



DIRECTORATE GENERAL FOR INTERNAL POLICIES
POLICY DEPARTMENT B: STRUCTURAL AND COHESION POLICIES

REGIONAL DEVELOPMENT

The Data Transparency Initiative and its Impact on Cohesion Policy

STUDY

This document was requested by the European Parliament's Committee on Regional Development.

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LINGUISTIC VERSIONS

Original: EN
Translation: DE, FR

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Manuscript completed in June 2008.
Brussels, © European Parliament, 2008.

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Abstract

This study looks at the implementation of the European Transparency Initiative (ETI) in the field of Cohesion policy. The aim of the ETI is to improve communication about EU's initiatives in general and to enhance transparency on EU spending in particular. The main questions addressed concern the ability of Member States in fulfilling the ETI requirements in the field of Cohesion policy and the conditions under which the ETI can be successfully implemented.

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LIST OF ABBREVIATIONS

CF	Cohesion Fund
CSF	Community Support Framework
DG	Directorate-General of the European Commission
DG REGIO	European Commission Directorate-General for Regional Policy
DG EMPLOYMENT	European Commission Directorate-General for Employment, Social Affairs and Equal Opportunities
EC	European Commission
EESC	European Economic and Social Committee
EFF	European Fisheries Fund
EP	European Parliament
ERDF	European Regional Development Fund
ESF	European Social Fund
ETI	European Transparency Initiative
EU	European Union
EU-12	The 12 New Member States of the EU 2004-2006
EU-15	The 15 Member States of the EU, prior to the integration of 12 candidate countries in 2004-2006
EU-25	The 25 Member States of the EU, 2004-2007
EU-27	The 27 Member States of the EU, following the integration of Romania and Bulgaria in 2007
EUR	Euro
FIFG	Financial Instrument for Fisheries Guidance
GDP	Gross Domestic Product
INFORM	Informal Network of Information Officers for the ERDF
INIO	Informal Network of Information Officers for the ESF
IPA	Instrument for Pre-Accession
MSF	Monitor of Structural Funds
NGO	Non-Governmental Organisation
NMS	New Member States
NSRF	National Strategic Reference Framework
NUTS	Nomenclature of Territorial Units for Statistics
OP	Operational Programme
SF	Structural Funds
SME	Small and Medium-sized Enterprises

EXECUTIVE SUMMARY

The European Commission launched the European Transparency Initiative (ETI) in November 2005 as a cornerstone of its governance reform. The ETI has four key components: (i) public access to documents; (ii) ethical rules and standards for public officials; (iii) transparency of interest of representatives seeking to influence EU decision-making and upholding minimum standards of consultation, and; (iv) the increased transparency in the use of EU funds.

The ETI aims to increase the quality of consultation and participation in the EU institutions. A high level of transparency is deemed necessary since: "citizens have the right to know how their taxes are being spent and how the power entrusted to political bodies is handled." The ETI is one of the ways through which the Commission seeks to strengthen public trust in the EU institutions. Transparency, together with increased openness and accessibility, is a step towards enforcing European legitimacy and democracy. Council Regulation No. 1995/2006 indicates that the Commission will provide information on the beneficiaries of funds deriving from the budget and will also make public information on beneficiaries under other types of management.

The ETI is a relevant part of the broader general reform of EU governance. The White Paper on European Governance of 2001 defined the European concept of governance through the five principles of openness, participation, accountability, effectiveness and coherence. They are considered important to reinforce the principles of subsidiarity and proportionality. To the same end of improving governance across Europe, the Commission published a communication on consultation of interested parties for the development of the policy. In the Communication there is a part dedicated to the Minimum Standard of Consultation.

The Green Paper on the "European Transparency Initiative" presented by the Commission on 3 May 2006 presents the framework for the ETI. Following the Green Paper, the Commission proposed the creation of a voluntary register for lobbyists, available on the European Commission website. Concerning Consultation, the Commission has been promoting minimum standards consisting of five categories: Clear content of the consultation process, Consultation of target groups, Publication, Time limits for participation, and Acknowledgement and feedback.

Regarding the transparency of beneficiaries, for the Structural Funds and Cohesion Fund the most relevant regulations are Council Regulation No. 1083/2006 and Implementing Regulation No. 1828/2006. Article 69 of Council Regulation No.1083/2006 states that the "Member State and the Managing Authority for the Operational Programme shall provide information on and publicize operations and co-financed Programmes. The information shall be addressed to European Union citizens and beneficiaries with the aim of highlighting the role of the Community and ensure that assistance from the Funds is transparent".

Providing public information on the recipients of EU Funds is a cornerstone of the ETI. With the Structural and Cohesion Funds implemented under "shared management" it implies that implementation is in partnership with the Member States. Following this approach of shared management the Commission entrusts Member States with the implementation of specific Programmes at national level. Information on beneficiaries of EU funds allocated in partnership with Member States is managed at Member State level; the means of disclosure is left to their discretion. Thus, the level of publicity of information differs substantially from State to State, and the absence of a precise Community obligation

makes it difficult to have a complete and comparable scenario of the present situation for each programme or project in each Member State. Some Member States adopt a restrictive approach to publicity, which is frequently due to national laws or data protection practices, traditions and cultural perceptions and sensitivities. One common element, however, is the minimum requirement of annual publication of a list of beneficiaries including the name of the beneficiary, the name of the operation and the amount of public funding paid to the beneficiary. These are binding regulations as defined by the Commission in agreement with all the Member States.

The “Information and publicity” section of Commission Regulation No. 1828/2006 defines the detailed aspects of publicity requirements. The Managing Authority (of the Operational Programme) or the Member State must prepare a Communication Plan to cover all Operational Programmes co-financed by the Structural Funds. The Plan should include a list of all direct beneficiaries of European Cohesion Policy.

Implementing Regulation No. 1828/2006 requires the creation of a Community network of communication officers. On that basis, the INFORM network - Information & Communication Platform (available on the Regional Policy website – INFOREGIO) was established for the ERDF and the INIO network with DG Employment for the ESF.

As part of the study an analysis was made of the operation of these two websites. The main findings were that:

- Information is provided by Member States separately for ESF and ERDF/CF and the two sets of data can be obtained by accessing DG Employment and DG Regio websites, where two interactive maps provide direct links to the lists of beneficiaries of the Funds, available on the respective national or regional websites of the Member States. These links and their content are the sole responsibility of the Member States and are based on information provided by the respective Managing Authorities. The Commission services are, therefore, not responsible for the accuracy or completeness of the information provided;
- Focusing on the regional level, the degree of compliance with ETI obligations was satisfactory. Of the 253 NUTS 2 European regions, 72% and 78% of them provide at least the minimum information required for ESF and ERDF/CF, respectively. The degree of detail and the way of presenting the information on the websites, however, vary greatly according to the region concerned. Variations occur by providing additional information to the minimum requirements and what type of information is disclosed;
- Considering data accessibility and the way they are presented on the websites, it can be concluded that data are easily accessible and it only takes two clicks from the on-line maps to disclose the list of beneficiaries. On the other hand, with a few exceptions, information is only provided in the national languages and currencies so that comparison of data is impossible and a comprehensive global picture is lacking.

What can be concluded is that at EC level the DGs involved in the ETI, DG Regio and DG Employment do play an active role in providing transparency. With a dependence on Member States, however, the results are varied and depend on the administrative tradition not only of the countries but of the Regions. Reservations that can be made in this respect are that as regards programming timing we are only at an early stage, little expenditures and few commitments have yet been made and there is still scope for improvement before verification by the Commission in June. In promoting the ETI, the initiative also makes use

of the “Information Network” of INIO and INFORM, but is hampered by only having an indicative format for the publication of data. The solution could be a more widespread consultation using the already established channels (especially the Monitoring Committee) to achieve a higher degree of transparency in consultation.

In the context of ‘shared management’ it is of particular interest to learn to what extent ETI principles have been applied in the design and implementation of Structural and Cohesion Funds at Member State level, what achievements were made, the bottlenecks and constraints being faced and what lessons can be drawn to further strengthen the initiative.

For the purpose of the study a number of case studies were conducted in different regions of the European Union. They include Finland (North), Italy (South), the Netherlands (West) and Poland (East). The ETI principles as applied in the implementation of Structural Funds for these countries are discussed in their different dimensions and put in the wider context of good governance and use of consultative processes in programme development. In interpreting the findings, we do not claim that these country studies are fully representative of the whole EU, but they give valuable insight into the operation of the ETI at implementation level.

The main findings are the following:

- The competence of the Commission ends where the competence of the Member States begins: through the arrangement of the INFORM/INIO networks the Commission adopts a promotional approach towards ETI rather than imposing the regulation on Managing Authorities, while it is responsibility of the Member States to guarantee the accuracy of the published data.
- ETI is independent from the “contract of Confidence” or other forms of financial control and auditing.
- There are no legal impediments to adherence to the ETI (minimum) requirements. Non-compliance with ETI minimum requirements is limited to a small percentage of Managing Authorities and relates to a lack of administrative capacity rather than reluctance to provide such data. Variations in the data presented are due to a lack of a prescriptive format;
- Individual Member States have been developing their own initiatives to express ETI principles by launching web presentations, digitalizing databases, which includes digital maps and best practices presentations;
- The variability in the presentation and in the conditions of access to data do not allow comparisons at EU level.
- Although widely appreciated, stakeholders involvement in programme development does not automatically imply that the interests of potential beneficiaries are taken into consideration. For some programme components there is less demand than would have been expected;
- Simplifying rules, streamlining procedures and reducing risks are expected to increase the interest and participation in Structural Fund programmes by parties that currently have difficulty in meeting the administrative and financial requirements and do not have specific knowledge of the EU subsidy rules.

In operational terms the ETI is linked to the publication of the list of beneficiaries. Full compliance with the ETI minimum requirements would benefit from stronger regulations and/or a sanction in the case of default and better coordination and support for those Managing Authorities that having administrative difficulties in complying.

The Managing Authorities tend to associate the ETI with the Communication Plan that forms an integral part of the Operational Plan and is submitted to the EC for comments and approval. Such an association is not, however, formally expressed by European regulations and leaves open the question of the scope and outreach of the ETI in operational terms.

The objective that the ETI pursues through the establishment of the minimum requirements is reached if EU citizens actually make use of the data provided. For this to be the case, the usefulness of the data provided needs to be dramatically improved. This involves improvements in terms of both content and presentation, and requires:

- providing additional essential information, besides the “minimum” required. Examples of additional fields are already experimented in some Member States and include examples such as:
 - comprehensive contact details, in particular localisation (for example through postal codes);
 - projects summaries of approved projects, field of activity possibly classified according to a common nomenclature, types of support (loans, grants, venture capital..);
 - description of the project partners (legal status, size ..);
 - ranking in submission and scoring of applications, etc.;
- making the different databases of Member States fully searchable and compatible, so as to make possible an EU-wide outlook of the data presented while preserving their local relevance. In this respect, of specific importance are:
 - the language issue – double versions, local language – English, should be used in all instances;
 - technical arrangements necessary to ensure the compatibility of software, systematic digitalization of databases, digital maps presenting project locations and themes.

Additionally, the ETI could also indicate the optimum conditions for providing full transparency in data presentation. One of the possibilities would be to develop guidelines on web design and contents, best practices presentation, providing project summaries, digital maps and other forms of presentation that enhance the transparency of the Structural Funds and present the results achieved. To ensure an EU-wide outlook of the data presented, two versions (one in the local language and one in English) and technical arrangements ensuring the compatibility of the different databases of the Member States would be also advisable.

In operational terms, at programme management level the ETI does not extend beyond the publication of the list of beneficiaries. Hence, it is considered as an administrative compliance with regulations determining eligibility for EU funding rather than a guiding principle. Transparency and good governance in conceptual terms could be more closely linked and serve as cross-cutting and guiding principles in programme design.

For promoting good governance principles in implementation of the cohesion policy, one of the options could be to have a “good governance scan” used in the formulation of

programmes. The purpose would be that the implementation rules and regulations for each programme would be formulated in such a way that procedures are transparent, provide better access to potential beneficiaries to EU Structural Funds, minimize the financial risk in participation and reduce administrative burdens for participants. The communication plan as an expression of ETI principles could also provide the operational context.

Feedback from different respondents shows that there is a need to simplify rules and regulations and reduce the financial risk for participating beneficiaries, at the same time maintaining control over and scrutiny of how the Funds are spent. Consultation with stakeholders already contributing to the Structural Fund programmes and user surveys of intermediate and facilitating bodies and (potential) beneficiaries, through a bottom-up process, will provide more insight into what the bottlenecks and constraints are to participation in the programmes. Such a consultation process may be given a high profile and provide proper feedback on what is done with the recommendations.

Concomitantly, a more pervasive consultation activity using the already traditional channels (especially the Monitoring Committee) can contribute to achieve a higher degree of transparency in consultation.

Some of the main suggestions to enhance transparency in Cohesion policy include:

- More openness and feedback on the outcome of project evaluations applications and contract negotiations, reasons for rejection and offering the possibility of an appeal;
- Simplification of administrative and financial procedures;
- Reduction of financial risk for beneficiaries.

Thus increasing transparency could serve the objective of good governance in project management. Simplification of rules, streamlining of procedures and reduction of risks are expected to increase participation in Structural Funds programmes by parties which have currently difficulties in meeting administrative and financial requirements and have no specific knowledge about the EU procurement procedures.

INTRODUCTION

The objective of the study is to provide the Committee on Regional Development with a critical and detailed analysis of the implementation of the European Transparency Initiative (ETI) and its related developments in connection with Cohesion policy. The aim of the ETI is to improve communication about EU's initiatives in general and to enhance transparency on EU spending in particular. Cohesion policy, the 2nd most important source of EU spending is one privileged domain where to concretely apply the ETI principles. The main questions addressed are:

- Are Member States able to fulfil the obligations of the ETI in managing Structural and Cohesion funds?
- Under which conditions can the ETI's obligations be successfully implemented in the field of Cohesion policy?

The study aims to provide clear operational recommendations on how to reinforce the ETI and ensure that its objectives are reached in the specific field of Cohesion policy.

From a public policy-making perspective, the transparency issue is strictly related to the principles of Open Government and Accountability that are among the pillars of western democracy's political doctrine and they have roots in European democratic liberal thought. Nowadays the modern theory of open government advocates the full involvement of civil society and single interested citizens in the legislative process, which found its first legislative application in Nordic countries at the beginning of last century. More recently all the major democracies have adopted acts and laws that endorse the principles of transparency, openness and accountability: USA (1966), Denmark and Norway (1970), France and the Netherlands (1978), Australia, Canada and New Zealand (1982), Hungary and Italy (1992), Ireland and Thailand (1997), South Korea (1998), the United Kingdom (2000), Japan and Mexico (2002) and Germany (2005).

Specifically, transparency in public policy is an approach that calls for making fully public the decision-making process from the very beginning to the last phase of implementation. Transparency, together with publicity, also requires providing easy access to a wide range of public documents (dossiers, administrative acts or decisions, institutional agreements, enquiries, auditing and evaluations). Finally, transparency is complementary to the principle of accountability. Transparency deals with the process of decision-making, while accountability is related to the liability towards the output, outcome and impacts of the policy (evaluation).

In the following, ETI is first placed in the wider policy background characterising the process of governance reform engaged at EU level since the early 2000 (Chapter 1). The different facets of the initiative and its related developments are evoked (Chapter 2) before envisaging the conditions set at EU level on the implementation of ETI in the field of Cohesion policy (Chapter 3). Evidence from a statistical analysis of data made available through ETI at EU level, and from four national case studies is presented in Chapters 4 and 5, respectively. The concluding Chapter 6 provides a synthesis of the findings and proposes some suggestions about how to further strengthen the effects of the Initiative.

1. POLICY BACKGROUND

KEY FEATURES

- ETI is put in the wider context of policy development in the EU, its implications for the policy cycle as applied to Cohesion policy and the resulting governance reform.
- The chapter first provides a discussion on the different steps in EU policy development of Agenda setting, formulation, adoption, implementation and evaluation and considers how these are applied to formulation of the Cohesion policy and its different financial instruments.
- The complexity in implementation of Structural funds and Cohesion fund is emphasized for the wide range of interventions covered, large number of actors involved, size and magnitude of funding and its importance for Member states and Regions. The importance for Cohesion policy to have full transparency at each stage of the policy cycle is emphasised.
- The four components of ETI, launched in November 2005, of public access to documents, ethical rules and standards for public officials, lobbying transparency and disclosure of recipients of EU funds are defined and elaborated in the context of the European concept of good governance.
- The chapter concludes by stating that a high level of transparency is seen as necessary since: 'citizens have the right to know how their taxes are being spent and how the power entrusted to political bodies is handled'.

Before addressing the concrete mechanisms allowing for the implementation of the European Transparency Initiative in general, and in the specific case of the Cohesion policy, it is worth placing the initiative in the wider context characterising the development of policies at EU level. In particular, it is useful to interpret the ETI's developments in the light of the policy cycle approach to policy-making at work at EU level, and the reform of governance that results from it.

1.1. Transparency and the EU policy cycle process

Transparency plays an important role in the policy cycle process as implemented at EU level. Below, we summarize the main features of the policy cycle process. For the sake of clarity and relevance, the latter is illustrated in the specific case of the Cohesion policy, which is the focus of the present study. However, the principles described below basically hold for any policy devised at EU level.

The major players in the field of Cohesion policy, DG REGIO and DG EMPL, both apply the internal regulations on impact assessment and inter-service consultation.¹ In this, they follow the classic “problem solving” model already largely described by political analysts². The Process can be segmented in the following phases (Table 1):

Table 1 - The policy cycle in the field of the Cohesion policy

Policy Step	Description
<p>Agenda setting, when some issue or problem is identified and gets public attention, otherwise policy will not result.</p>	<p>The Policy making process starts inside the two DGs, and more precisely in the cabinets, when a particular issue can arise. The input can be institutional (from the Parliament, Council, Court of Auditors, Committee of the Regions, etc.) or it can come from public opinion, or internally from the services of the administrations. Normally even in the sixth year of the programming period the DGs propose new regulations for the Structural Funds. These regulations are normally anticipated by Strategic documents such as the Cohesions Reports or Green or White papers. If the DG intends to be active regarding this issue and to promote a new piece of legislation, it must introduce it in the “Annual Legislative and Work Programme”³</p>
<p>Formulation, once the public policy agenda has been set, the issues are open for discussion. Different options are developed and debated.</p>	<p>In the beginning the DG must provide the necessary information about the issue and envisage a strategy. This will be the content of the Green Paper that starts a period of consultations with the stakeholders and institutional partners. Once consultations have ended, the DG has to draft an Impact assessment that goes through Inter-service consultation.</p>
<p>Adoption of different options, one is chosen by the competent body</p>	<p>If the outcomes of inter-service consultations are positive, the proposal for new legislation is presented to the Final Decision and it becomes a formal proposal for the Commission as a whole. If it is necessary for regulations, the proposals have to be passed by the formal decision of the Council and the Parliament. Comitology and decision-making</p>
<p>Implementation</p>	<p>Shared/non-shared. Usually, most of the tools of the Cohesion Policy are implemented sharing the competences between the Member States and the Regions that have to follow the EU Regulation. National and regional authorities are in charge of concretely managing the policies through the design of the Programme, the selection of the Projects, allocation of the resources and controls.</p>
<p>Evaluation</p>	<p>The Commission provides the methodological framework, but the National and Regional authorities are responsible for implementing it, especially ex-ante and in itinere evaluations. The Commission is in charge of the ex-post evaluation. Financial regulation.</p>

Source: Adapted from Lasswell (1956)

¹ See Commission Communication COM(2002)276 of 5 June 2002 on Impact Assessment. Since 2002, all policy initiatives and legislative proposals which have an economic and social impact have to follow a defined procedure in the framework of the “better legislation” initiative. See: http://ec.europa.eu/governance/better_regulation/impact_en.htm.

² The paradigm of policy cycle is one the pillars of the policy analysis in social science. In 1956, Lasswell was the first to propose a model putting forward the policy life cycle hypothesis. Since then many authors have proposed different modification or integrations to the model (Anderson 1975, May, Wildavsky. 1978, Ripley 1985). Despite minor differences, most scholars nowadays agree on a model which has the following phases: Agenda setting, formulation, adoption, implementation, evaluation.

³ The Annual Legislative and Work Programme (CLWP) identifies the political priorities and all major policies and legislative initiatives, executive and other acts that the Commission intends to adopt for the realisation of its priorities during the year.

This process may lack clarity and openness especially at the beginning of the policy cycle (formulation) and at the end (implementation). In the specific case of Cohesion policy, different reasons can be put forward:

- The complexity and multiplicity of the fields involved. The Cohesion Policy has a wide range of fields of application (from industry to environment, from human resources to research and innovation, from rural to urban development).
- The number of institutional and non-institutional actors involved both in the formulation and implementation of the policy.
- The relevant resources, which are about 40% of the total financial budget.
- The crucial importance for the Member States and Regions. The Cohesion Fund often represented the largest source of financing for infrastructure, support to SMEs, environmental protection, etc.

