

Open Spending EU

COALITION

Open Recovery:

Transparency in the Recovery
and Resilience Fund
in ten EU countries

2023

Open Spending EU Coalition is a collaboration of non-government organisations and professionals working to ensure that government spending is fair, open and efficient and creates the best outcomes for Europe. We are working at the national and EU levels to advance openness in EU funds spending, procurement, and company ownership. More information: www.open-spending.eu.

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Executive Summary

The Recovery and Resilience Facility (RRF) is planned to transform the European Union and its Member States to make them more resilient and to improve economies and public services.

However, the Facility's governance does not have robust public transparency requirements, which hinders the work of journalists and civil society organisations in preventing corruption or money laundering and makes it difficult to assess the effectiveness of investments.

Following the pressure from, among others, the Open Spending EU Coalition, the EU legislators recently mandated the Member States to publish a list of the 100 largest fund recipients once every six months, including the data about the recipient's legal name and the amount of funds received.

The EU's existing data architecture allows for the publication of considerably more data. Some countries went beyond minimum EU requirements and published more spending information than legally required, but citizens deserve more – countries do not ensure sufficient recommended transparency levels. Our recommended disclosure and transparency standard is developed to ensure citizens can track funds effectively and use that information to spot potential problems and improve the public goods, services and works that impact their daily lives.

This report reviews the current state of RRF data publication in ten EU countries. It is intended to close the transparency guidance gap and help countries increase transparency beyond EU compliance.

This pilot study was conducted in Bulgaria, Croatia, Czechia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia. It finds that:

- ◇ Member States publish just under 60% of the recommended information.
- ◇ The published information is only about 60% user-friendly.
- ◇ Two countries publish less than 50% of RRF spending information: Czechia (36%) and Romania (29%).
- ◇ Bulgaria (85%), Estonia (80%), and Lithuania (76%) are leading in how much and how well information is published.
- ◇ Member States publish little information on final recipients, especially about subcontractors or natural persons behind companies.

Bulgaria has an official Portal for EU funds – [“UMIS 2020”](#) – that lists projects under the RRF plan, including the activities, procurement procedures, participating organizations, financial information, and indicators. It also contains the unique ID of participants, such as contractors and subcontractors, through which other data can be found in other public registers.

Lithuania has a [central portal](#) where publication plans, changelogs, and feedback channels are available; also, data on granting schemes and procurement are in open data formats.

The key lessons are:

- ◇ While national authorities promote transparency and comply with EU regulations, citizens deserve more – countries do not ensure sufficient recommended transparency levels.
- ◇ There are varying practices in publishing the personal data of fund recipients, hinting towards uncertainty about how personal data protection applies in public spending.
- ◇ Spending and contracting parties’ data are often published on multiple, rarely interoperable platforms, making linking data across them burdensome.

Our recommendations:

- ◇ The EU legislators should pursue a comprehensive policy of uniform obligations to publish information about its budget spending. This can be done by amending the Financial Regulation and including the *Public Spending & Public Procurement* category as a High-Value Dataset under Article 14 of Open Data Directive 2019/1024.
- ◇ The EU should introduce higher and clearer standards of personal data disclosure in the EU funds-related regulations.
- ◇ Member States should create central portals containing all available public information about public spending from the planning process to contract execution.



Introduction

The [EU Recovery and Resilience Facility](#) (RRF) is a historical intervention by the EU, with €672.5 billion being given out to Member States to boost reforms and investments to mitigate the economic and social impact of the pandemic. Accountability and transparency on how money is spent – and on who – is critical to ensure the RRF at the core of this investment delivers in making European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions.

Despite a terrible track record of corruption and misspending in EU funds, the European Commission did not commit Member States to rigorous reporting and public oversight requirements on these loans and grants.

Following the pressure from, among others, the Open Spending EU Coalition, the [EU legislators recently mandated](#)¹ Member States to publish a list of 100 recipients receiving the highest amount of funding once every six months, including the data about the recipient's legal name and the number of funds received.

This is positive but too little of a step to increase the transparency of the RRF. [The Open Spending EU Coalition Whitepaper](#) advises how to achieve meaningful RRF transparency levels. Citizens should be able to see data about the entire funding process, from planning to contract execution, including final recipients, as open data.

