

The need for transparency over Europe's Recovery and Resilience Facility

The EU Recovery and Resilience Facility (RRF) will see €672.5 billion in loans and grants being spent to mitigate the economic and social impact of the coronavirus pandemic in Europe.

Our **Open Procurement EU** Coalition analysed EU's RRF Regulation 2021/241 and 22 member states' national plans under the Facility (those available in May 2021) to look for commitments to open and accountable reporting on how that money will be used.

We 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). In our overall assessment, the countries scoring highest for proactive communication were Bulgaria, Cyprus, Romania and Sweden.

A full seven countries did not commit to any transparency requirements: Austria, Croatia, Denmark, Germany, Poland, Slovakia, Slovenia.

QUICK RESULTS

68%

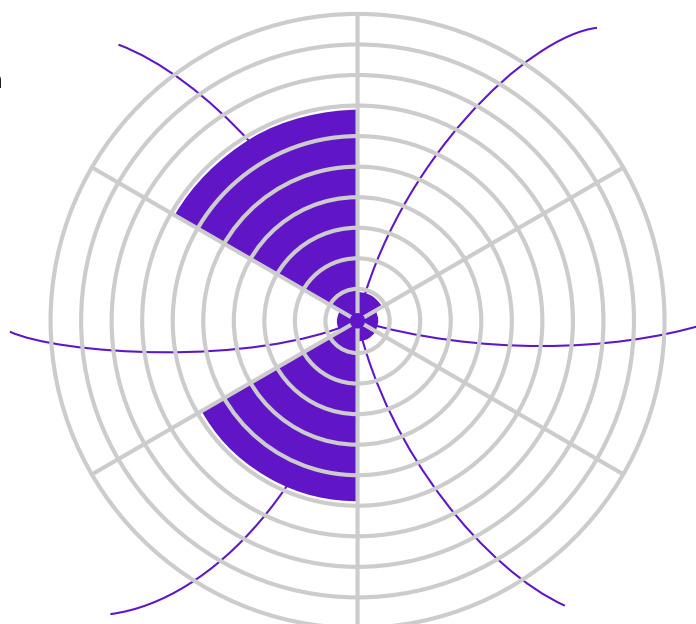
of countries will publish some RRF spending information proactively

5%

of countries will publish information as open data

59%

will use single RRF information portal



9%

will publish information about ultimate recipients

5%

will publish reports to the European Commission

5%

Will publish audit reports

ABOUT THE COALITION

Open Procurement EU is a collaboration of non-governmental organisations and professionals working across Europe to deliver on the vision of a single, open, and inclusive market in procurement, where government money is spent openly and fairly, resulting in the best outcomes for Europeans.

The EU Recovery and Resilience Facility (RRF) is an historic intervention by the EU, which will see €672.5 billion in loans and grants being raised collectively to mitigate the economic and social impact of the pandemic. In order to access these funds, Member States must submit their recovery and resilience plans to the European Commission laying out how they plan to spend the funds by 2026.






Although the EU will vet the plans initially, the management and oversight of RRF spending will take place at the national level, with the Commission stating that Member States' national control systems will serve as the main instrument for safeguarding the financial interests of the Union.¹

Open Procurement EU Coalition has looked at both the RRF Regulation 2021/241 and 22 Member States' national RRF plans (i.e. all those available by end of May 2021) to look for commitments to open and accountable reporting on how that money will be used.

Transparency about the funds is very important given the RRF is such a high-profile project and is so essential to European solidarity and economic recovery from the pandemic. We have already seen significant abuse of emergency procurement. More generally, the EU has acknowledged that public procurement remains the number one corruption risk for more member states² and is concerned that up to €5 billion may be lost due to corruption every year.³

We found that while 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) mentioned actually providing accessible, open data on their spending. Only one country (Sweden) committed to publishing audit reports and Commission reports, and only two countries (Bulgaria, Romania) promised to publish full information on final recipients. In our overall assessment, the countries scoring highest for proactive publication were Bulgaria, Cyprus, Romania and Sweden.