All these elements make it necessary to focus on these crucial phases (formulation and implementation) and to provide the greatest level of transparency at these levels. As a matter of fact, both the Parliament and the Court of Auditors strive for greater transparency.

Thus, the application of the transparency principle to the Structural Funds requires opening the process of policy formulation during the consultation phase and calling for accountability in the implementation phase, which means, especially, making the allocation of resources clear and evident.

1.2. The general reform of EU governance

The general reform of EU governance that has taken place since 1999 and early 2000 is ascribable to the policy cycle approach described above. The White Paper on European Governance of 2001 defined the European concept of governance, which refers to the rules influencing the way in which power is exercised. The five principles of good governance are:

- Openness;
- Participation;
- Accountability;
- Effectiveness and;
- Coherence.

They are considered important to reinforce the principles of subsidiarity and proportionality.

The main recommendations of the White Paper concern:

- the increase of democracy and participation in the EU decision-making process;
- a better involvement of citizens;
- greater legitimacy and accountability in the policies;
- the role of European Union in the global context.

In turn, the European Transparency Initiative should be considered in the light of the governance reform implemented in the EU.

1.3. The overarching objective of the European Transparency Initiative

The European Commission launched the European Transparency Initiative in November 2005 as a cornerstone of its governance reform. The Initiative is one of the ways through which the Commission seeks to strengthen public trust in the EU institutions. Transparency, together with increased openness and accessibility, is a step towards enforcing European legitimacy and democracy. The ETI aims to increase the quality of consultation and participation in the EU institutions. A high level of transparency is seen as necessary since: *"citizens have the right to know how their taxes are being spent and how the power entrusted to political bodies is handled."*⁴

The ETI has four key components⁵:

1. Public access to documents;
2. Ethical rules and standards for public officials;
3. Lobbying transparency - increasing the transparency of interest representatives seeking to influence EU decision making and promoting the utilisation of minimum standards of consultation;
4. Recipients of EU Funds - increasing transparency about the use of EU funds.

These four components concern all the main stages of the EU policy cycle described above, from the identification/formulation stage to the implementation and delivery stages. As explained above, the Policy Cycle in the EU institution begins when the Commission (one or more DGs) publishes its vision on a particular issue in a Green Paper to open a broad discussion. Once the consultation on the topic of the Green Paper ends, if a new legislation is needed, the competent DG prepares an impact assessment and opens an inter-service consultation. In both the identification and formulation phases of the policy, the ETI establishes rules for transparent consultation regarding who shall be consulted and how. On the other hand, in the downstream phase of the policy – the delivery – the ETI sets out obligations about the disclosure of beneficiaries of EU funding.

⁴ See http://ec.europa.eu/commission_barroso/kallas/transparency_en.htm.

⁵ See previous note.

2. KEY STEPS AND INITIATIVES

KEY FEATURES

- The chapter presents the main features of the Financial Regulation (Council Regulation 1995/2006) which defined also the requirement of publication of the list of beneficiaries and the Green Paper on the European Transparency Debate of 3.5.2006 launching the debate.
- The consultation process on the different ETI components is discussed. For the aspect of lobbying transparency reference is made to the White paper on European governance and especially the communication 'General Principles and Minimum Standards for the Consultation of Interested Parties' of 11th of December 2002.
- It is observed that with the system of 'shared management', in the Commission accounting system, it is possible to find only EC contribution to each Member State and not how they are subsequently used. Information on beneficiaries of EU funds allocated in partnership with Member States is managed at Member State level and any disclosure is left to their discretion.

The European Transparency Initiative is promoted and implemented through different regulatory texts and documents detailed below.

2.1. Financial regulation

The Financial Regulation (Council Regulation No. 1995/2006)⁶ represents the first relevant reference point for different issues related to the transparency requirements of the ETI. The budget adopted by the Community is published in the Official Journal of the European Union by the President of European Parliament. Regarding the disclosure of beneficiaries, the Regulation states that the Commission "*shall make available, in an appropriate manner, information on the beneficiaries of funds deriving from the budget held by it (or when the budget is implemented on a centralised basis and directly by its departments)*". The Commission should also publish information on beneficiaries in cases where there are entities that have been delegated to budget tasks under other types of management. This type of information shall be made available according to Directive 95/46/EC⁷ of the European Parliament on the protection of personal data.

⁶ Council Regulation No. 1995/2006 of 13 December 2006 amending Regulation No. 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities, art. 103.

⁷ Directive 95/46/EC of the 24 August 1995 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data.

2.2. The Green Paper

The Green Paper on the “European Transparency Initiative”⁸ presented by the Commission on 3 May 2006 is the key document officially launching the ETI. On 3 May 2006 the Commission adopted the Green Paper whose objective was to launch a broad public consultation on the following key components of the ETI:

- The need for a more structured framework for the representatives of involved activities (lobbyists);
- Feedback on the Commission’s minimum standards for consultation (“Consultation Standards”);
- Mandatory disclosure of information about the beneficiaries of EU funds under shared management.

According to the Green Paper, the ETI is made up of four main components:

- **Public access to documents**

Regarding the issue of transparency, the Treaty (article 255 of the Treaty establishing the European Community,⁹ as amended by the Treaty of Amsterdam) grants “*a right of access to European Parliament, Council and Commission documents to any Union citizen and to any natural or legal person residing, or having its registered office, in a Member State*”. Implementing the Treaty, Regulation (EC) No. 1049/2001¹⁰ defines limits and the extension of public access to European Parliament, Council and Commission documents.

To make citizens' rights effective under the regulations in force, each institution shall provide public access to a register of documents. Access to the register should be provided in electronic format. In order to ensure the full application of this Regulation to all activities of the Union, and all agencies established by the institutions should apply the principle.

- **Ethical rules**

The core of ethical rules consists of the Staff Regulations and the “Code of good administrative behaviour”, available from the Commission website. Guidelines for good administrative behaviour indicate the following principles: objectivity, impartiality and information on administrative procedures. On the other hand, the four general principles of good administration are: lawfulness, non-discrimination and equal treatment, proportionality and consistency. The Commission intends to move from a rules-based system to a principles-based one. As a result the crucial points are the setting of common standards and the clarification of rules with respect to gifts, favours and outside activities.

To strengthen its system of professional and ethical rules for public officials, taking into account best international practices, since 2000 the Commission has:

- promoted innovative administrative procedures through a new accounting system;
- decided to open a disciplinary office (IDOC) for its staff, in particular to focus on outside activities, conflicts of interest, gifts and after-service employment;

⁸ Commission Green Paper on the “European Transparency Initiative” of 3 May 2006, COM (2006)194.

⁹ Treaty establishing the European Community, *Official Journal C 325 of 24 December 2002*.

¹⁰ This regulation is under revision see *Proposal for a regulation of the European Parliament and of the Council regarding public access to European Parliament, Council and Commission documents*, presented by the Commission, 2008 COM(2008) 229 final.

- arranged for a whistleblower access, to assist staff members to report suspected fraud and protect them if they do.

The main initiatives are the following:

- in July 2006 the Commission organized its first "Ethics Day", an opportunity for the Commission staff to debate practical "ethical cases";
- in February 2007 the Commission launched a bottom-up initiative to update the ethical principles ruling staff behaviour, to grant for their monitoring inside the institution and to promote remedial actions.
- in March 2008 the Commission adopted a communication on standards of professional ethics for its staff. The communication of 5 March from vice president Kallas to the Commission on improving the environment for professional ethics in the Commission underlined the need to open a fully comprehensive "Ethics website", where all relevant sources of information on ethics should be gathered. This website will be the point of reference for all other existing horizontal documents or sites and will raise awareness of European initiatives¹¹.

- **Lobbying transparency**

The Commission recognises that lobbying is a legitimate, even essential, part of democratic decision-making, as long as the target of social and community interest is achieved. The Commission in return asks representatives of interested parties for collaboration in showing that the lobbying aspires to high levels of probity, openness and transparency.

The Green Paper focused on two important objectives: the launch of a database providing information about consultative bodies and expert groups advising the Commission; the wide consultation of stakeholders, and in-depth impact assessments prior to legislative proposals. The Commission claims that these help to ensure that the concerns of citizens and of all interested parties are properly taken into account. Thus, a register of Expert groups¹² is available on the Transparency website of the Commission.¹³

The Commission has recently strengthened and then developed its policy on participation by civil society by adopting the White Paper¹⁴ and the Communication "General Principles and Minimum Standards for the Consultation of Interested Parties"¹⁵ on 11 December 2002. The Communication is about access to the consultation process, the feedback on the comments received, the transparency and independence of interested parties, the limits for consultation and the special frameworks for specific target groups. Moreover, in the Communication there is a part dedicated to the Minimum Standards of Consultation. Minimum standards are thought to promote the publication of information in different modes, clear content of the consultation process, the realization of

¹¹ European Group on Ethics in Science and New Technologies:
http://ec.europa.eu/european_group_ethics/index_en.htm.

¹² Expert groups are advisory bodies whose role is to assist the Commission and its services in setting legislative proposals and policy initiatives.

¹³ Register of Expert groups <http://ec.europa.eu/transparency/regexpert/index.cfm>

¹⁴ White Paper on European Governance COM(2001) 428 final of 25 July 2001.

¹⁵ Communication from the Commission, Towards a reinforced culture of consultation and dialogue - General principles and minimum standards for consultation of interested parties by the Commission COM(2002) 704 final of 11 December 2002.

consultation target groups, respect of precise deadlines, and the importance of feedback from the Commission.

Following the Green Paper, the Commission proposed the creation of a voluntary register for lobbyists,¹⁶ available on the European Commission website. In the press release of 21 March 2007 the Commission again asked lobbyist and interest groups to subscribe to the public register. In order to have full transparency, registered organisations will be asked to provide information about their mission, who they represent, and how they are funded.

Concerning Consultation, as anticipated above, the European Commission has been promoting minimum standards of Consultation. The minimum standards consist of five categories: Clear content of the consultation process; Consultation with target groups; Publications; Time limits for participation; and Acknowledgement and feedback.

The Commission underlines the necessity for clarity of information and deadlines in order to make responses and planning possible, openness to all groups and the consideration of possible impacts. The Commission shows the importance of different means of publicity - traditional and alternative formats and media - and is committed to providing punctual feedback on the consultation.

Table 2 - Minimum standards of consultation¹⁷

Minimum standards	Requirements
Clear content of the consultation process	All communications concerning the consultation ought to: <ul style="list-style-type: none"> - be clear; - provide full information to facilitate responses.
Consultation target groups	The Commission should: <ul style="list-style-type: none"> - provide target groups with opportunities to express their opinions in an equitable manner; - take into account the impact of and the need for experience.
Publication	The Commission should give adequate publicity through: <ul style="list-style-type: none"> - your-Voice-in-Europe web portal; - traditional media and alternative formats; - more accessible media for the disabled.
Time limits for participation	The Commission should : <ul style="list-style-type: none"> - provide sufficient time for preparation and planning (at least eight weeks for reception of responses to written public consultations and 20 working days notice for meetings); - be prepared for the decision when the deadline for transmission of comments has expired.
Acknowledgement and feedback	The Commission will <ul style="list-style-type: none"> - provide adequate feedback to parties and to the public; - publish results of public consultation on websites; - analyse carefully all contributions to see whether, and to what extent, they can be transferred in the policy.

Source: The Green Paper

¹⁶ Register of interest representatives:
<https://webgate.ec.europa.eu/transparency/regrin/welcome.do?locale=en#en>

¹⁷ This table is a brief compendium of Annex 2, "The general principles and minimum standards in detail", of COM(2006) 194, The Green Paper of ETI.

- **Recipient of EU Funds**

The European Commission is committed to raising awareness of the use made of EU money, in particular through the improvement of the explanation of what Europe does and why it matters. The Commission is accountable to the taxpayer and considers the provision of information on how EU funds are spent to be of general public interest. The publication of the Green Paper on Transparency gave rise to considerable media coverage of the publication of information on the beneficiaries of EU funds.

The main characteristic of the EU budget is that an important part of it is under the regime of "*shared management*" (approximately 80% of the total). Shared management means that funds are not spent centrally and directly by the Commission, but in partnership with the Member States. This budget management approach is used for the Common Agricultural Policy and the Structural and Cohesion Funds. Following this approach of *shared management* the Commission entrusts Member States with the implementation of specific programmes at national level. As a result, in the Commission accounting system it is possible to find only the EC contribution to each Member State not how it was subsequently used because Member States are directly responsible for the deployment of EU funds by beneficiaries. In this respect, the ETI plays a crucial role. The entire EU budget is subject to the ETI obligation which is to make the final beneficiaries publicly known. Concerning centralised management, data are easily accessible through the Commission website¹⁸; in the case of *shared management* the process of data collection is more complicated.

Information on beneficiaries of EU funds allocated in partnership with Member States is managed at Member State level, and any disclosure is left to their discretion.

2.3. The follow-up to the Green Paper

Following the Green Paper an open Internet-based consultation¹⁹ took place from May to August 2006. On this basis the Commission published a follow-up paper that proposed to:

- build a new voluntary register of interested representatives in spring 2008, replacing the previous CONECCS database. All lobbyists that carry out activities "*with the objective of influencing the policy formulation and decision-making processes of the European institutions*" are expected to register;
- increase transparency through the reinforced application of the Commission's minimum consultation standards. The usefulness of the website (linked to the register) for Internet consultations and the scrutiny of the participants is the main tool to promote transparency;

¹⁸ According to Council Regulation No. 1995/2006 the contracts/grant agreements adopted by the Commission for *centralised direct management* contain a standard clause on the publication of contract-related data. By signing the contract or grant agreement, the beneficiary automatically authorises the Commission to process, use, distribute and publish information about the identity of the contractor, the subject matter, the duration, the amount paid and the reports. See Council Regulation No. 1995/2006 of 13 December 2006 amending Regulation No. 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities. The name and the location (the amount, the year of allocation, etc.) of the beneficiaries of the contract/grants committed by the Commission every year, either directly or through executive agencies, are available on the European Commission website. See Financial Transparency System available at: http://ec.europa.eu/beneficiaries/fts/find_en.htm.

¹⁹ The EESC held a hearing with more than 60 European interest groups and other interested parties, the Commission received contributions from more than 160 interested parties, the European Economic and Social Committee and the Committee of the Regions each produced an opinion on the Commission's Green Paper.

- Draft a Code of Conduct to be discussed with stakeholders in 2007. The Code will be a requirement for entry in the register and will be monitored by the Commission;
- Enforce the respect of the Commission's consultation standards by means of a series of practical, in-house measures;
- Promote the implementation of the policy, that is the publication of the beneficiaries of EU funds.

3. ETI IMPLICATIONS IN THE FIELD OF COHESION POLICY AT EU LEVEL

KEY FEATURES

- The chapter argues that ETI should have an important effect on the rules for a transparent consultation process with consultation being promoted in the upstream and downstream phases of the policy making process. It discusses what communication channels have been used for consultation on Cohesion policy.
- Council Regulation 1083/2006 of 11 July 2006 and the Implementing Regulation 1828/2006 of 8 December 2006, being the most relevant regulations regarding the transparency of beneficiaries of Cohesion policy are discussed. The implications are for structuring the data provision are addressed.
- It is observed that a Guidance note was prepared determining the structure of information about beneficiaries to be provided for the Structural Funds, the Cohesion Fund and the Fisheries Fund. The Guidance note provides binding regulations for all Member States and indicates that Member states have to publish annually the name of the beneficiary, the name of the operation and the amount of public funding paid to the beneficiary.
- The chapter concludes by presenting the indicative structure which has been suggested to Member States for presenting the minimum data requirements.

The ETI is relevant at different stages of the policy cycle as applied in the field of the Cohesion policy highlighted above: upstream, in the identification and formulation phase and, downstream, in the implementation phase. As matter of fact the ETI establishes rules of transparency on the Cohesion Policy regarding:

- The consultation of the key stakeholders and institutional actors by the Commission during policy building, which also occurs during the Impact Assessment and Inter-service consultation processes;
- The delivery of the Programmes funded by Structural Funds by the disclosure of beneficiaries (European Regional Development Fund - ERDF, European Social Fund - ESF, Cohesion Fund - CF).

3.1. Consultation and partnership

The ETI should have an important effect on the rules for a transparent consultation process. Consultation is promoted in both the upstream and the downstream phases of the policy making process. In the “upstream” phase outputs are reports, vision papers, studies and research projects. The second phase refers to policy formulation that is the core of the inter-service process and that consists of the impact assessment process, which is “a set of logical steps, which structure the preparation of policy proposals” in the European Commission. It involves “building on and developing the practices that already accompany the policy development by deepening the analysis and formalising the results in an autonomous report”.

A Consultation has taken place recently regarding territorial cohesion and its future development. The consultation lasted from 6 October 2008 to 28 February 2009 and it was launched by the publication of the Green Paper on Territorial Cohesion – “Turning territorial diversity into strength”.

On the website of the DG REGIO there was a page dedicated to the consultation (http://ec.europa.eu/regional_policy/consultation/terco/consultation_en.htm) and contributions were requested from all citizens and organisations, particularly from stakeholders in departments of national government, local and regional authorities, EU institutions, economic and social partners, civil society organisations, academics and citizens.

On the website there was a specific format for citizens and another for organisations. The page claims that “Received contributions will be published on the Internet” and “In the interests of transparency, organisations have been invited to provide the public with relevant information about themselves by registering in the Interest Representative Register and subscribing to its Code of Conduct. If the organisation is not registered, the submission is published separately from the registered organisations.”

Besides the formal consultation there are many other channels of communication between the stakeholders and the Commission (annual bilateral meetings, Open Days, Cohesion Forum) where the Regional actors can address the Commission not only when the Policy is formulated but also in the downstream phases (implementation, evaluation).

Another important channel is the Committee of the Regions where the interests of the local communities (Regions, Towns and Counties) are represented. In any case, it is important also to underline that in the Structural Funds the principle of transparent consultation is already embodied in the programming and managing of ERDF and ESF.

Regulations Nos. 1260/99 and 1083/06 push for a broad consultation of stakeholders in the drafting of the National and Regional Programmes. Also the Monitoring Committees play an important role in the involvement of economic and social actors, representatives of NGO, environmental and gender issues, and local communities.

3.2. Disclosure of beneficiaries of Structural and Cohesion Funds

Regarding the transparency of beneficiaries of the Cohesion policy, the most relevant regulations are: Council Regulation No. 1083/2006 of 11 July 2006 and Implementing Regulation No. 1828/2006 of 8 December 2006. Art. 69 of Council Regulation No.1083/2006²⁰ states that the *“Member State and the Managing Authority for the operational programme shall provide information on and publicise operations and co-financed programmes. The information shall be addressed to European Union citizens and beneficiaries with the aim of highlighting role of the Community and ensuring that assistance from the Funds is transparent.”*

According to the Regulations in force, the Commission started to publish and make available the beneficiaries of Structural Funds. From 2009 onwards the Commission will publish the beneficiaries of funds from Common Agricultural Policy. On the basis of Commission Regulations Nos. 1828/2006 and 498/2007 the Commission wrote, in agreement with all Member States, guidance notes on the structure of information about

²⁰ Council Regulation No. 1083/2006 11 July 2006 laying down general provisions for the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation No. 1260/1999.

beneficiaries of the Structural Funds, the Cohesion Fund and the Fisheries Fund. Guidance notes are binding for all Member States, which have to publish annually the name of the beneficiary, the name of the operation and the amount of public funding paid to the beneficiary. The Commission encourages all Member States to publish information every year by the end of June.

3.3. Guidance note

On the basis of Commission Regulation No. 1828/2006 and in agreement with all Member States, the Commission prepared a detailed Guidance Note²¹ on the structure of information about beneficiaries benefiting from the Structural Funds and the Cohesion Fund.²² The Guidance Note confirms the mandatory character of the disclosure of information on the beneficiaries. The Note focuses on three categories of information: a) the list of beneficiaries; b) the name of the operation; c) the amount of public funding allocated to the operation. These are minimum requirements. Member State may also add other public information or data. Regarding the amounts to be published, the Commission suggests the publication of the amount committed to the operation and the total sum effectively paid at the end of an operation.

Table 3 below provides the indicative structure for presenting the minimum data requirements.

²¹ European Commission Guidance Note on the European Transparency Initiative 23 April 2008: Implementation of the Financial Regulation regarding the publication of data on beneficiaries of Community Funds under the shared management mode.

²² The Fisheries Fund - FIFG/EFF is also covered.