This report shows how much and how well ten Member States in the CEE region publish RRF data. It is intended to close the gap in the European Commission guidance and help countries increase transparency beyond mere EU compliance.

We analyzed:

- ◇ What information is published, focusing on the data recommended by the mentioned Whitepaper.
- ◇ How information is published, focusing on the format and accessibility of RRF spending information, such as whether the information is published on a central portal and whether it is in open data formats (e.g. CSV, XML, XLSX.).

The detailed methodology is annexed to this report.

The report does not assess the progress in spending or whether countries are meeting

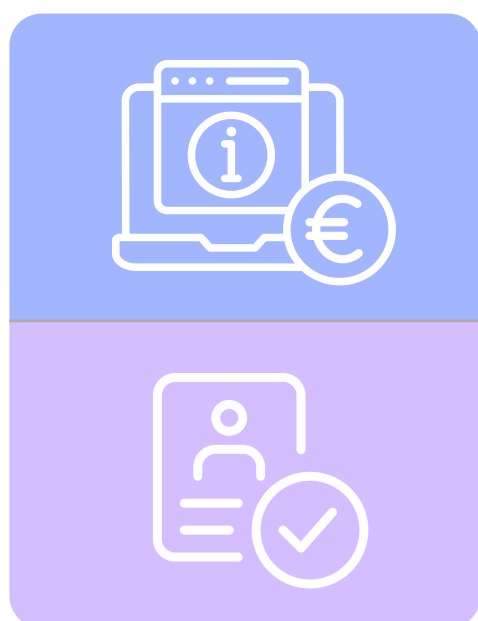
¹ Regulation (EU) 2023/435 of the European Parliament and of the Council of 27 February 2023 amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulations (EU) No 1303/2013, (EU) 2021/1060 and (EU) 2021/1755, and Directive 2003/87/EC

targets on time. We also did not look at whether there are corruption or inefficiency risks in implementing specific projects. However, we believe that more transparency in the disbursement of funds helps governments, journalists and civil society organisations to detect irregularities.

You can also use an [interactive tool to assess the transparency of RRF spending](#) in other countries.



FINDINGS



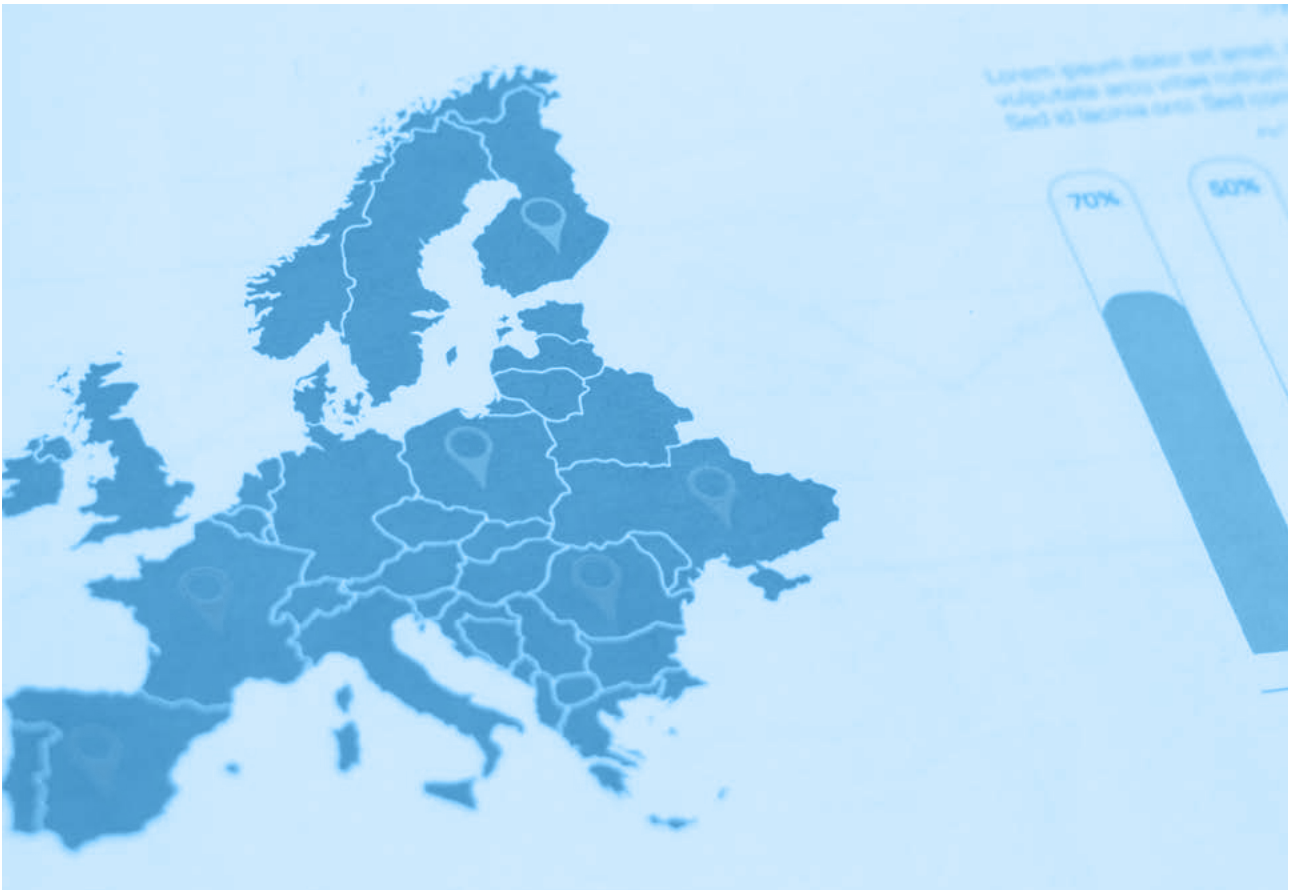
Member States publish **59%** of recommended information about the spending of RRF funds.

