

EU Civil Society Contact Group

Civil Society Contact Group answer to the Green Paper on the Transparency Initiative

Part III: Disclosure of beneficiaries of community funds

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The EU Civil Society Contact Group brings together seven of the largest European NGO platforms: Social Platform, Concord (European NGO confederation for relief and development), Human Rights and Democracy Network, Green 10 (environmental organisations), European Women's Lobby, EFAH (European Forum for the Arts and Heritage), EPHA (European Public Health Alliance). www.act4europe.org

1. General principles

1. The need for full transparency

Enhanced financial transparency can **contribute to dissipate distorted perceptions and unfounded suspicions** about the way public money is being used by the EU and support a more accurate perception of some key EU policies. This is crucial, as European citizens' confidence in European Union institutions has reached one of its lowest records ever.

Members of the Civil Society Contact Group believe that **full transparency on the beneficiaries of EU funds** (be it through centralised, shared or decentralised management) should be ensured. Yet to achieve this general objective, it is also crucial to avoid putting exaggerated administrative burdens on both institutions and the recipients of EU funds, and to **better coordinate existing sources of information**.

2. Not only the member states, but also the Commission need to become more transparent

We **welcome the Green Paper's proposal for a binding obligation for member states** to make available information on beneficiaries of EU funds under shared management and believe that the arguments for this are persuasive and apply in all policy areas. Beneficiaries of EU funds, whether they are companies, state agencies, farmers or NGOs, receive the money to fulfil public policy objectives. EU citizens should therefore be able to access information on who receives how much and for what purpose, in a user friendly way. Such information is the absolute minimum requirement for a well-informed, transparent, public debate about EU policy making.

While this is a welcome direction, members of the Civil Society Contact Group believe that the ETI should logically also bring about **improvement in the Commission's own transparency in EU funding**. The Commission has its own share of responsibility for the EU expenditure and it is accountable to the European taxpayers.

Illustrating these general principles, the text below provides detailed recommendations on improving transparency in a number of key areas.

2. Structural and Cohesion funds

2.1. Disclosure of beneficiaries and information on expenditure

Currently, only some member states publish basic data on approved projects and beneficiaries of structural funds on the internet – and usually not for all operational programmes. Information about projects under different operational programmes is usually located at different websites, with different formats and levels of detail.

Therefore, we agree that **an obligation for member states to publish lists of all approved projects and beneficiaries of structural funds is needed**. Common standards for publication of such data also need to be set.

While an obligation for member states to disclose projects and beneficiaries is important, it is not sufficient. Structural funds also suffer from a lack of overall transparency in the expenditure. There is **little clarity about how much money is actually being used for what types of activities**. For the 2007-2013 period, the Commission has prepared a new categorisation system for structural funds assistance, based on which it will receive standardized information about expenditure in the member states. This is an important step forward but it must be ensured that the information collected by the Commission is routinely published on its website in a user-friendly form.

2.2. Major projects: need for increased transparency over decision-making

In the 2007-2013 period, an unprecedented amount of EUR 308 billion will be invested via the cohesion policy. While the management of the funds will be increasingly decentralised to the member states, the European Commission will have the authority to single-handedly approve or reject *major projects* – i.e. operations that cost above EUR 25 million (in the environmental sector) or EUR 50 million (in the transport and other sectors). Although the major projects are the single biggest investments from the EU budget, decided about directly by the Commission, the Commission currently does not publish information about them on its website, in stark contrast with other funders such as the European Investment Bank.

There is no reason why the transparency standards of the European Commission should be lower than those of the EIB. The European Commission should thus seek to ensure **the timely publication of online information on major projects submitted** for funding support.

It is also **not enough to leave responsibility for disclosure of information on major projects to the member states**. The Commission should directly publish the information on its own website because the financing with EU taxpayers' money makes the major projects relevant for all EU citizens irrespective of nationality. It is the Commission who makes the final decision on the funding of major projects, not the member states.

3. Agriculture and fisheries subsidies

Data on CAP beneficiaries which have been disclosed in some member states, often following long legal struggles, are of a varying quality, differ in structure and detail, and at the moment do not allow for a comparative analysis between member states. The information available should make it clear what amount a certain farmer or other beneficiary has received, over which period and under which scheme. It is also important that the payment can be traced back to a specific piece of land for which it is given. In order to ensure an EU wide consistency in type of data and quality, the **Commission should produce a template which meets the information needs mentioned in the above.**

In principle, the Member States are responsible for disclosing the information according to Commission prescribed standards in a user friendly and accessible format. However, the Commission **should provide an overview of all CAP expenditure** as well as links to the member states' websites where all detailed information can be found.

4. The EU's external actions

Some 75 billion Euro will be spent on external actions of the EU over the next seven years. These funds will finance a wide range of actions through many different instruments. While the largest proportion of the EU's external actions will be directed towards financing the EU's co-operation programmes in developing countries, both from the annual budget and the European Development Fund, significant resources will be devoted to responding to humanitarian emergencies, conflict prevention and peacebuilding, the promotion and defence of human rights, as well as crisis management and other political/diplomatic actions under the Common Foreign and Security Policy.

The principal of full transparency and public availability of information on beneficiaries of EU funds should apply equally to the vast majority of these actions. Exceptions should be made in politically sensitive and difficult circumstances where such public disclosure would endanger the security and lives of beneficiaries and those implementing the programme. In such cases the Commission should still be required to provide information on the decisions that it has taken, and to justify these to the Parliament and Council.

About the Civil Society Contact Group

The EU Civil Society Contact Group brings together seven of the largest European NGO platforms: Social Platform, Concord (European NGO confederation for relief and development), Human Rights and Democracy Network, Green 10 (environmental organisations), European Women's Lobby, EFAH (European Forum for the Arts and Heritage), EPHA (European Public Health Alliance).

The European Trade Union Confederation and the European Civil Society Platform on Lifelong Learning, representing NGOs promoting lifelong learning are observers to the Group.

Jointly we aim to represent the views and interests of rights and value based civil society organisations across the European Union on major issues, which affect us across our sectors of activity. Our objective is to encourage and promote a transparent and structured civil dialogue that is accessible, properly facilitated, inclusive, fair, and respectful of the autonomy of NGOs. We promote lasting access to information, access to justice in matters of concern to civil society, consultation, and integration of all levels of civil society in the European project.

The Contact Group has an informal character, and a rotating chairmanship. Since November 2005, it is chaired by Anne-Sophie Parent, Director of AGE, the European Older People's Platform and President of the Platform of European Social NGOs.

Information about CSCG members and observers can be found on:

CONCORD www.concordeurope.org

European Forum for the Arts and Heritage (EFAH) www.efah.org

European Women's lobby www.womenlobby.org

Green 10 - www.act4europe.org/code/en/sect.asp?Page=39&menuPage=39

Human Rights and Democracy Network

www.act4europe.org/code/en/sect.asp?Page=41&menuPage=41

Social Platform www.socialplatform.org

European Public Health Alliance www.ephah.org/

ETUC www.etuc.org

European Civil Society Platform on Lifelong Learning www.eucis.net/about.asp

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