Table 3 - Table for setting out the list of beneficiaries of EU funding through Structural and Cohesion Funds

LIST OF BENEFICIARIES FOR REGION X/MEMBER STATE Y (LAST UPDATED MM/YY) *				
NAME OF THE BENEFICIARIES **	OPERATION ***	PUBLIC FUNDING PAID TO BENEFICIARY		
	Name of the operation	Year of allocation/final payment	Amounts committed ****	Total amounts paid at the end of the operation
BENEFICIARY 1	Operation A		Currency of Payment	Currency of Payment
BENEFICIARY 1	Operation B		Currency of Payment	Currency of Payment
BENEFICIARY 1	Operation C		Currency of Payment	Currency of Payment
BENEFICIARY 2	Operation A		Currency of Payment	Currency of Payment
BENEFICIARY 3	Operation D		Currency of Payment	Currency of Payment
...	...		Currency of Payment	Currency of Payment

Source: European Commission, Note to the COCOF, 23rd April 2008.

(*)The list can be established per co-financing Fund.

(**) where beneficiary as: "operator, body or firm, whether public or private, responsible for initiating and implementing operations. In the context of aid schemes under Article 87 of the Treaty, beneficiaries are public or private firms carrying out an individual project and receiving public aid";

(***) and operation such as: "a project or group of projects selected by the Managing Authority of the operational programme concerned or under its responsibility according to criteria laid down by the Monitoring Committee and implemented by one or more beneficiaries allowing achievement of the goals of the priority axis to which it relates".

(****)Column that may disappear once the operation is completed and the total amount paid and published.

The Commission has committed itself to playing a coordinating role to facilitate access to the information available on Member States' websites. In this context the Commission stresses that the electronic publication should be favoured while it strongly recommends using national or regional website for the purpose of the transparency exercise. Each Member State may decide whether to disclose the list of beneficiaries at national or regional level.

With regard to timing, the publication of data on beneficiaries started in 2008. This consisted of beneficiaries of the Funds that were allocated funding after the enforcement of Financial Regulation No. 1995/2006 (1 May 2007). According to Financial Regulation No. 1995/2006, the publication of data shall take place at least on an annual basis. To achieve the goal of publishing data on beneficiaries as of 2008, the Follow-up to the Green Paper on the "European Transparency Initiative"²³ established the following procedure: publishing the data in their current form and ensuring the comparability and "searchability" of data.

²³ Communication from the Commission, Follow-up to the Green Paper on the 'European Transparency Initiative' Brussels, 21.3.2007 COM(2007) 127 final.

4. ETI IMPLEMENTATION AT MS LEVEL: AN EU-WIDE AGGREGATE VIEW

KEY FEATURES

- The chapter reviews the data presented as per the minimum data requirements on the web sites of DG Employment and DG Regio for the ESF and ERDF/CF respectively. It is cautioned that before drawing conclusions on compliance, it has to be observed that we are in an early stage of programming timing and not many expenditures or commitments have been made.
- Reasons for different Member States for non-compliance with ETI minimum data requirements are discussed. It is concluded that data disclosure is still to be considered as work in progress and subject to ongoing updates, on the basis of information that the Commission receives from the Member States. The chapter presents the status and the data characteristics for the individual Member States.
- It is observed that at the regional level, the degree of compliance with ETI obligations reached satisfactory results. From the 253 NUTS 2 European regions, 72% and 78% of them provide at least the minimum information required for ESF and ERDF/CF, respectively. The degree of detail and the way of presenting the information on the websites, however, vary widely according to the region concerned. Variations occur by providing additional information to the minimum requirements and the type of information disclosed.
- Considering data accessibility and the way they are presented on the websites, it can be concluded that data are easily accessible with less than two “clicks” necessary from the on-line maps to disclose the list of beneficiaries. On the other hand, with a few exceptions, information is only provided in the national languages (and currencies) so that comparison of data is impossible and a comprehensive picture of what is presented unavailable.

As explained above, the ETI obligations ask the Member States to publish the following set of minimum information²⁴ regarding programmed 2007-2013 Structural Funds expenditure in their country:

- name of the direct beneficiaries;
- name of the operations (i.e. the projects);
- amount of public funding allocated to the operations.

Such information is provided by Member States separately for ESF, on the one hand, and ERDF/CF, on the other. European citizens can consequently get the two sets of data by accessing the DG Employment and DG Regio websites, where two interactive maps provide direct links to the lists of beneficiaries of the Funds, available on the respective national or regional websites of the Member States. These links and their content are the sole responsibility of the Member States and are based on information provided by the

²⁴ Member States are, however, encouraged to provide additional information at will.

respective Managing Authorities. The Commission services are, therefore, not responsible for the accuracy or completeness of the information provided.

Figure 1 and 2, extracted by accessing the two websites in March 2009, illustrate the countries or - in the case of ERDF/CF - the single regions for which data have been already published. As the Figures show, not all countries/regions fulfil the obligations set by the Initiative. This is the case especially for Greece, Spain, Austria and some Italian and UK regions, which have not yet provided data with regard to both Funds.

According to the evidence collected by interviewing relevant stakeholders at the Commission services, compliance with the ETI obligations in Greece is hindered, at present, by technical factors, in particular the ongoing upgrading of the Managing Authorities' information systems.

In the case of Spain, a problem of "interpretation of the content" on what is to be published (i.e. the beneficiaries list) is evoked. The European guidelines were interpreted in the sense to give clear and accurate information on the names of the beneficiaries. However, this is not possible now because only the names of the *potential* beneficiaries are available. This is due to the fact that the definition of the real final beneficiaries is in the hands of intermediate local associations which publish the calls for tenders and then assign funding. This procedure is long and not yet completed so the Spanish authorities were waiting for the final selection before publishing data. However, since other countries did publish the data even if only for potential beneficiaries, they decided now to do the same and, in one or two months, the list will be on line for Spain too.

Unlike the above cases, the reason the list of ESF beneficiaries in Austria was not published does not lie in a technical, administrative or legal constraint, but in the fact that no entries have yet been recorded by the monitoring system running from early 2007 to end 2008. It is therefore expected that a first list of beneficiaries will be disclosed with the next Annual Implementation Report of June 2009.

Data disclosure, as shown in the maps, should in any case still be considered as a work in progress because it is subject to ongoing updates on the basis of information that the Commission receives from the Member States. This is particularly true, for example, for Italy and UK, whose degree of data coverage is being progressively updated month by month.

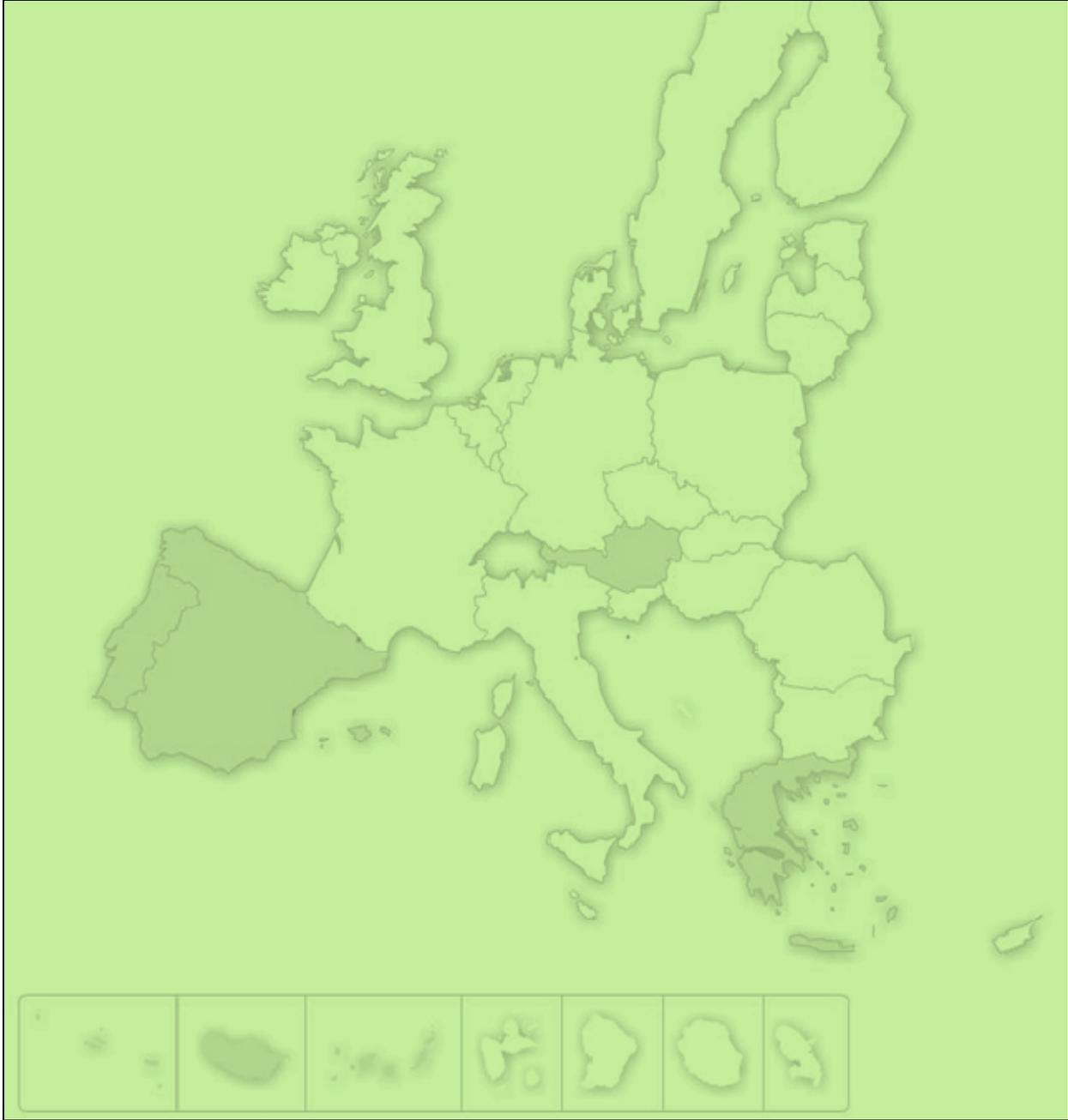
Figure 1 - ERDF and CF data publishing. March 2009



Source: DG Regio website

Note: Green: lists of the ERDF/CF beneficiaries published; Grey: not yet published.

Figure 2 – ESF data publishing. March 2009



Source: DG Employment website
Note: for the countries in gray (such as Portugal, Spain, Austria and Greece) the data has not yet been published.

At the regional level the degree of compliance in with ETI obligations in March 2009 was not entirely satisfactory. Over the 253 NUTS 2 European regions,²⁵ 72% and 78% of them provide at least the minimum information required for ESF and ERDF/CF, respectively. The degree of detail and the way of presenting the information on the websites, however, varies greatly according to the region.

This is illustrated in Tables 4, 5, 6 and 7 below, which show how many regions provide information additional to the minimum requirements and what type of information is usually disclosed.

As regards the first requirement, only one type of additional information, consisting of the beneficiary's website or telephone number, is observable. Also, only about 10% of regions provide this indication for both Funds (Table 4).

More details are given about the operations, namely their description, code, location, implementation status and start/end dates (Table 5). Nevertheless, the share of regions providing this supplementary information is, again, low or very low, highlighting a general tendency of the regions to limit compliance to the compulsory requirements.

Finally, this tendency is confirmed looking at the additional information made available about the funds committed (Table 6). Less than half of the regions indicate the total (national + community) amounts allocated and, in the case of ERDF/CF, only 27% give information on the single national contributions. High results are, in contrast, reported with regard to the year of commitment, with about two thirds of regions providing this information.

Table 4 – Additional information on the beneficiary. Share of total regions publishing data

	ESF	ERDF / CF
Website or telephone number	11%	10%

Source: Authors

Table 5 – Additional information on the operation. Share of total regions publishing data

	ESF	ERDF / CF
Description	16%	19%
Code	86%	49%
Location	42%	41%
Status	7%	5%
Start / end	49%	15%

Source: Authors

²⁵ Denmark was considered as Region 1 as in the previous EUROSTAT nomenclature.

Table 6 – Additional information on the commitment of Funds. Share of total regions publishing data

	ESF	ERDF / CF
Total amount (national + EC)	47%	44%
Amount of national co-funding	51%	27%
Funds paid out	9%	32%
Year of allocation	66%	65%

Source: Authors

On the subject of accessibility to data and the way they are presented on the websites, different considerations may be drawn. On the one hand, data are easily accessible because, on average, fewer than two clicks are necessary from the on-line maps to discover the list of beneficiaries. The formats in which they are presented are also standard, with more than a half using PDF (Table 7). On the other hand, even if there are some exceptions, information is provided only in the national languages and currencies so that comparisons of data are impossible, and a comprehensive picture of the contents of the obligations is lacking.

Table 7 – Data accessibility and format

	ESF	ERDF / CF
Average number of clicks to access data	1.5	1.9
PDF format	54%	52%
HTML format	18%	21%
Excel format	28%	27%

Source: Authors

5. ETI IMPLEMENTATION AT MS LEVEL: EVIDENCE FROM FOUR CASE STUDIES

KEY FEATURES

- This chapter reviews Member state experiences with the implementation of ETI principles. They represent different European geographical areas: Finland (North), Italy (South), the Netherlands (West) and Poland (East). ETI principles are discussed as per their different dimensions and put in the wider context of good governance and use of consultative processes in programme development.
- Findings indicate that there are no legal impediments to adherence to the ETI (minimum) requirements. Non-compliance with ETI minimum requirements is limited to a smaller percentage of Managing Authorities and relates to a lack of administrative capacity rather than reluctance in providing such data. Variations in data presented are explained by the lack of a prescriptive format on how data should be presented.
- Individual Member States have been developing their own initiatives to give full expression to ETI principles by launch of web presentations, digitalization of databases which includes digital maps and best practices presentation.
- Stakeholders involvement in programme development although widely appreciated does not automatically imply that interests of potential beneficiaries are taken into consideration. For some programme components there is less demand than what would otherwise be expected.
- Simplification of rules, streamlining of procedures and reduction in risks are expected to increase the interest and participation in structural fund programmes by parties which currently have difficulties in meeting administrative and financial requirements and do not have specific knowledge about the EU subsidy rules.

5.1. Selection of the four cases

Four countries were chosen in order to realise case studies on the conditions under which ETI is implemented. The objective is to identify obstacle and success factors accounting for differentiated attitude with respect to the implementation of the ETI requirements.

The criteria of selection combined:

- Apparent differences in fulfilling the ETI requirements;
- Different institutional set up providing for the implementation of Cohesion policy (centralised vs decentralised management of Structural and Cohesion funds);
- Different administrative traditions.

The final choice has retained four countries from different geographical horizons:

- Finland;
- Italy;
- The Netherlands;
- Poland.

5.2. Implementation of ETI in the four cases

In this chapter we discuss the progress being made in the investigated case study countries in implementing the ETI in the area of Structural and Cohesion funding. The discussion ranges from problems faced in meeting the minimum data requirements of publication of lists of beneficiaries to the wider objective of showing transparency in the implementation of EU policies through a better involvement of citizens, and a greater legitimacy and accountability for the policies as expressed in the White Paper on European governance (2001). From country cases we identify what obstacles are faced in implementation and what successes have been made in achieving the wider objective of obtaining more transparency in the use of Structural and Cohesion funding.

5.2.1. Legal framework

Under the 'shared management' regime, information on beneficiaries of EU funds is managed at Member State level. The expression of the minimum requirement to disclose the names of beneficiaries is determined by national legislation and administrative context, traditions and culture.

For Finland, as indicated in Box 1 below, the principles of openness and transparency in making information publicly available are ensured through progressive national legislation. Specific legislation relates to the use of Structural Funds and access to public information and stipulates that all documents shall be in the public domain, unless specifically indicated otherwise.

Box 1 - Access to information

Access to information

In Finland for both the ERDF and ESF data are managed at regional level, according to the principles of open access to information and transparency are central to the implementation of Cohesion Policy, ranging from programme preparation phase to project implementation. The project specific information is public once the funding decisions have been reached and the only restrictions are in case where individual's privacy or business secrets require confidentiality. The burden of proof lies with the exceptions to the principle, rather than vice versa.

Source: ETI Case Study Finland

For Italy different acts determine the access to public information and the protection of privacy. Before the introduction of the ETI there was already the requirement of publication of lists of beneficiaries.

In Poland, two legal provisions are relevant. The Personal Data Protection Act of 2001 states that names of individual beneficiaries of public aid can be disclosed. Also relevant is the Development Policy Act of 2006, which introduced the provision of appeal against the evaluation results of individual projects.

For the Netherlands it was observed that data transparency on public spending is determined by the Law on Access to Public Information (1991) and the Law on Protection of Personal Data (2001). Disclosure of the names of individual beneficiaries, relevant for the ESF only, is not allowed as per national law. It is resolved by linking the database with the 'citizen's service number' and in the presentation the analysis is limited to categorized results only.

What can be observed, therefore, is that in the European context there has been a progressive development in national legislation towards ensuring more transparency in public administration; a development that took place in the context of the debate on good governance and access to public information. The ETI at a national level is not a well-known concept and has no operational expression beyond the publication of the list of beneficiaries. Hence, it is considered as an administrative compliance with regulations determining eligibility to EU funding rather than a guiding and cross-cutting principle in programme development. There are no legal restrictions regarding the publication of the list of beneficiaries.

5.2.2. Institutional arrangements

Implementation of the ETI obligations is the responsibility of the Managing Authority of each Programme. Arrangements differ therefore according to the administrative structure adopted for each country and Fund.

For Finland both the ERDF and the ESF are centrally managed by the new Ministry of Employment and the Economy, while prior to 2008 they were managed by separate ministries.

In Italy there is a decentralized institutional framework for managing the ERDF and the ESF. However, there are also Ministries acting as Managing Authorities. The ETI is coordinated centrally by the Department of Development and Cohesion Policy of the Ministry of Development through the ERDF INFORM²⁶ network. INIO²⁷ is managed by the Labour Department of the Ministry of Labour, Health and Social Affairs. With a deconcentrated structure at central government level and decentralized management arrangements at the regional level, there are at central level coordinating and supportive functions.

In Poland the Ministry of Regional Development is the sole Managing Authority for all Operational Programmes. In addition, there are intermediary bodies and implementing agencies at both national and regional level.

In the Netherlands the ERDF is managed at the regional NUTS I level and coordinated by the Ministry of Economic Affairs. The ESF is centrally managed by the Ministry of Social Affairs and Employment. For fulfilling the ETI obligations, both the INFORM and INIO correspondents are placed at central government level but responsibility for implementing the ERDF remains with the respective Managing Authorities.

²⁶ Implementing Reg. No. 1828/2006 requires the creation of a Community network of communication officers. On that basis, the INFORM and INIO networks were established for the ERDF and the ESF, respectively. The two information networks play active role in promoting and implementing the ETI.

²⁷ *Ibidem*

Box 2 – Division of competence

Division of competence

In The Netherlands, the Agentschap SZW has full responsibility for implementation of the ETI as management authority for the ESF. On its web site it advises project beneficiaries on how to develop a communication plan at their own level. It uses thereto the EC guidelines the authority itself receives for implementation of EU programmes. A specific department is also responsible for the implementation of the Communication Plan.

MinEZ coordinates the ERDF programme at the national level but provides links to the web sites of the management authorities at NUTS I level for ETI related information. Communication activities form part of the management responsibilities of the desk coordinating Structural funds with the Ministry of Economic Affairs ²⁸, which has a staff of 4 persons.

Source: ETI Case Study The Netherlands

Country experiences teach us that the ETI is not a familiar concept and is seen as being similar in spirit and outreach to principles of good governance in programme management. There is a tendency to associate the ETI with the Communication Plan that forms an integral element of each Operation Plan and is submitted to the EC for comments and approval. Such an association is not, however, formally expressed by European regulations and leaves open the question of the scope and outreach of the ETI in operational terms.

In all cases it is relevant that Managing Authorities are responsible for the data management of their respective programmes. As with other programme components, the Monitoring Committee established for each OP has final responsibility for the implementation of the ETI.

5.2.3. INFORM and INIO responsibilities

The informal network of INFORM and INIO officers was established for the implementation of the Communication plan. For each operational plan, a communication plan was developed for the planning period 2007–2013 as per Council Regulation No. 1828/2006. They describe the different communication activities. The focus is on promoting the EU visibility guidelines and providing guidance to (potential) applicants in meeting the requirements for the full project cycle and includes the requirement to publish the list of beneficiaries. A positive example of developing such a communication strategy is provided in Box 3 below for Italy.

²⁸ 'Coördinatiepunt structuurfondsen' of MinEZ.