The published information is **58%** user-friendly.

OVERALL SCORES

COUNTRY	How much information is published	How well is information published	Total score
Bulgaria	94 %	43 %	85 %
Estonia	80 %	79 %	80 %
Lithuania	72 %	93 %	76 %
Latvia	75 %	67 %	72 %
Slovakia	66 %	64 %	65 %
Croatia	61 %	71 %	63 %
Slovenia	77 %	36 %	63 %
Hungary	60 %	36 %	55 %
Czechia	31 %	64 %	36 %
Romania	28 %	36 %	29 %
Poland ²	n/a	n/a	n/a

² Poland has not been ranked as when conducting the monitoring, it had not yet disbursed any funds through grants and public procurement procedures.



Overall, Member States publish just under 60% of the recommended information. The published information is only about 60% user-friendly, allowing easier tracking and feedback mechanisms.

Bulgaria (85%), Estonia (80%), and Lithuania (76%) are leading in terms of how much and how well information is published.

Two countries published less than 50% of the recommended RRF spending information: Czechia (36%) and Romania (29%).

HOW MUCH INFORMATION IS PUBLISHED?

Six countries publish all recommended information on contracts for granting schemes (i.e., contract description, milestone/programme reference numbers, date and the amount granted). Member States published little information on final recipients, especially subcontractors or natural persons. Worth noting, public funds-related data publication generally does not violate the individual's right to privacy as there is a prevailing public interest in its release³.

³ Kokott, J, Sobotta, C, The distinction between privacy and data protection in the jurisprudence of the CJEU and the ECtHR, p. 225; Lyskney, O, The Foundations of EU Data Protection Law, p. 90



**BULGARIA:
BEST PRACTICE FOR HOW MUCH INFORMATION IS PUBLISHED
(94%)**

Bulgaria has an official Portal for EU funds, "[UMIS 2020](#)" which lists the projects (activities, procurements procedures, participating organisations, financial information, and indicators) under the RRF plan. It also lists the unique ID of participants, such as contractors and subcontractors, through which other data can be found in the Commercial register, the BULSTAT register, and/or the E-public procurement portal. Data at the UMIS portal can be exported in open formats such as XML or XLS.

HOW WELL IS INFORMATION PUBLISHED?

Only two countries (Bulgaria and Hungary) did not provide any publication plan, and only one country (Romania) did not have any feedback channels. Also, countries barely publish information in machine-readable open data formats and via API. Countries also did not publish changelogs, making tracking amendments and changes regarding RRF over time harder.



