



Open Spending EU
COALITION

A whitepaper on

Opening up Recovery and Resilience Facility spending

The Recovery and Resilience Facility

The EU Recovery and Resilience Facility (RRF) is an historic intervention by the EU, which will see €672.5 billion being given out to Member States before 2026 to help mitigate the economic and social impact of the pandemic. With such a large amount of money being released to Member States over such a short period of time, open and transparent spending is essential to ensure effective multi-stakeholder monitoring of these funds. Transparency will help ensure that funds are spent in the correct way and that the financial interests of the Union are protected.



Lack of Transparent Spending Obligations in Regulation 2021/241

Despite the pressing need to ensure the recovery funds are used correctly, Regulation 2021/241 establishing the Recovery and Resilience Facility lacks guidance on exactly what Member States should publish proactively, nor how this should be done in order to facilitate effective multi-stakeholder monitoring of spending of EU funds.

Of particular concern is the lack of transparency obligations around the final recipients of the funds at both the EU and the national level. Normally, when the EU spends funds via what is known as “Direct Management”, data on those natural and legal persons within a Member State receiving the funds - the recipients - is to be collected and published by the Commission in its Financial Transparency System (FTS). Given that the RRF funds are being spent under Direct Management, one would expect the same to happen. Yet, in the case of the RRF, the Member States are considered to be the final recipients. Therefore the FTS will only display the amounts allocated to the Member States, and will not provide details on the natural or legal persons receiving funding within each Member State.

At the national level, Member States have to collect information on final recipients and on the beneficial owners of any company receiving funding, yet they do not have to make this information public. Instead, Member States will give the Commission access to this information for audit and control purposes, as and when required to do so

Lack of Transparent Spending Commitments in National Plans

Without concrete obligations within the RRF Regulation, it is up to Member States to decide whether they proactively publish detailed information on the spending of RRF funds, including the final recipients. [A study carried out by The Open Spending EU Coalition in May 2021](#), shows there is a resounding lack of commitments to transparency of spending in the National RRF Plans. Out of the 22 EU Member States analysed, it was found that while two thirds (68%) of countries committed to proactive publication of information about RRF implementation (with 59% of countries creating a single portal for that), only two countries (Cyprus and Romania) actually mentioned providing accessible, open data on their spending.

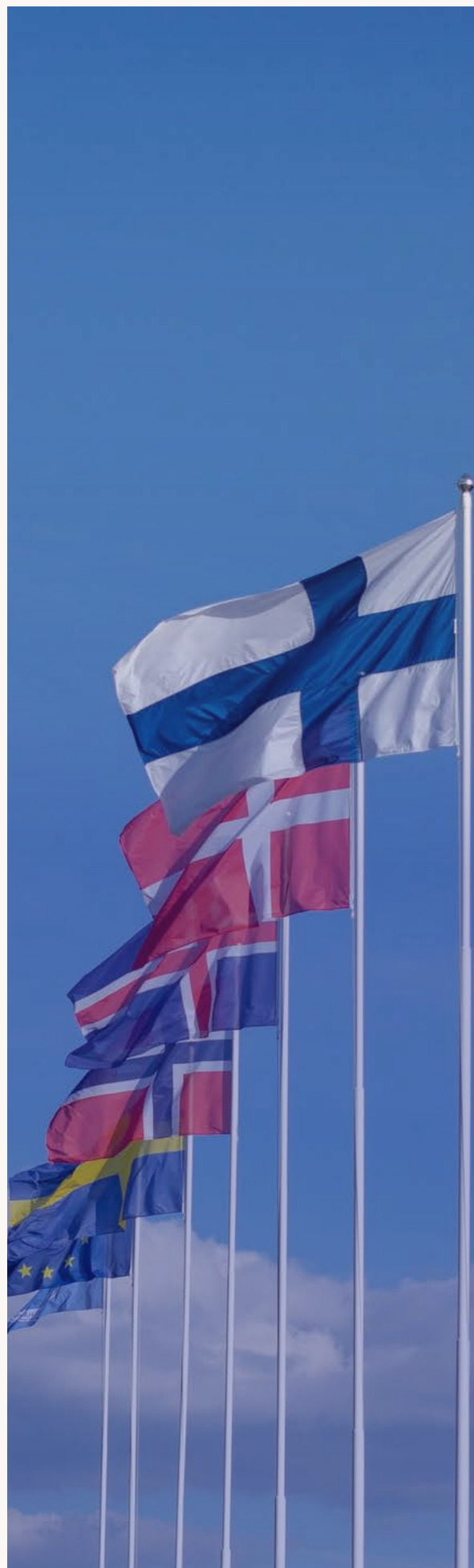
Only One Country (Sweden) Committed To Publishing Audit Reports And Commission Reports, And Only Two Countries Promised To Publish Full Information On Final Recipients (Bulgaria, Romania).