Box 3 - Role of INFORM and INIO officers and communication strategy**Role of INFORM and INIO officers and communication strategy**

In Italy for both the ERDF and ESF data are managed at regional level, according to the decentralization of the Italian institutional framework. At the same time, there is a single instance of Central coordination, supervising the implementation of the ETI at regional level. This specific role belongs to the INFORM correspondent in the field of ERDF and to the INIO correspondent in the field of ESF. The official site of INFORM is at the DPS (Department of Development and Cohesion Policy) of the Ministry of Development. INFORM's counterpart for the ESF is INIO. The objectives of its activities are largely the same. The official site of INIO is at the Labour Sector of the Ministry of Labour, Health and Social Affairs. A positive example of a successful communication strategy that has been applied is that of the Regional Operational Programme in Marche and Umbria (Italy). In the Marche Region the strategy of communication relies on two local networks: Europedirect and Enterprise Network. With these two networks the Managing Authority agreed an in-depth campaign of awareness raising of the opportunities offered by EU funds. The leading partner of Europedirect is Urbino University and it will implement a number of events for the local public partners. The leading partner for Enterprise network is the Ascoli Chamber of Commerce and its activities will target the Small and Medium-Sized Enterprises. Umbria Region organised a campaign to communicate the achievements of the 2000-2006 programme and launch the 2007-2013 period together with Marche Region. The campaign was based on a touring exhibition with touch screens and panels and took place in eight cities around the two regions. In this campaign schools, industrial associations, local authorities and also beneficiaries of the Funds were involved to explain what projects were implemented and experiences obtained.

Source: ETI Case Study Italy

For specific INFORM/INIO responsibilities, the arrangement for Finland is that they are placed with one person at the responsible Ministry. Also in Italy, Poland and the Netherlands the INFORM and INIO officers are placed at central government level. The responsibilities of the officers differ according to the institutional arrangements made for the implementation of the ERDF and the ESF, with a coordinating role rather than responsibility for implementation in the case of decentralized implementation.

Coordination is maintained at EC level with communication officers meeting a few times a year through the EC structure of the INIO and INFORM network of information officers established for the structural funds (COCOF). Along with the INFORM and INIO correspondents for each country it includes the officers from each Managing Authority responsible for communication activities.

In the Netherlands these meetings are followed up at the national level by a communication working group chaired by the coordinating Ministry. Increasingly, through information exchange there is cooperation between INFORM, INIO and communication officers of the respective Managing Authorities on joint initiatives. The same trend is at work in Poland, for example. Both INIO and INFORM correspondents are hosted by the same Ministry (the Ministry of Regional Development) and can easily communicate. In other cases (Spain and Italy), cooperation is more difficult.

5.2.4. Consultation process carried out in connection with the fulfilment of the ETI obligations.

As discussed earlier, the Commission published a communication on consultation of interested parties for the development of policies and provided minimum standards thereto specifying the procedure and requirements. With ETI obligations implemented through shared management, it is of interest to observe at country case level how local – and regional - socio-economic and environmental partners are involved and through which consultation mechanisms. For implementation, Regulations Nos. 1260/99 and 1083/06 indicate the requirement for a broad consultation of stakeholders in the drafting of National and Regional Programmes. Monitoring committees are to involve and represent economic and social actors, representatives of NGOs and local communities and express environmental and gender concerns.

At national level Finland has established an informal network of programme coordinators and representatives of Employment of Economic Development Centres – T&E Centres, state regional authorities and intermediary bodies, regional councils, social partners, ministries and other parties having an interest in Cohesion Policies, which meets to discuss information and communication activities related to Structural Funds. As indicated in the box below, citizens' involvement does not only require an adequate structure for stakeholder involvement but also a communication strategy that is open and appeals to target groups.

Box 4 - Involving Citizens

Involving Citizens

The involvement of ordinary citizens requires concerted efforts on behalf of the management and implementing organizations, as the bureaucratic nature and complex language often associated with EU programmes needs to be addressed. Regional development more generally is often seen as overly civil servant-driven (even by the civil servants themselves). Formulating the communication and information activities in an understandable and clear fashion is essential and all through the project process speaking the language of the groups and individuals that are to be involved in projects is a prerequisite for successful implementation. ESF activities tend to involve more civil society associations than ERDF, but both need to involve citizens more directly. This requires measures also in the communication and project management sphere, as well as pro-active and open attitude communication. There are good examples of Structural Fund activities that have been successful in this regard and that have had a mobilizing and empowering impact.

Source: ETI Case Study Finland

In Italy the Secretariat for the Regions coordinated a broad consultation process on the future of the Cohesion policy with the involvement of the Regions. It also emphasized the importance of regular consultations between the Commission and the Regions. The same broad consultation process was applied in the composition of the Monitoring Committees and the drafting of the NSRF and ROPs.

In Poland consultations took place at the stage of formulating and implementing Operational Programmes and for the ESF as indicated in Box 4 below. It was the largest campaign of its kind for Structural Funds. For the Regional Operational Programmes the consultation process was less pronounced and open.

Box 5 - Consultation process in the formulation of the Operational Programmes**Consultation process in the formulation of the Operational Programmes**

Consultations in connection with the fulfilment of ETI principles take place at the stage of formulating and implementing operational programmes. As part of programming of financial activities co-financed by the Structural Funds, comprehensive consultations on the provisions of the Human Capital Operational Programme financed with the European Social Fund were initiated by the Ministry of Regional Development. The series of hearings and consultations lasted from March to September 2006. Representatives of non-governmental organizations, consultancy firms and other potential beneficiaries of the programme attended. At the meetings participants were invited to propose changes and/or modifications to the programme provisions. Queries, doubts and motions were also accepted via email directed to Ministry of Regional Development staff. The thematic scope and the scale of consultations has so far been the largest publicity campaign of the kind involving the Structural Funds, yet it became the target of some serious criticism. The first issue concerned the top-down approach, which some thought to be too heavy-handed, and the other was directed against the way the information was conveyed – often using officials. However, the very idea of consultation was never criticized.

Source: ETI Case Study Poland

For the Netherlands it was emphasized that there was a broad consultation process in preparing the National Strategic Reference Framework (NSRF), involving the main social, economic and environmental partners at national and local level. Monitoring Committees established for each OP include representatives of employers and employee federations, associations representing target groups, concerned ministries and other stakeholders. Platform groups were established to receive feedback from users for some programme components.

What can be concluded is that for each case study country stakeholder involvement in programme development and monitoring has been provided for. This does not necessarily mean that a bottom-up approach was applied. For Poland it was observed that programme formulation did not always take into consideration the concerns and needs of individual businesses. Also for other countries it was felt that the consultation process is more directed towards fine-tuning of preset priorities than priority identification from the ground. What is appreciated in each case is the positive influence that the EU participation model has on the formulation of other development programmes.

5.2.5. Technical arrangements for database management

In principle Managing Authorities are responsible for publishing the lists of beneficiaries. The characteristics of database management differ for each country.

For the presentation of project data, Finland has one common database and monitoring system for ERDF and ESF (EURA2007), which provides a comprehensive overview of project data and beneficiaries. There is a separate database system for business-related projects that require a certain level of confidentiality. Data transfer from this system to EURA 2007 is automatic and real time for information that can be shared.

Italy has Managing Authorities at both central and regional level. As indicated in Box 6 below, experiences with meeting the requirement of disclosing the names of beneficiaries are mixed. Authorities that fail to do so include both central government ministries and a number of regions, and in particular the convergence regions. The case study analysis

teaches us that the quality of presentation relates to the management and administrative capacity of the responsible authority, rather than to regional background, type of fund or lack of interest.

Box 6 – Publication of the list of beneficiaries

Publication of the list of beneficiaries

In Italy, in the context of each Operational Programme, transparency plays a key-role because of the national legal prescriptions and because of the ETI. Nevertheless, many regions have not yet published the lists of beneficiaries on the website, as requested by Regulation No. 1828/2006. In particular Convergence Objective Regions have not yet published almost anything on the website regarding the European Transparency Initiative.

Source: ETI Case Study Italy

In Poland the Ministry of Finance maintains the National Information System (SIMIK) that includes the databases of beneficiaries of Structural Funds. The SIMIK was established to operate all databases with information required as per EU regulations for managing and monitoring the use of Structural Funds and the Cohesion Fund. As Managing Authority, the Ministry of Regional Development maintains a web-based National Information System that publishes in PDF format the list of project beneficiaries and other formats and reports related to the project cycle (e.g. applications for payment). The website provides links to the fund-specific websites maintained by the Ministry.

In the Netherlands for the ERDF each Managing Authority has its own database that is build on regional systems. Through the MSF (Monitor of Structural Funds) each individual system is linked to the National Monitor. Daily updates are uploaded to the National monitor, which provides for information exchange between regional Managing Authorities, the coordinating Ministry, the certifying authority and the audit authority. All requests for payment are processed through the National Monitor and submitted to the EC after certification through the SFC2007 – system. Lists of beneficiaries are published by the regional Managing Authorities on their respective websites and the MinEZ, as coordinating body, provides links to these websites. For the ESF, Agentschap SZW operates its own database that is linked to the SFC to process requests for payment. For ETI purposes the Agentschap SZW website publishes the list of beneficiaries subdivided according to action.

5.2.6. Form of data presented

Differences can be observed in how data are presented in each country and the format used for doing so. For programmes centrally managed by one authority uniformity can be ensured (e.g. Finland and the ESF, Netherlands). In the case of decentralized responsibilities differences occur. For Italy it was observed that not all authorities provide information in the 'committed or paid out' column. In the Netherlands there are differences in presentation between regional Managing Authorities on the structure of public funding. Such differences do not necessarily relate to unwillingness to adhere to regulations, but are caused by not having a prescriptive format that determines the structure of the information to be provided. The proposed template is merely indicative and open to interpretation.

There are differences as well in the level of data automation of each Managing Authority, programme and level of implementation. However, there is a gradual process of further digitalization of databases (e.g. project applications) and websites providing more detailed

documentation about the programme and its design. A good example of such an approach is provided in the box below for Poland.

Box 7 - Increasing accessibility to Structural Funds

Increasing accessibility to Structural Funds

Within the framework of the INFORM Network set out in November 2008, the Polish Ministry of Regional Development launched an information campaign, which aims to highlight useful sources of information for potential recipients via a new website – a comprehensive information source for the public²⁹. The website contains information about the management and implementation of European Funds in 2007-2013. These information centres, which will work as one-stop-shops, are being established throughout Poland. The dissemination campaign consisted of television and radio commercials promoting and informing the public about the new website and information centres as well as an outdoor campaign run in 51 Polish cities in late 2008

Source: ETI Case Study Poland

For reasons of security all data maintained in the monitoring system on beneficiaries are uploaded manually on the respective web sites for public display. The format depends on individual preferences with the use of Excel, Word and PDF files.

ETI data are drawn directly from the programme monitoring system and, therefore, the procedure for certification and validation is the same. With data uploaded manually there is always a risk of human error and backlogs in updating new information.

5.3. Fulfilment of the ETI obligations

Finland, Poland and the Netherlands meet the minimum requirements by publishing the name of the beneficiary, the names of the operations and the amount of public funding allocated to the operations. Italy shows a different picture, with most regions providing the list as per the minimum requirements, some not, and others complying partly or providing further links to websites where such information can be found.

5.3.1. Nature of the information provided through the ETI

Accessibility

There is considerable variation in the accessibility of information between countries and programmes. Centrally managed programmes are easier to structure and provide better access in terms of information flows (e.g. Finland and the ESF, the Netherlands). However, it is also a matter of design of databases and inter-linkages provided. In the Netherlands the Ministry of Economic Affairs, as coordinating Ministry for the ERDF, gives links to regional web sites and a clear structure is provided. Here, there is the benefit of a centrally managed and coordinated set-up and decentralized access to project information that has a regional impact. Italy, in contrast, provides a more diffused picture with information spread out over a larger number of parties at national – and regional level. As presented in Box 7 below, particularly worth mentioning in this context is the Polish case of the Ministry of

²⁹ http://ec.europa.eu/regional_policy/country/commu/mstates_en.cfm?nmenu=9

Regional Development, which has developed and hosts a Map of European Union Aid with locations and descriptions of selected projects implemented in Poland and co-financed by the Structural Funds. The Netherlands is experimenting with similar graphical presentations and plans to launch a common website for all Structural funds by the end of 2009.

Box 8 - Presentation of data (Italy)

Presentation of data (Italy)

In Italy the Autonomous Province of Trento is a positive case in terms of Transparency. In fact the region has published the Communication plan and has well performed in all the fields of ETI in both funds. The Province of Trento performed best in terms of the usefulness of data. For the ESF the provincial website collected data in an interactive database. On the website it is possible to search and sort information through this database of beneficiaries. For the ERDF data are collected in an excel file. As a result, after extraction, data can be used for aggregation, computation and comparison.

Source: ETI Case Study Italy

Comprehensiveness

Also for authorities that present the minimum data requirements there are variations in presentation. There is no uniform approach to what data should be presented for public funding. Some provide the ERDF allocation only, others also give the amount of public funding provided as a total or sub-divided according to level of government. There are presentations that give the ranking in submission, while there are Managing Authorities that go well beyond the minimum ETI requirements in their communication efforts and present comprehensive summary overviews of approved projects.

Usefulness

As observed for Poland, databases maintained by Managing Authorities in their obligatory form provide basic and necessary information about the project beneficiaries. With the exception of some of the Italian presentations, the overviews are clear and seem to be accurate. How useful these are is another question. With files being uploaded in PDF the data cannot be aggregated and provide a somewhat fragmented picture. At the same time the question can be raised as to what purpose would be served by aggregating the data. User surveys would provide more clarity on this. Even for Italy, however, there are regions that perform well in terms of their ETI presentation as discussed in the box above.

From the case studies it is clear that Managing Authorities struggle with the question of what information it is useful to provide. Presenting a long list of beneficiaries does not seem to answer the requirement of providing more transparency on what happens to the funds. Providing location maps and more detailed project descriptions with an attractive design are some of the options being developed. At the same time, presenting more detailed project descriptions with an attractive design runs the risk of information overdose, which becomes difficult to absorb by users. Such a display is only effective for Managing Authorities funding a limited number of interventions (e.g. the ERDF supported OP for East Netherlands). The impression is that at this stage, next to the list of beneficiaries with minimum data requirements, the graphical presentations providing at least location and theme and short summaries for each project, best meet information demands. Also, Best Practice presentations would serve the purpose of a more transparent display of the results obtained by Structural Funds and the Cohesion fund. Moreover, as discussed in the box below, data collection also has relevance for measuring the impact of Structural Funds. When more characteristics of end-beneficiaries are known, in particular their socio-

economic position and background, and the type and location of projects being implemented, the better the insight will be into how funds are spent and who benefits. Here, the challenge is to have sufficient data to analyse impacts and at the same time respect the privacy of individual beneficiaries.

Box 9 - Data provision and analysis of results

Data provision and analysis of results

The Operational Programme as defined for the ESF indicates that proper registration of data is essential for monitoring the programme. By linking the database to the social security registration number of each citizen, the 'citizen's service number' characteristics of beneficiaries are obtained as per gender, age, position in the labour market, period of being unemployed, and other important factors. These are contained in the annual report about the programme to the EC and are delivered electronically through the SFC-system. Rather than burdening projects with additional data collection such system makes it possible to generate data in aggregated form. The restrictions in analysis regarding use of the 'citizen's service number' are determined by the Privacy protection law and data availability with the Central Statistical Office (CBS).

For the ERDF data registration is felt to be important for the 'categorization' of projects according to type of project, issue addressed, level of expenditure, region of implementation and its characteristics (e.g. rural/urban). There is a joint initiative with the Ministry of Economic Affairs as coordinating body and the different Managing Authorities to establish a common database and website presentation that provides a location map of projects and priorities and lists the projects implemented, results achieved and 'best practices' in implementation. It is intended that the website will be launched by the European Representative Office in The Hague and if, and to what extent, the same information can be placed at the individual Managing Authority level is being considered. The Ministry of Social Affairs and Employment participates in this initiative for the ESF and intends to publish the same data on its website if there are no technical complications.

Source: ETI Case Study the Netherlands

Reliability

The ETI minimum data requirements are obtained by extracting data from the monitoring system and, as mentioned before, for security reasons there is no interconnectivity between the programme database and web publications. Hence, there remains a dependence on having a system of regular updating of information when the status changes.

Availability of a database of organisations excluded from EU funding

At the end of 2005 Poland introduced legal provisions to exclude non-public parties from future participation in calls for proposals within the framework of EU programmes in case of inappropriate use of funds. Implementation is at different levels of decision-making. The Dutch legal system, in contrast, does not have a provision for the blacklisting of parties and there is no interest either in establishing one. In the case of incorrectness and/or incompleteness of data provided by beneficiaries there is the possibility of taking corrective action including the refund of the subsidy and, in the case of suspicions of possible fraud, criminal proceedings can be started. In Italy and Finland, no evidence on the existence of such information was found.

5.4. Assessment of ETI compliance

Adherence to the ETI (minimum) requirements is seen in all cases as a formal obligation in receiving support and is not disputed. The quality and extent of the information provided are factors determined by the capacity and capabilities in database management, web design and communication effort, rather than reluctance in providing data. In observing this, it should be noted that the ETI principle is a little known concept. Providing transparency as one of the elements of good governance is a shared concern, however.

5.4.1. Technical factors hindering ETI compliance

Decentralized programme databases are normally based on software maintained by regional authorities for that purpose. Interfaces provide links between national monitoring systems. These on their turn are linked to the European database for requests of payments in which all financial data is centralized. Ease of providing links between regional databases and the national system depends on compatibility of software and can be complicated and time consuming. The ETI data are extracted from the national database or directly from the regional monitoring system and placed on websites of the Managing Authority.

What has been encouraging to note is that there is a gradual process of automation of databases and establishing interconnectivity. Being able to use a digitalized application form downloadable from a website is seen as a big improvement.

For the Italian case it was observed that those regions (and central government parties) facing technical difficulties in providing ETI information required stronger support and direction in bringing their databases up-to-date and compatible for providing links. Nowadays, such constraints no longer justify withholding information.

5.4.2. Administrative factors hindering ETI compliance

There are no administrative factors hindering compliance with the ETI (minimum) data requirements with three possible exceptions. For Poland it was mentioned that public access to data is restricted to the minimum list of data requirements, while for the full database authorization is required. For the Netherlands there is the question of granting funds to clusters formed by (intermediate) bodies that, in turn, further disburse funds. It is not always transparent in this case who the end-beneficiaries are. For Italy it is the administrative capacity of some of the regional and central parties itself hindering ETI compliance.

When we consider the ETI initiative in its wider perspective, providing more openness and access to EU programmes, a number of constraints were observed:

- Timeframe, complexity of EU regulations and the N+2 rule make potential beneficiaries hesitant to apply for funding; and
- The possible multi-fold audit controls, the need to keep files until three years after project completion, payment only afterwards, the risk of repayment of subsidies and the lack of small and flexible funding arrangements were mentioned in several cases to have created an impression of complex and cumbersome administrative compliance with programme requirements. It was observed that (new) partners have withdrawn because the risks are considered too big or the administrative burden was found too large.

The result is a lower number of applications and less demand for subsidies than would otherwise be expected. The case study on Italy provides the following opinion: *“It seems that the Commission does not take into consideration the instance of the Managing Authorities that are requesting greater simplification. The general opinion is that the Commission does not put much effort into reducing the burden of implementation rules”*.

For Poland as discussed in the box below, insufficient attention was paid during programme formulation to what kind of support was required by ‘potential’ beneficiaries, which resulted in less interest in the programme than what would normally be expected in this case. It states that; ‘as a rule, the level of interest on the part of potential beneficiaries exceeds the programme budget, but quite often the situation has been exactly the opposite’.

Box 10 - Demand and utilization of Structural Funds

Demand and utilization of Structural Funds

Somewhat less transparent were the consultations concerning the Regional Operational Programmes – they usually consisted of discussions between Commission officials and politicians, which then became the subject of negotiations and decisions made with the European Commission. This was criticized by the entrepreneurs and other recipients of aid under Regional Operational Programmes, who highlighted the discrepancies between the proposed solutions and the current context of the regional and local economies. These allegations may prove to be justified, especially if faced with problems of the absorption of the Structural Funds, which, one year into the programming period, have become more and more pronounced. This problem also affects the Human Capital Operational programme, in which significant disproportions subsist between the budgets of its individual components and the actual interest in aid applications – as a rule, the level of interest on the part of potential beneficiaries exceeds the programme budget, but quite often the situation has been exactly the opposite. The problems outlined above may lead to the conclusion that the mode of consultation of the shape and contents of programmes co-financed by the Structural Funds requires a number of amendments and modifications.

Source: ETI Case Study Poland

For the complexity of the rules and regulations in the use of Structural funds, a general feature for each case country is the involvement of desks or offices specialized in EU funding and subsidy rules and larger (governmental) parties having sufficient expertise and experience to become main beneficiaries of funds. In this respect, the box below provides the remarks made for Poland.

Box 11 - Administrative factors hindering ETI compliance

Administrative factors hindering ETI compliance

It is expected that the projects implemented within the framework of the Operational Programmes can be presented as a model for other potential beneficiaries. When existing databases are supplemented with best practises it will greatly facilitate developing projects and implementing them in an appropriate way. Extended data collection on the characteristics of individual projects should also contribute to improved transparency in programme results and impacts. It should also overcome the barrier in accessibility of funds otherwise limited to large professional organizations specialized in taking advantage of their knowledge of EU procedures, regulations and principles concerning Structural Funds. It should be noted that simple and clear rules of financial procedures and a consistent approach to the scope of the programmes will stimulate higher interest in participation in the programmes resulting from the Structural Funds.