**LITHUANIA:
BEST PRACTICE FOR HOW WELL INFORMATION IS PUBLISHED
(93%)**

There is a [central portal](#) where publication plans, changelogs, and feedback channels are available, as well as data on granting schemes and procurement in open data format (e.g., contract description, programme reference numbers, amounts granted, date of signing, name of the final recipient). In addition, Lithuania has an open data portal www.lietuvosfinansai.lt, where systemized data on public finances, including the RRF, is available via an API.

DETAILED COUNTRY SCORING



SECTION 1: WHAT INFORMATION IS PUBLISHED

COMPETITION/GRANTING SCHEMES

Institution granting funds	0%	75%	75%	50%	0%	50%	75%	n/a	50%	100%	75%
Contract	100%	70%	40%	100%	100%	100%	100%	n/a	60%	100%	50%
Final recipient (government body or agency)	100%	75%	75%	100%	75%	50%	75%	n/a	50%	n/a	50%
Final recipient (legal person, including companies, foundations, and non-governmental organisations)	100%	50%	75%	100%	25%	n/a	50%	n/a	25%	100%	100%
Final recipient (subcontractor)	100%	n/a	88%	0%	0%	n/a	63%	n/a	0%	50%	n/a
Final recipient (natural person)	n/a	33%	n/a	0%	33%	n/a	n/a	n/a	0%	n/a	n/a

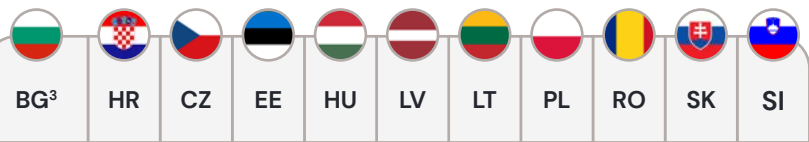
PROCUREMENT

Institution granting funds	100%	50%	0%	100%	100%	50%	75%	n/a	50%	50%	100%
Contract	100%	60%	0%	100%	100%	n/a	80%	n/a	40%	50%	83%
Final recipient (government body or agency)	100%	n/a	0%	100%	n/a	100%	75%	n/a	50%	50%	100%
Final recipient (legal person, including companies, foundations, and non-governmental organisations)	100%	75%	0%	100%	75%	n/a	63%	n/a	25%	50%	100%
Final recipient (subcontractor)	100%	n/a	0%	100%	n/a	n/a	63%	n/a	0%	50%	n/a
Final recipient (natural person)	n/a	n/a	0%	100%	n/a	n/a	n/a	n/a	0%	50%	n/a

Section 2



⁴ Countries presented in alphabetical order based on the country name. The ISO 3166 classification is used for a two-digit country code.



SECTION 2: HOW INFORMATION IS PUBLISHED

	BG ³	HR	CZ	EE	HU	LV	LT	PL	RO	SK	SI
Is the information on spending of RRF funds published on a central web portal?	50%	100%	50%	50%	50%	100%	100%	n/a	50%	50%	50%
Is RRF spending information published in an open data format?	50%	50%	50%	100%	50%	100%	100%	n/a	50%	0%	0%
Are unique identifiers used for data tracking?	100%	50%	100%	100%	50%	0%	50%	n/a	50%	100%	50%
Is there a publication plan establishing a release calendar and schemes specifying which information is to be published?	0%	100%	100%	50%	0%	100%	100%	n/a	100%	100%	100%
Is there a feedback mechanism?	50%	100%	50%	100%	50%	100%	100%	n/a	0%	100%	50%
RRF data is published through an API in bulk.	50%	0%	100%	100%	50%	n/a	100%	n/a	0%	100%	0%
Is a changelog used to keep track of amendments and changes over time?	0%	100%	0%	50%	0%	0%	100%	n/a	0%	0%	0%

Click [here](#) for full results.