The Open Procurement EU Coalition's full assessment of the RRF spending proposals by Member States is below. The key transparency commitments that we would expect to see and against which we conducted the evaluation are:

-  A commitment to proactive publication of RRF spending;
-  Data released in an accessible open data format;
-  Information gathered in a single portal;
-  Plan to publish Information about the final recipients of the spending (either grant or contract) and a explanation of what the funds were granted for; and
-  A commitment to publish commission and audit reports.





































































































































RESULTS

Overall, we found that transparency commitments were patchy. While there is a strong focus in the plans on communicating positive results of the investments to the wider public, there are no clear commitments to go beyond routine government control mechanisms to ensure proactive information publication and engage with wider stakeholder groups to plan and monitor the RRF spending. We only saw commitment to publish Information on final recipients in Bulgaria and Romania; audit reports and reports submitted to the Commission in Sweden.

Member States' national RRF plans risk failing to ensure that RRF funds are spent with the levels of transparency and accountability they deserve, especially given the low levels of public trust across the continent at the moment. A further concern is that the lack of commitment to transparency at the national level runs directly counter to the pledges made by Europe's leaders, including Angela Merkel (Chancellor of Germany), Thierry Breton (EU Commissioner for Internal Market) and, very specifically, Emanuel Macron (President of France) who recently stated that "all stimulus packages should be available in open data, allowing citizens to follow the money".⁴ It is not, however, too late for Member States to commit to full transparency and tracking of RRF funds and our recommendations propose how.

COUNTRY SCORECARD⁵

We assigned 1 point or 16% of total possible weight when there is an explicit mention of a specific commitment (for example, if there is a clear mention that the RRF spending information will be made available to the public) and 0 points when there is no such mention in a country's RRF plan. We acknowledge that there likely will be situations when countries publish RRF spending information under their general country / EU spending rules without an explicit mention in the RRF plan. However, as a vital intervention for Europe's post-pandemic recovery and such a high-profile demonstration of Europe's collective spending, we strongly believe that citizens deserve clear reporting and tracking of the stimulus package to help ensure that it is properly spent on an inclusive, green recovery.

	RRF requires proactive publication?	Open Data?	Single portal available?	Information about final recipients?	Commission reports	Audit reports	Total score
TOTAL EU	68%	9%	59%	9%	5%	5%	
ROMANIA							66%
SWEDEN							66%
BULGARIA							50%
CYPRUS							50%
BELGIUM							33%
CZECH REPUBLIC							33%
FINLAND							33%
FRANCE							33%
GREECE							33%
HUNGARY							33%
ITALY							33%
PORTUGAL							33%
SPAIN							33%
LITHUANIA							16%
LUXEMBOURG							16%
AUSTRIA							0%
CROATIA							0%
DENMARK							0%
GERMANY							0%
POLAND							0%
SLOVAKIA							0%
SLOVENIA							0%

KEY RECOMMENDATIONS

The Open Procurement EU Coalition urges both the European Commission and Member States to ensure that national RRF plans meet the following criteria:

- Proactively publish information on RRF procurement and spending as user-friendly, timely, high-quality, well-structured and standardised open data. Specifically, this should include publication of:
 - All public procurement contracts that are funded by RRF, covering the whole process from their planning to implementation. These contracts should be clearly identifiable as RRF contracts;
 - Information on final recipients of funds including data on contractors and sub-contractors and their beneficial owners;
 - Reports on both the implementation of milestones/targets and on monitoring and control to prevent corruption, this should at least include audit reports and reports submitted to the European Commission;
 - Information on public consultations held with citizens and stakeholders on the creation of the RRF plan.
- Create a single public portal where information on spending, implementation and control of RRF is proactively published.
- Ensure that the national access to information legislation applies to all information regarding RRF.
- Directly support civil society oversight to help uncover, prevent and deter corruption by establishing **effective mechanisms** to enable meaningful exchange of feedback between citizens and authorities. This can include availability of financial resources, effective mechanisms of participation and a general respect for civic space.

More generally, many members of the Coalition (those who are also part of the Tenders Guru Consortia) have also produced detailed recommendations on EU procurement reform more generally. A recent expert [analysis with recommendations is available here](#).

For more information visit www.open-procurement.eu.

ENDNOTES

- 1 Article 22 of the Regulation requests that Member States collect data on the final recipient of the funds, including data on contractors, sub-contractors and their beneficial ownership but that this information is for audit only and Member States are not obliged to release this information publicly.
- 2 http://ec.europa.eu/dgs/home-affairs/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf, p.21
- 3 <https://www.politico.eu/article/corruption-costs-eu-990-billion-year-rand-study-fraud-funding/>
- 4 <https://www.youtube.com/watch?v=Xkmbg899KoM> (last accessed 11 June 2021)
- 5 Contact us at www.open-procurement.eu for the full methodology.