Source: ETI Case Study Poland

5.4.3. Political or cultural factors hindering ETI compliance

For Poland it is mentioned that there are some reservations among project applicants that their submission will be made public for the risk of plagiarism. It has also been debated whether or not there should be more openness about the negotiation process between the party awarding the contract and the beneficiary, offering the possibility of appeal against an evaluation decision and providing the credentials of project evaluators.

For the Netherlands the only reservation expressed was against high profile publicity campaigns thought to have the reverse effect.

5.4.4. The role of partnership

Partnership has been a core element in programme formulation, identification and selection of beneficiaries and monitoring the progress made, and it is expressed in the formulation of the NSRF, the Operational Programmes and composition of the Monitoring Committees. Also, in a few instances direct feedback on programme implementation was obtained through platform groups of beneficiaries or other consultative panels. The important thing is that the programming of the Cohesion and Structural Funds forms part of the overall democratic decision-making process at national and regional level. As demonstrated in the box below for Finland, partnership is also instrumental in promoting the use of Structural funds and to reach a wider range of potential beneficiaries.

Box 12 - Partnership and programme accessibility**Partnership and programme accessibility**

Factors possibly challenging programme accessibility and causing bottlenecks are connected to the complexity of the issues and systems involved. Understanding the causality and connections between the different parts of the system can be challenging and expertise is required to have a comprehensive understanding of the issues, even if the different parts of the system and detailed information from project to programme level can be easily accessed. Knowing who to contact and what can be done is not always easy from the outside. This is why the role of partnership cannot be over-emphasized, as it is through the partnership, social partners and organized interests that the various groups of society access information of interest to them. The eligibility issues in particular are seen as complex and sometimes overly restrictive. The consultation processes in programme preparation are seen as functioning well, though there is always a challenge in involving all the parties and ensuring that the timeframe for consultation is sufficient.

Source: ETI Case Study Finland

A well structured and developed partnership approach does not necessarily mean that potential beneficiaries are guaranteed openness and access to the different programmes. A more rigid interpretation of the scope of priorities and measures and (perceived) complexity in administrative procedures could result in a situation in which access is limited to a network of parties that is well-informed and knowledgeable about EU subsidy rules. On the other hand, through communication activities, Managing Authorities attempt to widen the network of potential beneficiaries. As presented in the box below, for the Netherlands it was observed that the broad composition of the Monitoring Committees had a positive effect on making the Structural Funds better known. It was also suggested that the policy approach had a positive impact on other programmes by bringing local and regional authorities together in multi-year programmes.

Box 13 - ETI and Partnership**ETI and Partnership (The Netherlands)**

The partnership aspect is not a decisive factor in presenting the ETI (minimum) data requirements on websites. At the same time, it is acknowledged that in the consultative approach adopted for each programme, partnership is a core element in programme formulation, identification and selection of beneficiaries and in monitoring the progress made. Through the partnership approach the involvement of stakeholders in programme development is assured and more openness and support is obtained in achieving objectives. The expectation is that a broad composition of the Monitoring Committees contributes to wider dissemination of information about European programmes and increased demand for support.

As for appreciation of the partnership approach, a position paper of the VNG, the Dutch Association of Municipalities and the IPO, the Coordination committee for the Provinces (VNG-IPO, 2008), drafted in preparation for the future programming of the Structural funds, remarked that the adopted policy approach is of interest. It brings social, economic and civil society partners from the regions and municipalities together (governance-aspect). It creates partnerships that are also relevant for other programmes. The multi-year approach guarantees continuity and creates the scope for an integrated and structured problem approach at the required level of intervention (subsidiarity principle). It also results in multiplier effects by mobilizing other funds.

Source: ETI Case Study the Netherlands

5.4.5. Positive factors or mechanisms that could enhance ETI compliance

Non-compliance with the minimum ETI requirements is restricted to a limited number of Managing Authorities in Italy. Meeting full compliance was observed to be a matter of building the administrative capacity of those failing to oblige. The latter would also benefit from better coordination and support in database development and website design.

When we consider the broader ETI perspective of providing more openness and access to EU programmes, a number of developments are of interest to obtain *optimum* ETI results. The first initiative is to supplement existing databases with best practices of projects successfully implemented. A second initiative is to develop digital maps that present project information on websites. Both initiatives would contribute to making programme results more visible. The largest contribution would be made, however, by simplifying the administrative and financial procedures, which would make the programmes more attractive to potential beneficiaries and reduce their risk in participation. The box below presents the view as expressed in this respect for the Netherlands.

Box 14 - Simplification of the management of the Structural Funds

Simplification of the management of the Structural Funds

It was suggested that simplified administrative arrangements, clarity in financial procedures, minimization of financial risks in participation for beneficiaries, and consistency in approach would be the most important contributions to enhance the transparency of the programmes and create interest among potential beneficiaries in participating. In a position paper prepared by the VNG, the Dutch Association of Municipalities and the IPO, the Coordination committee for the Provinces (VNG-IPO, 2008), it was mentioned that in future programming an important condition will be the further simplification of the management of the Structural funds. The administrative burden in implementation of programmes experienced by the decentralized authorities, knowledge institutes and companies is considered to be very high. It reduces interest on the part of potential beneficiaries in participating. The objective of introducing a single audit is considered to be a step in the right direction and is endorsed.

Source: ETI Case Study the Netherlands

6. CONCLUSIONS AND RECOMMENDATIONS

In the first part of the chapter we summarize our main conclusions and discuss them in the context of the transparency debate on the use of Structural and Cohesion Funds. In drawing conclusions we reflect on experiences with the implementation of the ETI and discuss them in the wider framework presented in Chapters 5 and 6. In the second part we put forward some suggestions on how to further strengthen the European Transparency Initiative and its contribution to Cohesion policy's transparency. We distinguish between the different dimensions of the implications of ETI for Cohesion policy in terms of consultation and involvement of stakeholders and required publication of beneficiaries. We also distinguish between Member States perspective and the Commission's.

6.1. Conclusions

6.1.1. Transparency and the minimum data requirements

From the EU perspective

The Commission, and in particular the two General Directorates involved, DG Employment and DG Regio, plays an active role in the implementation of ETI's requirements in terms of publication of beneficiaries. Several channels and instruments are used:

- The two DGs provide an entry point to access Member States and regions' database on their respective web sites;
- There is a structured system of INFORM (ERDF) and INIO (ESF) communication officers with designated responsibility at the Managing Authority level. Coherence at EU level is provided by a consultative structure through the COCOF holding meetings several times a year. INFORM and INIO officers have no formal designation but are assumed to be responsible for implementation of the Communication plan required for each Operational plan. The Communication plan defines the promotion activities for each OP and determines how the EU visibility guidelines are implemented. Part of the Communication plan consists in presenting the ETI minimum data requirements even if there is no formal linkage between the ETI and the Communication plan.

The competence of the Commission stops where the competence of Member States begins.

- In particular, the Commission declines any liability concerning accuracy of data which is under the responsibility of Member States.
- The Commission adopts a supportive attitude with the animation of the INIO / INFORM network. One positive element of the COCOF is that it brings together communication officers of all Structural funds with the limitation of a maximum number of participants from each country. Through this arrangement exchange of information between the different Structural funds is enhanced and national cooperation in promoting EU structural funding support is stimulated. In this way, the Commission follows a promotional approach rather than imposing the regulation on Managing authorities of Structural Funds.

- The Commission provides only an indicative format for the minimum data requirements.
- No link is established between the data transparency initiative and the more regulated and binding issue of financial controls and auditing or the implementation of the “contract of Confidence”.

The success of ETI in its data disclosure component is dependent on Member States taking over and pushing forward the agenda established by the Commission.

From the Member States perspective

ETI responsibilities are established with the Managing Authorities for each Structural fund with control being the responsibility of the respective Monitoring Committees. ETI in its operational expression is linked to the publication of the list of beneficiaries. Managing Authorities tend to associate it with the Communication Plan which is submitted to the Commission for comments and approval. Such an association is however not formally enshrined by European regulations and leaves open the question of the scope and outreach of ETI in operational terms.

Adherence to the ETI minimum requirements has no legal impediments. Managing Authorities consider that providing such information is part of the formal obligations to fulfil in relation to the execution of EU Structural Funds programmes, and is not disputed.

Non-compliance with ETI minimum requirements is limited to a few cases. Rather than a reluctance in making public the required data, two reasons can be put forward:

- lack of technical / administrative capacity in database management, web design and communication effort;
- early stage in the 2007-13 programming period. The programme 2007 – 2013 is at a relatively early stage and commitments and expenditures are still limited in scale. Management – and information systems are still under development in some countries and regions, and implementation can be slower for administrations less experienced in these types of databases.

ETI data are extracted from monitoring systems established in each country for managing Structural funds. For data security reasons, there is no automatic link between database and web presentation and there is scope for human errors.

There are many differences across countries and Managing Authorities in the interpretation of the ETI minimum requirements. While most Managing Authorities comply with the minimum requirements, others have a maximalist approach and provide a series of complementary information.

The different approaches to / or interpretations of the ETI minimum requirements are made possible by the relatively loose legal framework enshrining the obligation of publishing data about beneficiaries. In particular, there is uncertainty about:

- the definition of beneficiaries;
- the field of payment to fill (committed vs. effective).

The different approaches to/or interpretation of the ETI minimum requirements reflect differences both in administrative capacities and attitudes/cultural administrative traditions.

These variations could also reflect different institutional set ups (to simplify: centrally managed Structural Fund programmes vs. decentralised managed Structural Funds). The latter have the advantage that information flows are easier to manage and structure. However, the case studies show that in the case of decentralized management, it is also possible to provide clear and transparent overviews at the appropriate level with key features presented centrally and in coordinated form and relevant regional data at that level only.

- Such arrangement has the advantage that data presentation is at the closest level from beneficiaries (and can be considered as the data equivalent of the subsidiarity principle).
- The drawback is that no overview at national - let alone EU - level can be obtained.

Case country experiences show that the need to complement the minimum requirements is often an expression of doubts about the utility of presenting a mere list of beneficiaries. The latter is not always felt to answer the requirement of providing more transparency on what really happens with the funds.

The lack of normative framework and the resulting variability in the interpretation make impossible any comparisons at EU level. Databases are structured differently, with different contents and conditions of access.

6.1.2. Partnership and governance

Partnership is a core element of the EU Cohesion policy. In formal terms, partnership materialises through aspects such as the formulation of the NSRFs and of the Operational Programmes and in the composition of the Monitoring Committees. The Commission and especially DG Regio, is making a great effort in involving stakeholders when defining the framework for Cohesion policy development and priorities set by the individual financial instruments. In this context, additional instruments consisting of forums, newsletters, and communications are utilised that go beyond those envisaged by the Green Paper. These contribute to make Cohesion policy – at the formulation stage – one of the most transparent EU policies.

- It must be stressed that this task is very difficult because of the number of actors involved, the variety and the complexity of the subject (regional development is a crosscutting thematic). Our feeling is that sometimes the Commission fails to address the right people by mismatching political issues with technical ones. This is due to the particular approach of the Commission which is rational and pluralist but which is not echoed in the same ways in all Member States. Some Member States are starting only now to involve stakeholders. Others have not a “rational” approach which clearly divides political and administrative issues.
- It is also to say that Structural Funds with their regulations have played an important role in pushing the transparency agenda in most of the regions of Europe, at both stages of the policy cycle – implementation (evaluations – controls – communications) and consultation (the partnership required for programming, the composition of Monitoring Committees etc). So Structural Funds have been for a number of countries a pedagogic room to learn about transparency and about how to involve stakeholders.

What was learned from the case country studies is that stakeholders involvement in programme development does not necessarily mean that a bottom-up approach was applied and interests of potential beneficiaries taken into account. Consultation processes are often oriented towards fine-tuning of preset priorities rather than addressing specific needs of target groups. A signal of such restrictions is provided by the lesser demand for subsidy support than what otherwise would be expected. At the same time the involvement of social, environmental and economic partners and interest groups offers the possibility to expand networks and to reach a common understanding on how best to tailor the Structural Funds programmes to the needs of potential beneficiaries.

As discussed in Chapter 2 ETI forms part of the broader general reform of EU policies and includes the five principles of good governance (openness, participation, accountability, effectiveness and coherence) which are considered important to reinforce principles of subsidiarity and proportionality. With respect to Cohesion policy, ETI should find its expression in the increase of democracy and participation in the EU decision-making process, a better involvement of citizens and a greater legitimacy and accountability of policies. That said, ETI and the governance reform process are not explicitly linked. Yet, as was observed above, there is a need at Member State level to better apply the principles of good governance in the field of Cohesion policy. Under the regime of shared management, this is to a large extent the responsibility of Member states.

6.2. Recommendations

6.2.1. Disclosure of beneficiaries data

The objective that the ETI pursues through the establishment of the minimum requirements is reached if EU citizens actually make use of the data provided. For this to be the case, the usefulness of the data provided needs to be dramatically improved. This involves improvements in terms of both content and presentation, and requires:

- to provide additional essential information, besides the “minimum” required. Examples of additional fields are already experimented in some Member States and include examples such as:
 - comprehensive contact details, in particular localisation (for example through postal codes);
 - projects summaries of approved projects, field of activity possibly classified according to a common nomenclature, types of support (loans, grants, venture capital..);
 - description of the project partners (legal status, size ..);
 - ranking in submission and scoring of applications etc.;
- to make the different databases of Member States fully searchable and compatible, so as to make possible an EU-wide outlook of the data presented while preserving their local relevance. In this respect, of specific importance are:
 - the language issue – double versions, local language – English, should be used in all instances;
 - technical arrangements necessary to ensure the compatibility of software, systematic digitalization of databases, digital maps presenting project locations and themes.

In other words, ETI has defined minimum data requirements. Additionally, ETI could also indicate optimum conditions for providing full transparency in data presentation.

At the same time, a balance needs to be struck between the objective of making data more useful and therefore more exhaustive, and the necessity to avoid overdoses of information.

To achieve greater usefulness, and more clarity and uniformity of the data provided (“optimum requirements”), ETI would benefit from defining a more detailed and prescriptive format which would define the structure, form and contents of the information to be provided. It would also be useful to clarify how ETI principles should be translated in operational terms at OP level and which institutional structure should be set up.

Full compliance with the new ETI “optimum requirements” could benefit from stronger regulations and sanctions in case of default. However, whether the Commission is in a position to make such an arrangement binding is not clear. On the face of it, it could be as – if not more – effective to pursue the soft approach adopted so far based on coordination and best practice exchanges. This would be the case provided that the effort is reinforced by the pressure that citizens could place on national and local authorities to deliver data of interest to them.

To ensure full compliance with ETI requirements, the coordinating Ministry could have a stronger role in supporting Managing Authorities which have difficulties in complying with data requirements because of a lack of administrative or technical capabilities. The focus would be on building their administrative capacities in database management, web design and communication approach.

6.2.2. Partnership and governance

In its operational expression at programme management level, ETI does not extend beyond the publication of the list of beneficiaries. For the moment, it is considered as an administrative compliance with regulations determining eligibility to EU funding rather than a guiding principle. Transparency and good governance in conceptual terms could be more closely linked and serve as cross-cutting and guiding principles in programme design. Transparency and good governance could be introduced as cross-cutting principles in programme development as is the case for gender and environmental concerns.

For promoting good governance principles in implementation of the cohesion policy, one of the options could be to have a “good governance scan” used in the formulation of programmes. The purpose would be that the implementation rules and regulations for each programme would be formulated in such a way that procedures are transparent, provide better access to potential beneficiaries to EU Structural Funds, minimize the financial risk in participation and reduce administrative burdens for participants. The communication plan as an expression of ETI principles could also provide the operational context.

Feedback from different respondents suggest that there is a need to simplify rules and regulations and reduce the financial risk for beneficiaries to participate, while maintaining at the same time the control and scrutiny on how funds are spent. Consultation of stakeholders already contributing to the Structural fund programmes and user surveys of intermediate and facilitating bodies and (potential) beneficiaries through a bottom-up process will provide more insight in what the bottlenecks and constraints are in participation in the programmes. Such a consultation process may be given a high visibility profile and provide for proper feedback on what is done with the recommendations.

Concomitantly, a more pervasive consultation activity using the already traditional channels (especially the Monitoring Committee) can contribute to achieve a higher degree of transparency in consultation.

Some of the main suggestions to enhance transparency in Cohesion policy include:

- More openness and feedback on the outcome of project evaluations applications and contract negotiations, reasons for rejection and offering the possibility of an appeal;
- Simplification of administrative and financial procedures;
- Reduction of financial risk for beneficiaries.

Thus increasing transparency could serve the objective of good governance in project management. Simplification of rules, streamlining of procedures and reduction of risks are expected to increase participation in Structural Funds programmes by parties which have currently difficulties in meeting administrative and financial requirements and have no specific knowledge about the EU procurement procedures.

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ANNEX 1 - CASE STUDY FOR FINLAND

A1.1 - Arrangements adopted to fulfil the obligations stemming from the EI in the field of Structural funding

The arrangements adopted in Finland in connection with the ETI in the field of Structural and Cohesion policy funding are broadly in line with European and national legislation. It includes the Structural Funds regulation, Structural Funds Act ³⁰ and Act on the Openness of Government Activities ³¹, which stipulate that all Official documents shall be in the public domain, unless specifically otherwise provided in legislative Acts³². The principles of open access to information and transparency are central to the implementation of cohesion policy, ranging from programme preparation phase to project implementation. The project specific information is public once the funding decisions have been reached and the only restrictions are in case where individual's privacy or business secrets require confidentiality. The burden of proof lies with the exceptions to the principle, rather than vice versa. The object of national legislation in this regard is to promote openness and good practice on information management in government, and to provide private individuals and corporations with an opportunity to monitor the exercise of public authority and the use of public resources, to freely form an opinion, to influence the exercise of public authority, and to protect their rights and interests.

Project and financial information on the programmes and the projects is publicly available to anyone. Publicly available information ranges from the recipients of funding, the amount of funding, the project plan and application (as stipulated by EU regulations), as well as the decision-making on project funding, i.e. the minutes of the meeting where such decisions are reached. This information is available through the national monitoring system, with the main instrument for accessing the financial and project information on Structural Funds being the EURA2007 monitoring system, available at www.eura2007.fi. This implies that the ETI as such is not referred to and could be seen as redundant, as the principles of openness and transparency are ensured through national legislation. The monitoring system is a shared one for ESF and ERDF, differently from 2000-2007, when two parallel monitoring systems existed (www.esra.fi for ESF, administered by the Ministry of Labour; www.fimos.fi for ERDF, administered by the Ministry of the Interior). The integrated monitoring system has been made possible by the reorganisation of the two ministries acting as monitoring authorities for ESF and ERDF, into the new Ministry of Employment and the Economy, as of 1st January 2008.

Business support projects and ERDF projects funded with TEKES co-financing are reported in similar fashion in Tuki2000 –database. The parallel system is explained by the fact that business support differs considerably from other ERDF projects and there are business confidentiality issues involved. There are separate systems for the nationally funded projects for regional development (not SF funded), such as projects funded through Finnvera, which are the subject of management through the KORIS-system. The data transfer from the TUKI2000-system into EURA 2007 is automatic and real time, ensuring that the EURA 2007 is up to date at all times.

³⁰ Structural Funds Act, No 1401, given by the Council of the State on the 29th December 2006.

³¹ Ministry of Justice, 2002.

³² 621/1999; Amendments up to 1060/2002 included <http://www.finlex.fi/en/laki/kaannokset/1999/en19990621.pdf>; SF regulations available at: <http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2006:210:SOM:EN:HTML>.

As required by the Structural Funds regulations, the responsibilities of management, certification and audit authority are divided to avoid inappropriate combinations of responsibility, putting the good management and governance into risk. The management system is based on decentralisation. The responsibility of managing authority is held by the Ministry of Employment and the Economy, as is the certifying Authority. Audit Authority for ERDF is Ministry of Finance (Controller). There are a total of 66 intermediate bodies in the case of Finland, with the responsibility of monitoring and reporting to the Regional Monitoring Committees (RMC) and the Ministry of Employment and the Economy, as required by national legislation and SF regulations (EC No 1083/2006, 1828/2006).

The intermediary bodies are to require in the decision on project funding that the recipient of funding provides information to the monitoring system every six months, as well as themselves ensuring the overall economic efficiency and eligibility of the funding allocated. All the funding recipients are informed of their responsibility to publicly provide funding information. Already signing the project application confirms the commitment of the potential recipient to allow the publication of possible funding information. The monitoring database allows for searches according to various criteria, ranging from fund-specific, programme, objective or measure specific search words. The programme information is available in Finnish, Swedish and English at www.rakennerahastot.fi, www.strukturfonder.fi and www.structuralfunds.fi. Project and funding information is available at www.eura2007.fi. The first three sites provide aggregated data on programmes whereas eura2007 provides information on single projects. Database on SF projects, their funding, implementation and results is available in the database at <https://www.eura2007.fi/rrtiepa/>.