Irrespective of whether transparency of spending was explicitly mentioned in National Recovery Plans, some countries already have extensive transparency of public spending and plan to integrate RRF spending transparency into existing structures. Others are considering instituting greater transparency of RRF spending as a basis for developing broader programmes to increase open data on public spending. Our guide is, therefore, designed for both scenarios, providing recommendations which can form the basis of a new open spending initiative and/or serve to inform strengthening of pre-existing transparency.

How to achieve transparent and open spending

Transparent and open spending is attainable and realistic. To support the European Commission and Member States in establishing the right mechanisms for this, the [Open Spending EU Coalition](#) has come up with concrete, practical recommendations. These recommendations focus on exactly what should be published proactively, and how this information can be published to facilitate multi-stakeholder participation and monitoring.

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Recommendation to Member States

How to publish RRF information

1.

On a central web portal

Each Member State should create and maintain a central web portal where all the information on the spending of RRF funds is published. Where possible, RRF expenditure data should be part of a central portal on all public expenditure. [New York Checkbook](#) is a great example for collating all public spending data.

2.

With the appropriate
open data format

All published information should be made available in machine-readable open data formats. The exact format chosen depends on the kind of data: JSON for linked data, csv for bulk data, ODF for text documents.

3.

As structured data,
using data standards

Standardised and structured formats should be used, linking data across the whole budget, funding, or contracting cycle. For public procurement, transparency should run from planning to tendering, contracting, implementation, payments, and evaluation. The most widely-accepted way to do that is using the Open Contracting Data Standard (OCDS) and the Beneficial Ownership Standard.

4.

Implementation of
unique identifiers

Governments should make use of unique identifiers and reference numbers which permit full tracking of the spending against milestones and targets, and which enable identification of beneficiaries. The Unique IDs should be those from company registers and beneficial ownership registers and those that can identify other beneficiaries, ranging from government departments to natural persons receiving funds. Other tracking codes should be defined for the milestones and targets, and funding instruments and priorities. A good practice example of this is Lithuania.

How to publish RRF information

5.

Publication Plan

A publication plan should be created to establish a release calendar, along with publication schemes specifying which information is to be published. This helps government officials to publish data in a timely fashion and ensures that data users know when data will be published. In many countries publication plans are already in place for other open data releases. For procurement data the OCP provides a template that can be used.

6.

User-friendly dashboards

RRF data on the central portal should be published on user-friendly dashboards that will help boost consultations and reuse by non-experts. Dashboards help public officials and civil society to track, analyse and monitor data and RFF spending. A good example hereof is Italy's public procurement dashboard.

7.

Simple oversight and engagement mechanisms

Effective mechanisms to act upon feedback should be instituted, so that monitoring can lead to impact. The central portal should provide straight-forward feedback templates, along with contact details of the responsible government body. There should be regular public reporting on how the government is acting upon feedback.

8.

Access to data in bulk and via an open API

RRF data should be published using an API and in bulk to respond to the needs of different stakeholders. In particular, for technical applications that rely on small batches of data that change frequently, an API is most suitable. For stakeholders that need to analyse an entire dataset, providing for bulk data download is more appropriate.

9.

Changelog

A changelog should be kept to make it easier to track amendments and changes over time. It should capture changes in the dashboard, API, and datasets. It should also report on changes in the allocated RRF budgets over time, along with the grounds for such changes, for example altered policy priority or the outcomes of audits. A great example is the open data changelog of the City of Vancouver.

What RRF information should be published

Section I: National-level spending of RRF

Information about the distribution of the Funds to final recipients

The following information should be made public for all spending of the RRF Funds:

1.

Planning information and documents, including needs assessments, public consultation reports, and terms of reference of specific instruments;

2.