LESSONS & RECOMMENDATIONS

- ◇ There are multiple regulations around EU budget spending transparency under different EU programmes. It leads to heterogenous publication practices and hinders the work of media and civil society organisations.
- ◇ While national authorities promote transparency and comply with EU regulations, citizens deserve more – countries do not ensure sufficient recommended transparency levels.
- ◇ Member States seem to be able to easily comply with the new requirements to publish the 100 largest RRF funds recipients. The maturity in publication mechanisms allows for going beyond that.
- ◇ There are varying practices in publishing the personal data of fund recipients, hinting towards uncertainty about how personal data protection applies in the field of public spending.
- ◇ The publication of information is too often on multiple platforms, making linking data across them burdensome.
- ◇ Although there is some information in open data formats, these are isolated cases, and their potential has not been fully realized. Databases are rarely interoperable, and linking data from different registers requires manual work.

SOLUTIONS

- ◇ The EU legislators should create a uniform policy to publish EU budget spending data. It would help to create disclosure standards and clarify the minimum data to be published by each Member State and EU institution. This could be achieved by, among others:
 - Including the Public Spending & Public Procurement category as a High-Value Dataset within the meaning of Article 14 of Directive 2019/1024 of the European Parliament and of the Council of 20 June 2019 on Open Data and the Reuse of Public Sector Information.
 - Amending the EU Financial Regulation⁵, most importantly, reducing the required monetary value thresholds for information that should be published.
- ◇ The EU legislators should introduce higher standards of disclosure of personal data linked to EU spending. There is also a need for more guidance in balancing the public interest to know about taxpayers' money use and the right to privacy.
- ◇ The European Commission should encourage cooperation between authorities responsible for publishing data on public spending to share experiences and inspire innovative solutions.
- ◇ Member States should establish central portals containing as much data as possible on public spending, with uniform interoperability and data standards.

⁵ Proposal for a Regulation Of The European Parliament And Of The Council on the financial rules applicable to the general budget of the Union (recast), 2022/0162 (COD).

COUNTRIES AND ORGANIZATIONS INVOLVED

The analysis was carried out in December 2022 – February 2023 in the following countries:

Bulgaria, Croatia, Czechia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia.

The methodology was developed by the Open Spending EU Coalition, based on the Whitepaper on transparent RFF spending. The monitoring process was coordinated by Transparency International Lithuania. The country analysis was carried out by the following experts:

- ◇ Access to Information Programme (Bulgaria)
- ◇ Funky Citizens (Romania)
- ◇ Gong (Croatia)
- ◇ K-Monitor (Hungary)
- ◇ Krzysztof Izdebski (independent researcher, Poland)
- ◇ Transparency International Estonia
- ◇ Transparency International Czechia
- ◇ Transparency International Latvia
- ◇ Transparency International Lithuania
- ◇ Transparency International Slovakia
- ◇ Transparency International Slovenia

METHODOLOGY

The purpose of the monitoring was to check whether Member States introduced and implemented a framework for transparency in the spending of RRF funds. We were interested in two ways of spending public funds: through public procurement and based on grants/calls for proposals.

By determining the transparency in spending these funds, we focused on what information is proactively published and how. Here, we paid particular attention to whether the place of publication was a central portal or whether it was scattered across various websites. We were also examining whether the data of the final recipients of the funds and the beneficial owners of the entities that received them are published.

The methodology consists of two main parts:

- ◇ What information is published, focusing on the recommended data in the mentioned Whitepaper.
- ◇ How information is published, focusing on the format and accessibility of RRF spending information, such as whether the information is published on a central portal and whether it is in open data formats (e.g. CSV, XML, XLSX.).

Within the methodology, each question has multiple options that have points assigned to it:

0 – when information is not available, 0.5 – when information can be found but is scattered, no systemic publication is available and/or partial information is available, 1 – when information is available, n/a – when no spending has occurred during the time of the assessment.

Although the RRF has been in operation for almost two years, not all countries surveyed have started the full process of disbursing funds. Hence, in many cases, we specified that we could not award or deduct a point and considered that in such cases, the category would not be considered (n/a) in the calculation for the ranking. For more information, please look at the [detailed methodology](#).

In addition to preparing quantitative data and the transparency ranking, we highlight examples of particularly good practices, which we hope will inspire other countries.

Every effort has been made to verify the accuracy of the information, including contacting relevant national authorities for feedback on the initial assessment and learning about their plans for introducing greater transparency in RRF funds spending. All countries except Hungary received either written or spoken feedback. However, some inconsistencies may be witnessed due to different practices in legislative and regulatory processes meaning different researchers may come to slightly different conclusions from the same data and feedback received from authorities.

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