It is equally important in light of the decentralized model of governance that each regional programme has a similar structure and homepage, where regionally relevant information on the program level is available. The four ERDF programmes have organized their web pages accordingly:

- <http://rakennerahastot.ita-suomi.fi/alueportaali/www/fi/index.php>
- <http://www.lansisuomi.fi/fi/etusivu/?id=2&graphics=true>
- <http://www.etela-suomeneakr.fi/>
- <http://www.pohjois-suomi.fi/>

As for the principle of transparency and the influence of ETI, it is clear that the national regulative system is predominant in its influence, i.e. the legal and administrative arrangements in place at national level concerning transparency of public spending data, as well as data protection are not connected with the ETI, as they have been in place for a considerably longer time. ETI is poorly known and recognised in the Finnish system, though its principles resonate in the national good governance discourse also and the principles of good governance that they entail are broadly compatible and they apply to all levels of government from national to regional and local. Therefore, we can consider ETI as an element of an already performing arrangement rather than an additional requirement.

The responsibility of the INFORM correspondent (dealing with ERDF)³³ and of the INIO correspondent (dealing with ESF) is in the Finnish case shared, i.e. the same civil servant from the Ministry of Employment and the Economy participates in the networks. These, as well as other, national and transnational networks are of utmost importance for the implementation of cohesion policy, as exchange of good practice, ideas and experiences is

³³ See http://ec.europa.eu/regional_policy/country/commu/index_en.cfm.

part of the promotion of openness and good governance in the Structural Funds context. The community of individuals working with regional development or Structural Funds becomes a strength in itself, as social capital is built and the mobility of individuals between the different organisations involved increases. More than the ETI obligation to publish financial data, this sort of network for exchange of ideas and best practices was felt to serve the objective of transparency in the case of Structural funds.

A1.2 - Performance of the country in fulfilling the ETI obligations

There is a total of 6 million Euros allocated for the communications activities of the Structural Funds in Finland, half of which is national co-financing. At the national level there is an informal information and communications network, where programme coordinators and representatives of The Employment and Economic Development Centres - T&E Centres, which are the state regional authorities and intermediary bodies for employment and economic policy cross the country, meet with regional councils, social partners, as well as other ministries and other parties with an interest in cohesion policy. This type of networking is seen as very valuable, as it deals with pragmatic concerns and needs of those working with cohesion policy across the country and creates a community where peer learning can take place.

Communication activities and information on Structural Funds implementation is a shared responsibility and all levels of governance play a part, from the government to the local project partnerships. The visibility of the activities is naturally also dependent on the other issue competing for attention. Occasionally Structural Funds receive considerable attention (usually when negative aspects or fraud are reported in the national or regional media). Media visibility is not easily achieved and large part of the Finnish media tends to be rather euro-sceptic in its views. In other cases positive aspects also gain visibility, such as when funding is allocated, e.g. 12th of February government press conference on the allocation of regional funding as part of the government's national stimulation package.

Openness is a principle deeply rooted in various strategies and communications strategy is an important part of the implementation of the principle of openness in practice and has a wider meaning than ETI implementation alone. The strategy was prepared in an open process of consultation in 2006, similarly to the process involved in the actual programme preparation. The strategy includes agreed distribution of responsibility, key messages, communication and information dissemination instruments, the visual guidelines and target groups. When project applications are submitted, also a communications plan is included and these are reported as part of the annual reporting.

The key message "Leverage from the EU" as presented below is implemented across the activities, in events, publications, printed materials etc. Another key message is that "Actors are guided by the principles of fair play", referring to attention paid in all EU activities to equal opportunities, partnership, and sustainability and for the whole of Finland to prosper, developing the vitality of environments, taking care of sparsely populated rural areas, and strengthening the dialogue between urban and rural areas being essential (www.rakennerahastot.fi).

Leverage from
the EU
2007-2013

The strategy also agrees on key messages to be put forward, such as:

- EU promotes endogenous development;
- EU programmes contribute to Finnish expertise, competitiveness and employment;
- EU support is worth applying for in order to implement good ideas;
- EU programmes support regional competitiveness and equal opportunities;
 - By supporting competitiveness, innovation, business activity and balance one can influence the well-being of the whole country
- The object of programmes is an international, more well-off and healthy Finland;
 - There is work and competent people in Finland;
 - Businesses prosper and the atmosphere is opportune for new ideas;
 - People have a good environment in which to work, live and pursue their lives. (Communications strategy, 2008, p. 10).

The principles outlined in the ETI are well catered for throughout the Structural Funds “policy cycle”, including the national legislation, national strategy, the Operational Programmes and individual projects. All preparatory stages involve consultations with the regional actors, authorities and social partners. The interviewees agreed that the activation of the third sector and citizens’ associations could be involved more actively.

As indicated above, the project information, in terms of the funding, substance and implementation is accessible and comprehensive, when assessed through the criteria of ETI. The criteria of usefulness is more challenging to assess, though as all project information is collected and accessible throughout the programme period, the data can be easily aggregated, compared, ordered according to specific criteria (e.g. by physical location, postal code, by legal status, size, amount received etc.), which in itself ensures that time series will be available and the characteristics of the beneficiaries of EU funds on the basis of available data can be assessed. The reliability issue can only be assessed ex post, though there seems to be firm commitment to quality assurance also in this regard.

There is no separate database of organisations excluded from EU funding (e.g. for reasons such as conviction of fraud, or corruption), though the interviewees agreed that the broad involvement of different interested parties and the openness of decision-making itself ensures that this does not cause problems or risks for programme implementation. Programmes were drafted on the level of ‘Regional Alliances’, i.e. NUTS 2 regions and there were four Regional Alliances, which acted as cooperation organisations for the Regional Councils of the relevant Programme area. A Programme Secretariat was set up for each Programme comprising representatives of the municipalities, central government and NGOs. The Regional Management Committees (RMCs) are broad-based partnership bodies and have a role to ensure that the project funding goes to the best projects and most reliable implementing organisations. The tight networks and openness of programme management are seen to guarantee the good governance principles, such as transparency and openness.

A1.3 - Performance assessment

As with all other aspects of Structural Funds management, the transparency issue is also decentralised across and throughout the Finnish governance system and layers of government and society. At the national level transparency is ensured by a functioning parliamentary system and broadly based partnerships in the programme management.

Factors possibly challenging the good governance and causing bottlenecks are connected to the complexity of the issues and systems involved. To understand the causalities and connections between the different parts of the system can be challenging and expertise is required to have a comprehensive understanding of the issues, even if the different parts of the system and detailed information from project to programme level can be easily accessed. Knowing who to contact and what can be done is not always easy from the outside. This is why the role of partnership cannot be over-emphasised, as it is through the partnership, social partners and organised interests that the various groups of society access information in issue of interest to them. The eligibility issues in particular are seen as complex and sometimes overly restrictive. The consultation processes in programme preparation are seen as well-functioning, though there is always a challenge in involving all the parties and ensuring that the timeframe for consultation is sufficient.

The involvement of ordinary citizens requires concerted efforts on behalf of the management and implementing organisations, as the bureaucratic nature and complex language often associated with the EU programmes needs to be addressed. Regional development more generally is often seen as overly civil servant-driven (even by the civil servants themselves). Formulating the communication and information activities in understandable and clear fashion is essential and all through the project process speaking the language of the groups and individuals that are to be involved in projects is a prerequisite for successful implementation. ESF activities tend to involve more civil society associations than ERDF, but both need to involve citizens more directly. This requires measures also in communication and project management sphere, as well as a pro-active and open attitude communication. There are good examples of Structural Funds activities that have been successful in this regard and that have had a mobilising and empowering impact. The interviewees mentioned LEADER and EQUAL as positive examples in this regard, ensuring empowerment and involvement directly, not merely through the indirect representative routes. Here the dissemination of good practice and by extension improving the visibility of Structural Funds activities on the regional and local levels are essential (examples for instance good practice Webpage in the Pirkanmaa region, informing about ESF good practice, available at: [http://www.pirkanmaanhelmet.fi/portal/.](http://www.pirkanmaanhelmet.fi/portal/)) Here also new methods and working practices can be important and the utilisation of social media for instance (Facebook and other web-based or mobile-based tools for sharing and discussing information, such as best practice or project methods) was referred to as potential empowering resource to be utilised more broadly.

Interviews:

- Eeva-Liisa Koivuneva, Councillor, Ministry of Employment and the Economy, 12th February 2009;
- Kaisa Leena Lintilä, Director for Regional development, Ministry of Employment and the Economy, 17th February 2009;
- Leena Lyra, Information Officer, Ministry of Employment and the Economy, 17th February 2009.

ANNEX 2 - CASE STUDY FOR ITALY

A2.1 - Arrangements adopted to fulfil the obligations stemming from the EI in the field of Structural funding.

National Legal Framework and ETI

In Italy the legal framework, during the Nineties, has been updated to increase the transparency of public spending and data protection, the simplification of administrative documents, the governing autonomous local administrations responsibility. This process of reforms has been influenced by the European Union. In some cases, as for the decision of publication of the list of beneficiaries, Italian legal framework anticipated, in a sense, the European prescription. In fact, the publicity of beneficiaries was introduced some years ago. On the other hand, as in the case of Code for the protection of personal data, European regulation substantially influenced and oriented Italian regulation.

In Italian legal framework, the rules concerning publicity, access to documents, obligation of motivation of decisions are acknowledged to promote transparency and determine the enforcement of administrative activities in many cases. Excluding the cases of protection of personal data, publicity and the right of access to public data are basic important principles to assure transparency to all legitimate and interested parties.

The Act No. 241 of 7th August 1990 defined the framework of the access to administrative documents, with a particular focus on the government and the functions of autonomous local administrations. The law stated that those requesting information must have a legal interest, manifested by written or oral request. The Law defined the exclusion of information concerning State secrets, fiscal procedures, development of policy and rights of third parties. Information referring to national defence, international relations, monetary policy, public order and prevention of crime, personal privacy and professional secrets have to be given when legal interest occurs. Italy signed the Aarhus Convention in 1998 and ratified it in 2001.

The Act N° 142 of 8th June 1990 deals with governing autonomous local administrations. The law defined the principles of the functioning of the municipalities and the provinces excluding Special Regions and Autonomous Provinces. The law designed a new institutional organization: the province as an intermediate level between the municipality and the region. The law defined the relations among the regions and local bodies in terms of the role and the responsibility in accounting and local finance. Furthermore the law described the characteristics of autonomous statutory and regulatory power, the institutions of participation, the forms of association (union of municipalities and metropolitan areas) and cooperation agreements. Fiscal decentralization was followed by the administrative one. The Constitutional law N°3 of 2001 was another step of reform on the way of Italian federalism.

The Act N° 273 of 11th July 1995, Article 3, provided for governing the simplification of administrative procedures and the improvement of the efficiency of the public administrations. The responsible of the office of relation with the public can promote, also through use of technological tools (e.g. informatics), an improvement of public services and the simplification and acceleration of procedures. The head responsible of the management of administration verifies the effectiveness of the application of initiatives.

The law of Privacy was instituted with the scope of avoiding that sensitive data could be used for targets different from which they were collected for. After the initiative and

solicitation of the European Union, in 1996 the Act N ° 675 was approved in order to acknowledge the European Directive. In the law N° 196 of June 2003, called “Code for the protection of personal data”, general principles and sectoral themes were further defined. As an example the law updated the legal framework in the field of privacy in the electronic communications.

Institutional arrangements and consultation process

Regarding the communication plans, even if ETI does not refer directly to the communication plan, it is a relevant document in which, according to the Regulation, Regions provide for information on management of structural funds. In fact the communication Plan is important mostly for the potential beneficiaries. As a first instance, some regions have not been published their own communication plans on the web site. It is also important to mention that most of the Regions have accomplished this requirement accurately. The Box below presents into more detail the regional performance on the communication strategies and transparency initiatives.

Box A2.1 – Communication Strategy of ROP in MARCHE and UMBRIA

Communication Strategy of ROP in MARCHE and UMBRIA

In the Region Marche the strategy of communication relies on two local networks:

- Europedirect;
- Enterprise Network.

The Managing Authority agreed with these two networks for an in-depth campaign of raising awareness on the opportunities coming from EU FUNDS. The leading partner of Europedirect is the University of Urbino and it will implement a number of events for the local public partners. For Enterprise network the leading partner is Chamber of Commerce of Ascoli and its activities will target the Single and Medium Enterprises.

Umbria Region has organized a campaign to communicate the achievements of the 2000-2006 period and to launch the 2007-2013 period together. The campaign was based on a touring exhibition with touch screens and panels and it took place in 8 cities around the Regions. In this campaign schools, industrial associations, local authorities but also beneficiaries of the Funds were involved to explain their experience and projects.

Source: ETI Case Study Italy

Regarding the consultation, right at this moment a broad consultation is ending about the future of Cohesion policy based on the publication of the “Green Paper on Territorial Cohesion – Turning territorial diversity into strength”. The Italian Regions were involved in different way, coordinated at national central levels (CINSEDO – Italian secretariat for the Regions).

From our Interviews it became clear that the Regions are all involved in the consultation and they find this process very useful. Beside the formal consultation there are many other channels of consultation between the Regions and the Commission (annual bilateral meetings, Open Days, Cohesion Forum) where the Regional actors can address the Commission not only when the Policy is formulated but also in the downstream phases (implementation, evaluation).

Nevertheless there are a couple of general remarks:

- The main topics are of double nature; administratively (how to manage) and policy (which strategy). Most of the times the Commission does not address the correct

counterpart asking “policy” questions to the administration and, the other way around, questioning “administrative” issues to the political level.

- On the administrative side, it seems that the Commission does not take in consideration the instance of the managing authorities which are requiring more simplification. The general opinion is that the Commission does not put much effort in diminishing the burden of implementation rules.

In general terms, it is important also to underline that, in Italy, for the Structural Funds the principle of transparent consultation is already embodied in the programming and managing of ERDF and ESF. Broad consultation of stakeholders and local authorities took place, both centrally and regionally, in the drafting of the NSRF and in the ROPs. Moreover since the nineties the Monitoring Committees of the ROPs have involved economic and social actors, representatives of NGOs active on environmental and gender issues and local communities. Sometimes the stakeholders were involved also in the evaluation phases.

A2.2 - Performance of the country in fulfilling the ETI obligations

Concerning ETI in relation with Structural Funds, it is possible to underline different aspects in the Italian case. The analysis focuses mainly on the regional level, even if also Ministries are involved as managing authorities. In any case, as a matter of fact it was not possible to find a list of beneficiaries for the OP managed centrally by the Ministry of Education which is in charge of “Pon Scuola”.

Analysing the implementation of ETI in Italy, at a regional level, we have taken in consideration three aspects:

- The disclosure of beneficiaries;
- The communication plan (potential beneficiaries);
- The involvement of Italian regional authorities in the process of consultation.

Regarding the disclosure of beneficiaries it is possible to stress some common elements of evidence:

- In Italy, for both ERDF and ESF, data are managed at regional level, according to the decentralization of Italian institutional framework. At the same time, there is a single instance of Central coordination, supervising the implementation of ETI at regional level. This specific role belongs to the INFORM correspondent in the field of ERDF, and to the INIO correspondent in the field of ESF. The official site of Inform is at the DPS (Department of Development and Cohesion Policy) of the Ministry of Development. The counterpart of Inform for the ESF is the INIO. The objectives of its activities are largely the same. The official site of INIO is at the Labour Sector of the Ministry of Labour, Health and Social Affairs.
- In the context of each Operational Programme, transparency has a key-role because of the national legal prescriptions and because of ETI. Nevertheless many regions have not yet published the lists of beneficiaries on the website, as requested by the Regulation 1828/2006. In particular Regions of Convergence objective have not yet published almost anything on the web site regarding European Transparency Initiative.

Beside these common elements, Italian situation is very heterogeneous. Some regions published on their website information relating to the structural funds, others not, and some partially. There are two main types of differences:

- Intra-regional differences; across the group of Competitiveness and Regional Employment Objective (CreO) some regions performed according to ETI, others not;
- Infra-regional differences; as per management of the ESF or the ERDF.

It is possible to synthesize all information about Italian regions³⁴ in terms of accessibility, comprehensiveness, usefulness, reliability. Annex 1 provides an in-depth analysis of all Regions. In general, it learns that:

- In terms of accessibility, apart from some cases, information is not easy to sort out with as main reason, the absence of a (direct) link in the main Regional Web Page to the specific regional website for European Affairs;
- The page or the website of European Affairs does not always have in the main page the link to the list of beneficiaries. In 2 regions it is necessary to open an other page (e.g. the information and publication page) to find the list of beneficiaries.

Regarding the Comprehensiveness, we can divide the analysis in two parts, one concerning the ESF, the other the ERDF.

In relation to ESF:

- 4 regions have all data with all ETI requirements;
- 2 regions have almost all data. They miss one of the categories (committed/paid out; year of allocation; value) requested by ETI;
- 4 regional websites not mention neither follow ETI but they have a link to European sites or the reference to communitarian legal framework (that is Reg. 1828/2006);
- 2 Regions have either an empty list of beneficiaries or a not working web link to the list of beneficiaries;
- 9 do not have anything relating to ETI obligations on the website.

Concerning ERDF:

- 7 regions have all data with all ETI requirements;
- 1 region has almost all data. They miss either one of the categories (committed/paid out; year of allocation; value) requested by ETI;
- 6 regional websites do not mention and follow ETI but they have a link to European sites or the reference to communitarian legal framework (that is Reg. 1828/2006);
- 1 region has either an empty list of beneficiaries;
- 6 regions do not have anything relating with ETI obligations on the website.

Another aspect of analysis is usefulness. Factors are if information collected on the websites can be easily extracted and aggregated.

- Since data are very frequently in a Pdf format, it is not possible to use them (copy and paste) for operations or calculations. Umbria (only for ERDF) Molise (both funds) use word format, the Autonomous Province of Trentino uses an interactive database for the ESF, an excel sheet for the ERDF. The word format is a better solution than Pdf because data can be used easily. Autonomous Province of Trentino, in particular for the ESF, offers a very useful tool that allows to order, search data still on the website;
- It is not possible to build up time series because the programming period has just started. As a consequence, at present, it is not possible to make deep inferential statistics. In most of the cases even where they are present, data are not easily

³⁴ The term "region" is used from this point on to simplify, when there are in the sample 19 regions and 2 autonomous provinces.

searchable or “handable” because they are in adobe format. It is not possible to aggregate or compare data by specific criteria as legal status, postal code and size.

In terms of reliability data are accurate because they have to respect a strict legal framework. As a matter of fact, the validity in terms of certification and procedures is already ensured by national law and previous regulations. In many cases, data published on the website about the list of beneficiaries are direct copy of official journal of the Region. In terms of performance the best cases for the ESF and the ERDF can be listed as follows:

Best ETI cases for the ESF are:

- Valle d’Aosta, Molise and Emilia Romagna. They show the value and the year but not the value of “Committed” cell;
- Abruzzo and Autonomous Province of Bolzano, even data are in pdf;
- Autonomous Province of Trento.

The same analysis can be conducted for the ERDF. The best cases are:

- Abruzzo, Veneto, Bolzano and Liguria, even if data are in pdf;
- Molise Umbria, because data are in word;
- Autonomous Province of Trento.

A2.3 - Performance assessment

The Italian performance on ETI has a varied pattern. This situation can be explained mainly by three factors; time; functioning of the public administration and communication.

Concerning time, funds have just started being allocated in the new programming period, as a consequence it is not possible for all regions to publish the list of beneficiaries. It can be that either there are not yet beneficiaries or the system of implementing and monitoring has not yet been updated to the Regulation of the programming period 2007-2013. Furthermore, according to the Guidelines on ETI, the European Commission encourages all Member States to publish information every year by the end of June.

Regarding the functioning of the administration, it is possible to highlight the fact that the publication of beneficiaries was already ensured by national law in the official documents. The official documents reported only the year of allocation and value. The added value requested by ETI is to register the fact that a fund is “committed or paid out”. This is why some of the regions which published the list on the internet do not insert anything in the cell of “committed or paid out”.

Another important factor is the culture and the quality of administration. The analysis learns that there is no Convergence Region (Southern Italian Regions) which has achieved the targets of ETI. The other regions, in particular Centre-North have a better tradition in administrative innovation. Nevertheless, the geographical location is not always decisive. Friuli Venezia Giulia did not publish any reference or details on ETI and on beneficiaries, whereas Basilicata prepared only the space for the list of beneficiaries on the website.

A relevant element to stress is that the four regions well performing in ESF, behaved the same for ERDF. It means that a good administrative organization had positive results in both the ESF and in the ERDF field. In fact the organization of the administration is a decisive point: sometimes a bad organization (e.g. overlapping actions or low coordination) can stop the adoption of innovative tools, as ETI is.

To conclude, Communication facilities and structures are not always developed and organized in an effective way. This low organization of communication can either stop or hinder innovation, and so partly explain, why in certain regions ETI had not yet been adopted.

