Transparency in regional policy and its funding

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The Committee on Regional Development adopted the own-initiative report drafted by Michail TREMOPOULOS (Greens/ALE, EL) on transparency in regional policy and its funding.

The report recalls that the European Transparency Initiative (ETI) was adopted with the aim of improving the transparency, openness and accountability of EU governance. Information on beneficiaries of EU funds is managed at Member State level, however, in the absence of a specific EU obligation or a strong 'steer' from the Commission, the level to which such information is made public differs substantially from Member State to Member State, making an EU-wide comparison difficult.

Disclosure of data on beneficiaries of cohesion funding: the disclosure of EU fund recipients enables public participation in a meaningful debate about how public money is spent, which is essential for functioning democracies. Members note with satisfaction that interactive maps providing links to the lists of ERDF and Cohesion Fund beneficiaries available on the respective national or regional websites are published on the website of the Commission's Directorate General for Regional Policy. The report notes that it remains, nevertheless, **extremely difficult for interested parties to keep track of how public money is being used**. The Commission and the Member States are called upon to make these Member State databases fully searchable and compatible, so as to facilitate an EU-wide overview of the data presented. A more detailed and prescriptive format specifying the structure, form and content of the information to be provided should be defined by the Commission. Additional essential information should be provided when publishing the lists of beneficiaries and where needed the lists of stakeholders, such as location, summaries of approved projects, types of support and a description of the project partners as elements of the disclosure of beneficiaries. Members ask that, for programmes under the European Territorial Cooperation objective, all beneficiaries – and not only the lead beneficiaries – be listed.

Transparency and shared management:Members call on the Commission to clarify how the ETI principles should be put into practice in operational terms at the level of operational programmes and their communication plans. They stress therefore the need to introduce clearer rules regarding the disclosure of information on the beneficiaries of funds under shared management. They underline the need to formulate regulations and implementing rules in such a way that procedures are transparent, provide better access to the Structural Funds for potential beneficiaries and reduce administrative burdens for participants. They call on the managing authorities in the Member States to **present, in transparent fashion, all stages of projects financed by the Structural Funds**. Members consider that development of specific rules regarding transparency in coordination and cooperation among different managing authorities would be most important.

The report points out that the requirement for additional information and data has to be matched, on the part of the European Commission, by the provision of additional technical support to potential beneficiaries which do not have the necessary technical capacity.

Stressing the importance of accurate and timely information delivery by the Member States in the context of the control system, Members stress the need to establish a link between the ETI and financial controls and auditing. They reiterate the view that the early warning system (EWS) should also work closely with the Central Exclusion Database.

Members request the Commission to monitor the utilisation of **increased advance payments** received by the Member States. They also reiterate the request for the provision of information regarding recoveries and withdrawals under the ETI. It urges the Member States to provide this information in full, and the

Commission to make it available to the budgetary authority and the public along with information on financial corrections following a confirmed case of fraud, thus ensuring **high standards of credibility and responsibility vis-à-vis the European public**. Auditors are urged to take a tougher line on communication and information requirements, including 'naming and shaming' - particularly if a governmental actor is involved - and the use of financial corrections in confirmed cases of fraud.

Transparency and partnership: highlighting the fact that minimum standards of consultation are a component of the ETI, Members call on the Commission to allow stakeholders to give appropriate feedback on the quality of the consultation process itself. Members reiterate the view that partnership is a prerequisite for transparency, responsiveness, efficiency and legitimacy in all the phases of cohesion programming and implementation, and can increase commitment to, and public ownership of, programme outputs. They call on the Member States and managing authorities fully to involve regional and local authorities and other relevant partners more closely in all the phases of cohesion programming and implementation, including through an **internet platform at national level**.

They call for more guidance from the Commission on how to put the partnership clause into practice under current programmes, and for **sufficiently binding rules** on partnership in future regulatory texts, particularly as regards the involvement of regional and local authorities.

They call for the provision of better-targeted and regular and timely information to partner organisations and for enhanced use of technical assistance to support partnership, inter alia by giving partner organisations the opportunity to take part in **training events** organised for delivery bodies. These training events to be accessible in multimedia versions in order to broaden the target audience (e.g. to outermost regions) and to allow ex-post consultation by partner organisations.

Improving transparency in respect of EU funding of major projects: the Commission is called upon to publish online information in good time, and to guarantee direct access to project documentation, including JASPERS projects (application, feasibility study, cost-benefit analysis, environmental impact assessment, etc.) on major projects, as soon as possible after the Commission receives an application for funding from a Member State and before it takes any decision on financing. The report calls for information on major projects approved or submitted for approval in the 2007-2013 programming period to be published on the internet with retroactive effect. Lastly, it proposes establishing the circumstances in which unused funds may be reutilised and the responsibility of the institution deciding to reallocate such funds.