Competition/granting scheme information and documents, including terms of reference of competitions, submissions received, evaluation by committee members, evaluation of submissions, and the award decision notice;

3.

Contract and implementation information/documents, including content of the contract (redacted only when strictly required by national legislation), milestones and targets, amendments, and payment information.

The following information should be made public for all these categories:

- Milestone/Programme reference numbers,
- name of institution granting funds,
- description of the contract,
- Information about final recipients
- unique ID of beneficiaries,
- amount granted,
- date,
- date of grant conclusion,
- link to underlying documents

Public Procurement

RRF procurement information across all stages of procurement (planning, tendering, contracting, implementation and payments), including:

1.

Planning information and documents, including needs assessment, public consultation reports, terms of reference of specific instruments, etc.

2.

Procurement scheme information and documents, including terms of reference, submissions/bids received, evaluation committee members, evaluation of submissions, and the award decision notice;

3.

Contract and implementation information/documents, including content of the contract (redacted only when strictly required by national law), milestones and targets, amendments, and payment information..

What RRF information should be published

Section II: Final recipients

With regard to information collected on final recipients as required under the RRF Regulation 2021/241, at a minimum, Member States should publish:

1.

If the recipient is a government body or agency, create and provide a unique reference number for that body;

2.

For all natural persons recipients of the funds, the full name of the recipient along with a unique reference number, and a registered address. If the recipient is to receive under €1,250, then, as per EU Regulation 1306/2013 on the transparency of the agricultural funds, only the NUTS2 region of the recipient shall be published.

3.

If the recipient is a legal person, including companies, foundations, and non-governmental organisations, provide the name of the legal person, a unique ID, a registered address and, for companies, the ID of beneficial owners as per Article 3.6 of EU Directive 2015/849;

4.

For all subcontractors, publish the names and unique IDs and registered addresses of all subcontractors, along with the ID of the beneficial owners.



What RRF information should be published

Section III: Milestones and targets

What should be published

1.

The Commission Excel Sheet Template with overview of all Milestones and Targets, Costs, Impact, Investment Baseline ([Annex to the Guidance to Member States on the Recovery and Resilience Plans: Tables for the template](#)) that was submitted with the National Recovery Plan.

2.

Operational arrangements with appendices

Section IV: Audit and Control

What should be published

1.

Payment requests submitted to the Commission (including the information allowing the Commission to assess the fulfillment of the conditions)

2.

Summary of audits carried out (to accompany payment request)

3.

General audits carried out on the national budget by national oversight institutions

4.

Commission on-the-spot checks



Recommendations to the European Commission

What should be published



Annual Reports to the European Parliament and the Council on the implementation of the Facility.



Review Report to the European Parliament and the Council on the implementation of the Facility (to be released before 31 July 2022).



Information and documents shared during any recovery and resilience dialogue between the European Parliament and the Commission.



Information and documents related to any administrative investigations, including on-the-spot checks and inspections.



Publish information on funds financed by the European Union.

As per other Direct Management funds, make available information on the final in-country recipients of funds financed from the Union budget in the Financial Transparency System, in accordance with Article 38^o of the Financial Regulation. This should include at least:



Updates of National Recovery Plans.

1. The name of the recipient;
2. The locality of the recipient, namely:
 - a. The address of the recipient when the recipient is a legal person;
 - b. The region on NUTS 2 level when the recipient is a natural person receiving under €1,250;
3. The amount given;
4. The nature and purpose of the measure.

About Open Spending EU Coalition

We are a collaboration of non-government organisations and professionals working to ensure that government spending is done fairly, openly, efficiently, and creates the best value for money and best outcomes for Europe. We are working at the national and EU levels to advance the principles of openness in spending of funds, procurement, and company ownership within the EU.

We are Access Info Europe (Spain), ePaństwo Foundation (Poland), Forum Informationsfreiheit (Austria), Funky Citizens (Romania), Government Transparency Institute (Hungary), K-Monitor (Hungary), Open Contracting Partnership, Open State Foundation (Netherlands), Parliament Watch (Italy), Transparency International EU, Transparency International (Lithuania), Transparency International (Portugal). Individual members: Adriana Homolova (Slovakia), Daniel Arosa Otero (Spain), Manuel Garcia (Spain).

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