Table A2.1: Implementation of Regulation 1828/2006: Italian Regions

Regions	List of Beneficiaries										Availability on the web of the Communication plan				
	ESF					ERDF						Format of data	Comment		
	Committed / paid out	Year of allocation	Value VALUE (€)	Committed / paid out	Year of allocation	Value VALUE (€)	Committed / paid out	Year of allocation	Value VALUE (€)	Format of data					
Abruzzo	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	ESF No reference to: Reg. 1828/2006 the DG Regio web site The list of beneficiaries is empty ERDF The regional website refers to: Reg. 1828/2006 art. 7, DG Regio website. The connection to the list of beneficiaries is not active	Yes
Basilicata	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	ESF It is necessary to go the page "Bandi"	Yes
Bolzano (Province)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes empty	ESF No reference to: Reg. 1828/2006, the DG Regio web site No space for the list of beneficiaries	Yes
Calabria	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	No reference to: Reg. 1828/2006, the DG Regio web site No space for the list of beneficiaries	Yes
Campania	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	No reference to: Reg. 1828/2006, the DG Regio web site No space for the list of beneficiaries	Yes

Regions	List of Beneficiaries										Availability on the web of the Communication plan	
	ESF					ERDF						Comment
	Committed / paid out	Year of allocation	Value VALUE (€)	Committed / paid out	Year of allocation	Value VALUE (€)	Committed / paid out	Year of allocation	Value VALUE (€)	Format of data		
Emilia Romagna	n.a.	Yes	Yes	n.a.	n.a.	n.a.	n.a.	n.a.	-	ESF the list of beneficiaries is in a specific website No "committed/paid out" cell ERDF The regional website refers to: reg 1828/2006 art. 7, DG Regio website The connection to the list of beneficiaries is not active	Yes	
Friuli Venezia Giulia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	No reference to: Reg. 1828/2006, the DG Regio web site No space for the list of beneficiaries	No	
Lazio	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	No reference to: Reg. 1828/2006, the DG Regio web site No space for the list of beneficiaries	Yes	
Liguria	n.a.	n.a.	n.a.	Yes	Yes	n.a.	Yes	Yes	Pdf	ESF No reference to: Reg. 1828/2006, the DG Regio web site No space for the list of beneficiaries ERDF It is necessary to go to information and publication page to find the list of beneficiaries	Yes	

Regions	List of Beneficiaries										Availability on the web of the Communication plan	
	ESF					ERDF						Comment
	Committed / paid out	Year of allocation	Value VALUE (€)	Committed / paid out	Year of allocation	Value VALUE (€)	Committed / paid out	Year of allocation	Value VALUE (€)	Format of data		
Lombardia	n.a.	n.a.	n.a.	Yes (empty)	Yes (empty)	Yes (empty)	Yes (empty)	Yes (empty)	Yes (empty)	Yes (empty)	ESF No reference to Reg. 1828/2006, Nor to the DG Regio web site No space for the list of beneficiaries ERDF The list of beneficiaries is empty	Yes
Marche	n.a.	n.a.	n.a.	n.a.	Yes	Yes	n.a.	Yes	Yes	Yes	ESF No reference to Reg. 1828/2006 Nor to the DG Regio web site No space for the list of beneficiaries ERDF No "committed/paid out" cell	Yes
Molise	Yes (empty)	Yes	Yes	Yes (empty)	Yes	Yes	Yes (empty)	Yes	Yes	Word	In both cases (ERDF and ESF) the lists of beneficiaries are empty in the "committed/paid out" cell	Yes
Piemonte	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	The regional website refers to: Reg. 1828/2006 No reference to: the DG Regio web site No space for the list of beneficiaries	Yes

Regions	List of Beneficiaries										Availability on the web of the Communication plan		
	ESF					ERDF						Format of data	Comment
	Committed / paid out	Year of allocation	Value VALUE (€)	Committed / paid out	Year of allocation	Value VALUE (€)	Committed / paid out	Year of allocation	Value VALUE (€)				
Puglia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	The regional website refers to: Reg. 1828/2006 No reference to: the DG Regio web site No space for the list of beneficiaries	No
Sardegna	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	The regional website refers to: the DG Regio web site No space for the list of beneficiaries	Yes
Sicilia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	The regional website refers to: Reg. 1828/2006 No reference to: the DG Regio web site No space for the list of beneficiaries	Yes
Toscana	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-	No reference to Reg. 1828/2006 Nor to the DG Regio web site No space for the list of beneficiaries	No
Trento (Province)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	ESF (web data-base) ERDF (excel)	ESF Data are collected in an interactive database ERDF Data are collected in an excel sheet	Yes

Regions	List of Beneficiaries										Availability on the web of the Communication plan		
	ESF					ERDF						Format of data	Comment
	Committed / paid out	Year of allocation	Value VALUE (€)	Committed / paid out	Year of allocation	Value VALUE (€)	Committed / paid out	Year of allocation	Value VALUE (€)	Format of data			
Umbria	n.a.	n.a.	n.a.	Yes	Yes	Yes	Yes	Yes	Word	ESF No reference to: Reg. 1828/2006, the DG Regio web site No space for the list of beneficiaries	Yes		
Valle d'Aosta	n.a.	Yes	Yes	n.a.	n.a.	n.a.	n.a.	n.a.	Pdf	ERDF No reference to: Reg. 1828/2006, the DG Regio web site No space for the list of beneficiaries	Yes		
Veneto	n.a.	n.a.	n.a.	Yes	Yes	Yes	Yes	Yes	Pdf	ESF The list of beneficiaries is on going	Yes		

Source: ETI case study report for Italy

ANNEX 3 - CASE STUDY FOR THE NETHERLANDS

A3.1 - Arrangements adopted to fulfil the obligations stemming from the EI in the field of Structural funding

The legal / administrative arrangement in place at national level concerning transparency of public spending data, provisions for data protection and the potential connection with the ETI

The legal framework for data transparency on public spending is determined by the Law on Access to Public Information (1991)³⁵ and the Law on Protection of Personal Data (2001)³⁶. The first determines that in principle all documentation should be made available to the larger public unless there are compelling reasons not to do so. Privacy protection legislation determines that names of individual beneficiaries cannot be disclosed. Since the ETI minimum data requirements do not require data generation at the level of individual beneficiaries there is no conflict in legislation.

The ESF OP (MinSZW, 2006) indicates that a proper registration of data is essential for monitoring of the programme. By linking the database to the registration number which each citizen has for social security reasons, the 'citizens service number' characteristics of beneficiaries are obtained as per gender, age, position in the labour market, period of being unemployed, and other important factors. These are contained in the annual reporting about the programme to the EC and through the SFC-system are delivered electronically. Rather than burdening projects with additional data collection such system makes it possible to generate data in aggregated form. The restrictions in analysis regarding use of the 'citizens' service number' are determined by the Privacy protection law and data availability with the Central Statistical Office (CBS).

For the ERDF, data registration is felt to be important for 'categorization' of projects as per type of project, issue addressed, level of expenditures, region of implementation and its characteristics (e.g. rural/urban). There is a joint initiative of the Ministry of Economic Affairs (MinEZ) as coordinating body and the different management authorities to establish a common database and web site presentation which provides a location map of projects and priorities, what projects are implemented, results achieved and 'best practices' in implementation. It is intended that the web site will be launched by the European Representative Office in The Hague and it is considered if and to what extent the same information can be placed at the individual management authority level. The Ministry of Social Affairs and Employment (MinSZW) participates in this initiative for the ESF and intends to publish the same data on its web site if there are no technical complications.

Specific institutional arrangement dealing with the ETI obligations applied in connection with Structural programmes

Implementation of the ETI obligations is the responsibility of the management authority of each programme and is perceived to be linked to the activities formulated in the Communication Plan. For the ESF there is one programme which operates at national level and is coordinated by the Ministry of Social Affairs and Employment through the Agentschap SZW. It maintains ETI obligations. The ERDF has a decentralized approach with

³⁵ Wet Openbaarheid van Bestuur.

³⁶ Wet Bescherming Persoonsgegevens.

programmes developed at NUTS I level in the Eastern, Western, Northern and Southern part of the country³⁷. With these regions not being administrative units, but NUTS I statistical units only, Provincial authorities at NUTS II level have been made responsible for programme development. They established joint operational facilities or delegated management responsibility to one Province (East). For West the four largest municipalities participate in the management structure as well and the management authority is hosted by the Municipality of Rotterdam. West includes the Province of Flevoland which statistically belongs to a different NUTS I region. Coordination for the ERDF is with the Ministry of Economic Affairs, which is also the Ministry having responsibility for overall coordination at national level for Structural Funds. On its web site, in fulfilling ETI obligations, it provides linkages to the web sites of the respective management authorities.

In discussing ETI and corresponding responsibilities it should be noted that ETI at the national level and with the regional management authorities is not a familiar concept and in spirit and outreach is seen as being similar to communication efforts made by each party and principles of good governance in programme management.

For the ESF, the Agentschap SZW as management authority has full responsibility for implementation of the ETI. On its web site it advises project beneficiaries on how to develop a communication plan at their own level. It uses thereto the EC guidelines the authority itself receives for implementation of EU programmes.

For the ERDF, MinEZ coordinates the programme at national level, but for ETI related information it provides links to the web sites of the management authorities at NUTS I level.

Management authorities are responsible for data management of their respective programmes. Same as for other programme components, the Monitoring Committee established for each OP has final responsibility for implementation of the ETI. For the ESF programme there is a specific department with the Agentschap SZW responsible for the implementation of the Communication Plan. For the ERDF, communication activities form part of the management responsibilities of the desk coordinating Structural funds with the Ministry of Economic Affairs³⁸, which has a staff of 4 persons. At national level there is an interdepartmental coordination structure chaired by the Ministry of Economic Affairs which has participation of concerned Ministries but relates to policy issues and is not limited to ETI principles only.

The ERDF INFORM correspondent has a coordinating and advisory role to the management authorities at the decentralized level responsible for implementation of their respective programmes. The ESF INIO correspondent is placed at the central government level and coordinates the department responsible for implementation of the Communication Plan. Communication officers meet a few times per year through the EC structure of the INIO and INFORM network of information officers established for the structural funds (COCOF). It includes from the Netherlands officers from each ERDF management authority, Agentschap ESF and INTERREG. These meetings are followed up at the national level by a communication working group chaired by MinEZ and with participation of MinEZ.

³⁷ There is also an INTERREG programme under Objective 3 managed from the Netherlands (Maas – Rijn) and is coordinated by MinEZ. For its different nature, we leave this programme out of consideration.

³⁸ 'Coördinatiepunt structuurfondsen' of MinEZ.

Communication plans have been developed for the plan period 2007 – 2013 for each programme as per Council regulation 1828/2006. They are based on the Operational Programmes and describe the different communication activities. The focus is on providing guidance to (potential) applicants in meeting the requirements for the full project cycle. For the ESF a number of additional activities have been included to improve its image. The communication plans do not make specific reference to ETI principles.

Each project is to adhere to the EU visibility guidelines. For the ESF there is a provision that if no adherence is made to this provision the project funds are reduced with 5 percent. For the ERDF, possible sanctions are left to the management authorities.

Consultation process carried out in connection with the fulfilment of the ETI obligations

Transparency ranges from making data on beneficiaries of funds publicly available to providing more openness about the programmes and increase accessibility to funding and relate to enabling citizens to participate more closely in the decision-making process. Consultations in connection with the fulfilment of ETI principles takes place in different forms and at different levels and are discussed below:

- Formulation of the NSR: In formulation of the NSR ³⁹ a broad consultation process took place of main social, economic and environmental partners at national and local level. Annex I of the NSR provides a detailed overview of the consultation process and distinguishes between the intergovernmental level and process for the ERDF, ESF and objective 3 programmes.
- Monitoring committees: For quality control of the programme and providing policy directions for each OP a Monitoring Committee is established. For the ESF the Monitoring Committee is chaired by MinSZW and members include representatives of employers and employee federations, associations of vocational training institutes and SME and concerned ministries (SZW, Interior Affairs, Justice and Education) ⁴⁰ The European commission is represented as observer. For feedback of end-users the ESF established platform groups for 4 of the 5 actions representing a cross-section of beneficiaries of the programme. For each ERDF supported OP the specific arrangements for participation in the Monitoring Committees differ. All of them show however a broad participation. For example, for the OP ON the Monitoring Committee is chaired by the Province of Gelderland as management authority and includes representatives of the two participating provinces, the 5 city networks, national government, social and economic partners, knowledge institutes and environmental groups. The same broad composition can be observed for the other regions.
- Selection procedure and characteristics of beneficiaries: The ESF programme has three priorities with 5 actions, each with its own structure for submission and selection of beneficiaries (MinSZW, 2006). For action A applications can be submitted by municipalities, CWI/UWV ⁴¹, for action B by the Ministry of Justice and Ministry of

³⁹ Nationaal Strategisch Referentiekader.

⁴⁰ VNO-NCW, Landelijk Werkverband Praktijkonderwijs, MKB-Nederland, Europese Commissie, SZW, BZK, FNV, VNG, Justitie.

⁴¹ CWI: Centre for Work and Income, and UWV: Office for unemployment benefits and reintegration, as central government institutes under MinSZW were merged as per 1 January 2009.

Health, Welfare and Sport, for action C by vocational training institutes and educational facilities for children with mental deficiencies, for action D by qualified training and development institutes (O & O) and for action E, by individual companies and organizations (concerns the new innovation component). In the original concept of the ESF OP the procedure was more restricted ⁴².

Beneficiaries of the 4 ERDF OPs are mostly Provincial authorities and (larger) municipalities. An interesting development is that for the period 2007 – 2013 (innovation) funds are partly routed through intermediate bodies established as Societies and representing as beneficiaries knowledge institutes and SME's or act as facilitating agency. In the case of the OP ON they received over 2008 the main share of funds. Fund allocation is as per lump sum and operations are not specified (yet).

Steering groups are established for project selection purposes. For the OP ON, two Steering Committees for specific programme components were established and consist of experts in the respective priority fields and representatives of regional and national authorities.

- Technical arrangement for use of data available from the monitoring systems of Operational Programmes for the ETI purpose (e.g. automatic transfer vs. manual transfer, online support vs. excel datasheets, etc.): for the period 2007 – 2013 new management and control systems were introduced. It included a more clear distinction of functions, uniform system of control and introduction of the 'single audit' system. The intention of the latter is to reduce the number of audit controls and prevent overlapping of efforts. There are no experiences yet if indeed it results in simplification of procedures. For all structural funds the certification authority became the Ministry of Agriculture, Nature and Food Quality ⁴³. The Ministry of Finance assumed responsibility as audit authority and prepares the Annual statement ⁴⁴ required since one year for Structural funds as per National Law.

For the ERDF, each management authority has its own database which is build on local/regional systems. Through the Monitor Structuur Fonds system (MSF) each individual system is linked with the National Monitor. Project registration is maintained through and includes the financial status of each project application. Daily, updates are uploaded to the National monitor which provides for information exchange between regional management authorities, the coordinating Ministry, the certifying authority and the audit authority. All requests for payment are processed through the National Monitor and submitted through the SFC2007 – system to the EC after certification.

For the ERDF, lists of beneficiaries are published by the regional management authorities at their respective web sites and the MinEZ as coordinating body provides links to these web sites. The Western and Eastern regions have digitalized the project application process. Databases of other regional authorities are not compatible yet, being linked to databases maintained by Provincial authorities and having different

⁴² Initially it was the intention that the CWI would be the sole responsible party, but thanks to a successful lobby with Parliament of in particular the VNG (Dutch Association of Municipalities), the IPO (Coordinating body for the 12 provinces) and the four largest municipalities united in the G4, Government revised its decision and it was agreed that the 31 of the largest municipalities could apply directly for ESF funds (Servicebureau Europa VNG, 2007).

⁴³ Dienst Regelingen van het Ministerie van Landbouw, Natuurbeheer en Visserij.

⁴⁴ Nationale verklaring.

figurations. Each management authority makes efforts to further automatize data management but it is considered to be a time consuming and complicated process. From each database, ETI data are extracted and published on the web site.

Agentschap SZW operates its own database which is linked to the SFC to process requests for payment. For ETI purposes the web site of the Agentschap SZW publishes the list of beneficiaries subdivided as per action. For data security reasons there is no automatic transfer between database and web site, but files are uploaded manually. It explains why both PDF and Excel datasheets are presented. Project applications are digitalized now and the web site provides extensive documentation about the programme and its design.

- Steps taken to ensure the accuracy of the data provided (certification and validation procedures): with data directly drawn from the programme monitoring system the procedure for certification and validation of ETI data is not different from the monitoring system as such. With data uploaded manually there is always a risk of human errors and backlog in updating new information.

A3.2 - Performance of the country in fulfilling the ETI obligations

Statistical system and entries provided

All direct beneficiaries of European Cohesion policy have to be published by the Managing Authorities under the rules governing the implementation of the funds 2007-2013 (EC No 1828/2006). Management authorities adhere to this provision and the information provided contains the name of the beneficiary, the names of the operations and the amount of public funding allocated to the operations.

Assessment of the information provided through the ETI

For the ESF public information about beneficiaries is provided on web sites of the EC and the Agentschap SZW. Financial information is limited to the subsidy amount allocated. For those familiar with the existence of these subsidy programmes information is easy to find. With only basic data being provided the database is simple and comprehensive. With the datasheets being uploaded manually they are not searchable. The web site is functional but would benefit from a better design.

For the ERDF, the Ministry of Economic Affairs refers on its web site on structural funding to the ETI and the requirement of making minimum information available on beneficiaries of structural funds. The web site has an attractive design and provides a comprehensive overview of main features of structural funding. For detailed information on the regional programmes it provides a link to the web sites of the four responsible management authorities. When we look at the web site of the OP ON, maintained by the European secretariat of the Province of Gelderland ⁴⁵, we find an attractive, clear and concise overview of each project which has been approved, its purpose and objectives, amount of public funding, ERDF contribution and project duration. For the OP West, similar information is provided while the OP South provides a downloadable PDF file with basic

⁴⁵ <http://www.go-oostnederland.eu/?id=53>.

information only. The OP North provides a clear overview with basic information and some examples of companies receiving subsidy.

Also for the ERDF funding it is relevant that the information is easy accessible to those familiar with these type of programmes and know their way around. Compared to the ESF, accessibility is relatively better with an information structure provided at the regional level. The information provided by the OP ON demonstrates how the public can be informed in a clear and attractive manner about what contribution is made by structural funds to its development.

For the ESF ⁴⁶, minimum data requirements are met by providing an overview as Excel file for 2007 on project applications received with project number, name of the beneficiary, name of the operation (project), scoring results, date of approval/withdrawal/rejection, ESF grant and cumulative use of the budget. Additional data beyond the minimum requirement are the scoring result and status of the application. There is no information provided on total amount of public funding for each project application. For 2008, an overview in PDF is provided. It mentions again the project number, name of beneficiary, project name, ESF subsidy amount and cumulative amount of fund allocation. Scoring results in application are no longer provided.

For the ERDF, common entries for each OP are name of the beneficiary, name of the operation and ERDF allocation⁴⁷. OP North provides only the amount of ERDF funding, for West and East also the amount of public funding as co-financing is provided and for the OP South in public funding a distinction is made between State, provincial and local contributions.

The Structural Fund databases do provide clear and comprehensive overviews as per ETI requirements. Web sites are searchable which is convenient for the large amount of information they provide. It includes possibilities to search on location or other entries as per search word entered. Time series analysis is not applied.

In each case the name of the beneficiary and operation is provided. Hence, for those interested to learn more about a given project, it gives a handle to collect further information about what the project attempts. This is especially relevant for public entities (e.g. Provinces, municipalities, public institutions) which have a practice of making information public. For semi-public and private parties (e.g. companies) this information is more difficult to collect. The ERDF OP East Netherlands (ON) programme is an example of providing data which at one glance give comprehensive information about the approved project. The only reservation which can be made is that it often concerns Societies established for a certain purpose and present a partnership arrangement of public and private parties. They, on their turn, often fund initiatives.

Reliability

Provided data are derived from the monitoring system and as mentioned before for security reasons there is no interconnectivity between the programme database and web publications. Hence, there remains a dependence on having a system of regular updating of information when the status changes.

⁴⁶ ESF: http://ec.europa.eu/employment_social/esf/discover/article_7093_en.htm.

⁴⁷ ERDF: http://ec.europa.eu/regional_policy/country/commu/beneficiaries/index_en.htm.

Availability of a database of organisations excluded from EU funding (e.g. for reasons such as conviction of fraud, or corruption) and public accessibility

To avoid misuse of funds the emphasis is on prevention by providing a proper guidance and control during the different project phases. In case of incorrectness and/or incompleteness of data provided by beneficiaries there is the possibility to take corrective action including refund of subsidy. For the ESF, in case of suspicions of possible fraud, criminal proceedings are started through the SIOD ⁴⁸. The Agentschap SZW, the Agency with MinSZW responsible for the ESF, developed an anti corruption and prevention of misuse policy ⁴⁹. There is no legal provision for the blacklisting of organisations.

