting valid applications. Also an explanation of what features made, and what features did not make, an application invalid. (I find it striking that a cv that was not made using the Europass format was enough to make an application invalid, but that submitting a company presentation instead of a normal cover letter was apparently okay. See question 7b.)
-) What happened to the Type A applications that received a low score on the conflicts of interest scale? The answers to 4a, 5, 6a and 8 clarify that a significant risk of a conflict of interests was no reason for disqualifying an applicant because overall balance of the HLF was deemed to be ensured and because the expertise of the applicants in question was allegedly needed. Even a blatant case of allegiance of a Type A member to a company was not sufficient for disqualifying them (answer to question 7b). This is a questionable decision, and has, in this case, led to an obviously unbalanced expert group. I believe that the Ombudsman should consider this in her final recommendations.

There are also two observations that I would like to bring to the Ombudsman's attention:

-) The answers to 4a, 5, 6a and 8 clarify that a significant risk of a conflict of interests, as measured by a low score on the conflicts of interest scale, was no reason for disqualifying an applicant for Type A membership because overall balance of the HLF was deemed to be ensured and because the expertise of the applicants in question was allegedly needed. Even a blatant case of allegiance of a Type A member to a company was not sufficient for disqualifying them (answer to question 7b). This is a questionable decision, and has, in this case, led to an obviously unbalanced expert group. I believe that the Ombudsman should consider this in her final recommendations.
-) Answers suggest that DG FISMA's idea of balance meant covering all relevant sectors of the financial industry and, to a certain degree, geographical and gender balance, but there seems to have been no understanding of the potential divergence between the public interest and the interests of interest groups. Nor was there any appreciation of the importance of stakeholder balance, which would explain why so few Type B-members were from the non-financial sector, the one that is supposed to benefit from more access to capital markets financing. I believe that the Ombudsman should ask DG FISMA to explain what 'balance' means to them and to justify that.

I hope, you will have the opportunity to address these questions and I am looking forward to the rest of the investigation.

Best regards,

[REDACTED]

[REDACTED]

[REDACTED]