A3.3 - Performance assessment

Adhesion to the ETI objective

Adherence to the ETI (minimum) requirements is seen by all parties as a formal obligation in receiving support and is not disputed. Quality and extend of information provided are factors determined by capacity and capabilities in web design and communication effort, rather than reluctance in providing data. The qualification of shared and endorsed raison d'être is appropriate therefore.

Technical factors hindering compliance with the ETI obligations

ETI data are extracted from the monitoring system used for each programme. There is a gradual process of full automation of databases and establishing interconnectivity. In case this is not possible yet for technical incompatibility, data are uploaded manually.

Administrative factors hindering compliance with the ETI obligations

There are no administrative factors hindering compliance with ETI (minimum) data requirements. However, at different levels it is discussed how the different OPs can be made more open and accessible to (potential) beneficiaries. The OP ON (Landsdeel Oost Nederland, 2007), provides some interesting reflections on transparency issues. It is observed that development of an investment programme takes time to generate and requires that interested parties make themselves familiar with the EU regulations. First, regulations differ in the sense that still after a few years of completion of a project, the implementer is not sure if the financial contribution will be approved. This creates uncertainty and undermines trust. The result has been that (new) partners have withdrawn because the risks are too big or the administrative burden too large. It is concluded therefore that it would be advisable to have larger projects only in the ERDF mainstream programmes.

Secondly, the N+2 rule puts pressure on programme implementers and programme secretariat to timely make payments which in itself is a positive feature. On the other hand, when delays occur for unforeseen circumstances, there is the risk of a reduced budget and the difficulty of which party compensates for that. The result is also that the management authority becomes more careful with providing advanced payments to project implementers which may lead to liquidity problems in project execution. Risks are transferred from management authority to project implementer, which is against the principle of supporting innovation.

⁴⁸ Sociale Inlichtingen- en OpsporingsDienst (SIOD).

⁴⁹ M&O-beleid van het Agentschap SZW.

Thirdly, a change of rules mid-term at both national and European level, a change in national policy on use of national government co-financing in the past, and a new interpretation of public tendering could have large financial consequences for participants in the programme.

Fourthly, the territorial division of the different programmes resulted in a situation that some projects had to be split up in smaller projects and in urban areas it happened that parts were financed by different programmes which complicated project administration.

For both the ESF and the ERDF it was observed that there is a large need for simplification and streamlining of procedures. Administrative compliance is considered to be cumbersome with elaborate and overlapping accounting controls by different levels of government, the requirement to maintain accounts till 3 years after completion of the project and the ever present risk of having to repay subsidies considered to be inappropriate afterwards. Also the system of payment afterwards only and lack of a grant fund for small and quick investments are factors mentioned which affect the potential use of funds.

Political or cultural factors hindering compliance with the ETI obligations

Only one factor was mentioned in this respect. It was felt that highly visible and costly promotion activities would be counterproductive and convey the wrong message about EU programs. A more low-key approach is preferred. Publicity or the lack of it is not the main constraint mentioned in making the ESF and ERDF supported programmes accessible, but the complexity of administrative compliance which makes the demand for EU subsidy less than what would otherwise be expected.

The role of partnership in explaining the performance

The partnership aspect is not a decisive factor in presenting the ETI (minimum) data requirements on web sites. At the same time, it is acknowledged that in the consultative approach adopted for each programme, partnership is a core element in programme formulation, identification and selection of beneficiaries and monitoring of progress made. Through the partnership approach, involvement of stakeholders in programme development is assured and more openness and support is obtained in achieving objectives. The expectation is that a broad composition of the Monitoring Committees contributes to wider dissemination of information about European programmes and increased demand for support.

As for appreciation of the partnership approach in a position paper of the VNG, the Dutch Association of Municipalities and the IPO, the Coordination committee for the Provinces (VNG-IPO, 2008), prepared in preparation of the future programming of the Structural funds, it is remarked that the adopted policy approach is of interest. It brings social, economic and civil society partners from the regions and municipalities together (governance-aspect). It creates partnerships which are also relevant for other programmes. The multi-year approach guarantees continuity and creates the scope for an integrated and structured problem approach at the required level of intervention (subsidiarity principle). It also results in multiplier effects by mobilizing other funds.

Positive factors or mechanisms that could / do enhance compliance with the ETI obligations

In the sections before, a number of transparency issues were discussed which are beyond the ETI (minimum) data requirements. They relate to implementation procedures and transparency on programme results. Management authorities have addressed them in the following ways:

- Clustering of beneficiaries: Advantage is a larger grouping and simplification of procedures. The number of parties with which the MA has to deal with is greatly reduced. The constraint is that these clusters act as intermediate bodies and it becomes less transparent who finally benefits.
- More extensive data collection on characteristics of (categories of) beneficiaries is expected to contribute to enhanced transparency on programme results. This is relevant for both the ESF and the ERDF with the complaint that currently there is too much emphasis on administrative compliance with less attention for the impact of the programme.
- The number of project applications for most priorities is such that a strict and competitive selection based on quality is constrained. The Management authorities and communication departments make large efforts to promote the subsidies available and offer guidance in filling applications, but are not always in the position to overcome reservations with potential beneficiaries as regards (perceived) complexity in administrative compliance. It has resulted in an arrangement in which for the ERDF most funds go to provincial authorities, larger municipalities and intermediate levels of organizations specialized in EC funding rules which facilitates spending but limits accessibility of funds. For most ESF actions, the demand for funding is reasonable good with the exception of requests from municipalities. The interest with companies for different support facilities is high.
- It was suggested that simplified administrative arrangements, clarity in financial procedures, minimization of financial risks in participation for beneficiaries and consistency in approach would be the most important contributions to enhance the transparency of the programmes and create interest with potential beneficiaries to participate. The VNG-IPO position paper (2008) mentions in this respect that in future programming an important condition is the further simplification of the management of the Structural funds. The administrative burden in implementation of programmes experienced by the decentralized authorities, knowledge institutes and companies is considered to be very high. It reduces interest of potential beneficiaries to participate. The objective of introducing a single audit is considered to be a step in the right direction and is endorsed.
- In interviews it was expressed that it is too early still to say if having the same certification and audit authority for all structural funds results in more efficiency.
- For the ERDF programme it was indicated that in future more attention would be paid to presenting project results and 'Best Practices' and it is planned to launch a common database and web site for that purpose. The ESF participates in that discussion and considers joining the initiative if technically it is feasible. Anyhow, it will publish project results on its own web site as it has done before for the previous programme.
- Main single improvement to enhance the effectiveness of the Structural funds is to simplify and streamline administrative – and financial procedures and by not having the risk for beneficiaries of having to repay subsidies afterwards.

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ANNEX 4 - CASE STUDY FOR POLAND

A4.1 - Arrangements adopted to fulfil the obligations stemming from the EI in the field of Structural funding

Legal / administrative arrangements in place at national level concerning transparency of public spending data, provisions for data protection and the potential connection with the ETI

The legal framework for data transparency in a broader sense is determined by the Personal Data Protection Act of September 2001. It does not directly address the issue of Structural Funds and their beneficiaries; however, it states that names of individual beneficiaries of public aid can be disclosed. Hence it has constituted a clear basis for transparency in publishing data of beneficiaries of Structural Funds.

Another important factor impacting those arrangements is the Development Policy Act. One may perceive the co-occurrence between the publication of the ETI Green Paper and the adoption of the Development Policy Act in December 2006. The Act provides for more detailed regulations in the area of transparency of aid granted in the form of subsidies from the Structural Funds by describing the system and the competencies of individual institutions involved in the process of their implementation. The Development Policy Act introduced the institution of appeal against both the results of formal and factual aspects of evaluation of individual projects. These regulations were positively received by the beneficiaries of the Structural Funds.

Specific institutional arrangement dealing with the ETI obligations applied in connection with Structural programmes

Implementation of the ETI obligations is the responsibility of the Managing Unit of operational programmes. According to the Development Policy Act, it is the Ministry of Regional Development that has assumed the role of sole Managing Authority for all operational programmes. The Development Policy Act determines also the Intermediary Authority and the Implementing Authority for each operational programme. For the ESF, one operational programme consisted of two components: the national one and the regional one. In the case of the latter, the role of an Intermediary Unit is fulfilled by regional government – marshal offices and their specific departments. The Implementing Authority is determined by regional government; usually they are regional labour offices, ESF departments of marshal offices, etc. At the national level, usually a specific ministry is in charge of specific tasks included in the programme.

Several other operational programmes – such as Infrastructure and Environment and Innovative Economy – are co-financed from two sources: the Cohesion Fund and the ERDF. They are also supervised by the Ministry of Regional Development with the assistance of a specific ministry responsible for the content of the programme. Regional operational programmes are exclusively funded from the ERDF. There are 17 regional operational programmes individually implemented by each Polish region (16 voivodships) and one additional - Operational Programme: Development of Eastern Poland, which is implemented jointly by 5 of the poorest Eastern regions. Regional operational programmes are implemented by individual regional governments after they have contracted for its financing with the central government.

For both the ESF and the ERDF, the Ministry of Regional Development as Managing Unit has full responsibility for the implementation of the ETI through its Department for Coordinating

Structural Funds Implementation. Its actions focus on the broadest possible dissemination of information ensuring their currency, reliability and equal access. The minimum requirements are determined in the strategy pursuant to EC regulation 1828/2006. It also stipulates that important roles should be played by adequate Monitoring Committees and representatives of social and economic partners. At the national level, there is a department responsible for communication and promotion policy. Their contact data are available on websites of each Managing Unit and they are supposed to provide information to beneficiaries and potential beneficiaries in given area. The list of departments is regularly updated.

The Ministry of Regional Development is solely responsible for data management of operational programmes. The role of coordination of the Cohesion Fund is fulfilled by the Department for Coordinating Implementation of Structural Funds. Within the department, there is Team of Administration and Audit of IT Systems responsible for managing the National Information System database (SIMIK). The responsibility for developing communication plans is assumed by the Department of Information, Promotion and Training. Within the Department, there is a Team for Coordinating Information and a Team for Coordinating Promotion and Education. They assume responsibility for tasks resulting from ETI obligations, formulating policies in accordance with the principles of transparency, as well as equal access and reliability of information about the Structural Funds. There is no specific forum or platform for coordination on ETI aspects between ESF and ERDF, as the Ministry of Regional Development manages both funds and attempts to treat them on a similar basis.

Within the framework of the INFORM Network set down in November 2008, the Polish Ministry of Regional Development launched an information campaign, which aims at highlighting useful sources of information for potential recipients via a new website – a comprehensive information source for the public⁵⁰. The website contains all information concerning the management and implementation of the European Funds in 2007-2013. These information centres, which will work as one-stop-shops, are being established throughout Poland. The dissemination campaign consisted of television and radio spots promoting and informing the public about the new website and information centres as well as an outdoor campaign run in 51 Polish cities in late 2008.

At the national level, the single document titled the Strategy for Communication on European Funds provides the specific detailed guidelines for each institution and all beneficiaries involved in the process of absorption of the Structural Funds. It deals with national and regional operational programmes. The regulations concerning the information policy concerning the Structural Funds comprises relevant provisions of Regional Development Ministry's on Programme Communication Plans and, at the operational level, annual plans for communication and promotion activities. Programme Communication Plans must include the following components:

- the overall goal and specific objectives;
- key messages, target groups;
- general description of planned information;
- promotion and training activities as well as their expected results;
- description of task breakdown among the Managing, Intermediary and Implementing Authorities;
- the timetable of actions and indicative budget for individual years.

⁵⁰ http://ec.europa.eu/regional_policy/country/commu/mstates_en.cfm?nmenu=9.

The Plans are also supposed to contain information on internal communication, training policy, forms of co-operation and exchange information, forms of contact with addressed groups including media, social and economic partners, policy-makers, opinion-making bodies and individual beneficiaries, methods of monitoring and criteria for evaluation of taken actions and their effects – e.g. persuasion, approval, usefulness, co-operation. All those requirements are widely applied in each operational programme, both at the national and regional levels.

Consultation process carried out in connection with the fulfilment of the ETI obligations

Transparency requirements in this area seek to provide more openness about the programmes. Both relate to enabling citizens to participate more closely in the decision-making process. Consultations in connection with the fulfilment of ETI principles takes place at the stage of formulating and implementing operational programmes. As part of programming of financial activities co-financed with the Structural Funds, comprehensive consultations on the provisions of the Human Capital Operational Programme financed with the European Social Fund were initiated by the Ministry of Regional Development.

The series of hearings and consultations lasted from March to September 2006. Representatives of non-government organisations, consultancy firms and other potential beneficiaries of the programme were invited to attend. At the meetings, participants were invited to propose changes and/or modifications to the programme provisions. Queries, doubts and motions were also accepted via emails directed to Ministry of Regional Development staff. The thematic scope and the scale of consultations has so far been the largest publicity campaign of the kind involving the Structural Funds, yet it became the target of some serious criticism. The first issue concerned the top-down approach, which some thought to be too heavy-handed, and the other was directed against the way the information was conveyed – oftentimes using officialese. However, the very idea of consultation was never criticised. It is to be hoped that subsequent public consultations devoted to these issues will not be discontinued.

Somewhat less transparent were the consultations concerning the regional operational programmes – they usually consisted in discussions by technocrats and politicians, which then became the subject of negotiations and decisions made with the European Commission. This was criticised by the entrepreneurs and other recipients of aid under regional operational programmes, who highlighted the discrepancies between the proposed solutions and the current context of the regional and local economies. These allegations may prove to be justified, especially in the face of problems with the absorption of the Structural Funds, which, one year into the programming period, have become more and more pronounced. This problem also affects the Human Capital Operational programme, in which significant disproportions subsist between the budgets of its individual components and the actual interest in aid applications – as a rule, the level of interest on the part of potential beneficiaries exceeds the programme budget, but quite often the situation has been exactly the opposite. The problems outlined above may lead to the conclusion that the mode of consultation of the shape and contents of programmes co-financed with the Structural Funds requires a number of amendments and modifications.

Technical arrangement for use of data available from the monitoring systems of Operational Programmes for the ETI purpose

The databases of beneficiaries of the Structural Funds in Poland are linked to the establishment of the National Information System (SIMIK) maintained by the Ministry of

Finance. Efforts related to SIMIK implementation and its inclusion in the information system on aid distributed under the Structural Funds started at the time of Poland's accession to the European Union. The original idea behind the SIMIK functionality was to facilitate the monitoring of specific projects at each stage of their implementation – from the submission of the application until the final financial and material settlement. The objective of the National Information System SIMIK 2007–2013 is to ensure the capacity to collect and aggregate at higher levels the basic data related to operational programmes co-financed with the EU funds in a way that meets the EU range and format requirements pursuant to Community regulations adopted for 2007–2013 and the support for current management and monitoring process in the area of programmes co-financed with the Structural Funds and the Cohesion Fund.

The web-based National Information System for 2007–2013 contains a minimal amount of information in compliance with EU regulations and is based on the experiences gained from the 2004–2006 programming period with respect to the monitoring of EU funds spending at the national level⁵¹. The functionality of the system includes the project life cycle (e.g. applications for payments), support for the monitoring process thanks to a number of standardised reports built into the system, the expenditure return module, and the register of project encumbrances. The database was last updated in December 2008, but it is hard to consider it as a tool that really meets the objectives of the SIMIK system – both as regards the staff of the agencies that implement the funds and the citizens at large. The database in PDF format can be found on the website of the Ministry of Regional Development – the institution managing the Structural Funds with links to the fund-specific websites maintained by the Ministry

Steps taken to ensure the accuracy of the data provided (certification and validation procedures)

According to the information posted on the Ministry of Regional Development's website, all data has been obtained from the SIMIK system, which is supposed to be up and running for the 2007-2013 programming period. If the process is fully automated, the risk of human error will be rather low, but in the case of manual input, the risk is much higher. Since the Ministry did not disclose detailed information about the system's operation and appears to be using a number of different databases made for other purposes, it is unclear whether the data provided for our analysis is indeed accurate.

A4.2 - Performance of the country in fulfilling the ETI obligations

Statistical system and entries provided

Lists of all direct beneficiaries of Structural Funds are to be published by the Managing Unit in accordance with the Regulation on Implementing the Structural Funds 2007-2013 (EC No 1828/2006). Polish Ministry of Regional Development adheres to the provision and the information provided contains necessary data, however, their uniformity leaves a lot to be desired. In general, the format of disclosed information consists of the name of the beneficiary, the names of the operations and the amount of public funding allocated to the operations.

⁵¹ <http://www.fundusze-strukturalne.gov.pl/NSS/KSI/>.

Assessment of the information provided through the ETI

In Poland, public information about beneficiaries of all the Structural Funds is provided on the Ministry of Regional Development's website. Essential information consisting of beneficiary data is uploaded manually in PDF format, as a result, the base is not searchable. The database of the Structural Funds' beneficiaries must be first downloaded and then opened in Adobe Acrobat. The data is basic, simple and comprehensive. There is also a number of links to the database from other websites. Usually, there are regional development websites and their elements devoted to implementation of the Structural Funds in a given region. There are also links from other institutions' public partners, business partners, non-government organisations websites that direct the user to the data on the Ministry website⁵².

In some instances, the database is located on a host server with no link to any external website.

The database is supposed to be updated quarterly and an updated version of the file is fairly easy to be found to those familiar with these types of software.

Apart from those obligatory actions, one has to mention an innovative instrument that the Ministry of Regional Development has developed and hosts as a separate service with a link from its main website – the Map of the European Union Aid⁵³. At present, the service presents projects and descriptions of selected projects implemented in Poland and co-financed from the Structural Funds. The map consists of over 91,000 projects. The descriptions presented in the Project Gallery contain comprehensive information and can be treated as a set of ideas for those who might wish to apply for EU funding. The List of Projects module includes every project being implemented in Poland in the current programming period as at September 2008. It suggests that the list is not updated in the same way as the PDF database mentioned before. The most interesting module, Statistics and Comparisons, enables the user to aggregate and calculate numerical data and present it for various statistics purposes. The map is fully interactive and searchable by region and by fund. All the Structural and Cohesion Funds, as well as operational programmes are covered.

Such analyses can be performed at the regional level, but at the local level is still inactive. The financial data about projects come from the Ministry database, which enables the user to monitor the National Strategic Framework and National Development Plan.

The map-database is undoubtedly an innovative and easy instrument to access quite detailed – i.e. each approved project, its purpose and objectives, amount of public funding, EU contribution, timeframe – as well as comprehensive broad information related to different aspects of implementation of the Structural Funds. It is an attractive, clear and concise overview of Structural Funds' absorption.

Similar map-databases have been developed by regional governments – even in the previous programming period – and they have been disaggregated at local and sub-local levels.

For the Structural Funds, the ETI minimum data requirements are generally met, even apart from The Map of EU Aid. The database consists of the name of the beneficiary,

⁵² <http://www.fundusze-strukturalne.gov.pl/NSS/Lista+Beneficjentow+Funduszy+Europejskich/>.

⁵³ <http://www.mapa.fundusze-strukturalne.gov.pl/>.

project title, the EU budget contribution, contract date, name of the programme and name of the operation. Broader range of information can be found on The Map of EU Aid – the list of project includes total budget of the project as well as the EU contribution. The Gallery of Projects is far more detailed, including short project descriptions, their outcomes and impacts, and sometimes multimedia presentations concerning the project. At the regional level, in most voivodships the ranking lists of approved projects include scores achieved by individual applications. It actually started in the early periods of Poland's accession to the EU, when so called pre-accession funds began to be implemented. This functionality, however, is not present at the nationally aggregated lists of beneficiaries and scoring data is not included.

The Structural Fund database in its obligatory form provides basic and necessary information about the project beneficiaries. The files needed are fairly easy to be found, although it still needs clearer positioning. The overviews are clear and seem to be accurate. However, the data is not easy to aggregate and offers somewhat fragmented and individual information on what has been happening with the EU Structural Funds. More detailed, attractive and clear analysis, rather like the map described above, is a brilliant idea on how to aggregate the data, but still needs lot of work in order to make it complete, accurate and up to date.

Although the database is reliable in its accuracy of aggregated data, it still requires a lot of effort to make it easy to use, searchable along different criteria and updated on a regular basis.

Availability of a database of organisations excluded from EU funding and public accessibility

According to the Public Finance Act, approved in the end of 2005, the beneficiaries of the EU Funds who used them inappropriately what resulted in incompleting the full scope of the project, are excluded from participating in call for proposals within the framework of the EU programmes. The exclusion starts from the day, when decision about exclusion comes into force and ends after three years after the return of inappropriately spent funds. The provision is not used in case of local government.

The method of maintenance of the register of excluded beneficiaries remains the separate question. In case of several programmes it has not been determined yet which institution (Managing, Intermediary or Implementing) is responsible for maintenance of such a register. In other cases, e.g. the programmes the regional government is responsible for, the registers are maintained, however considering that the project audit in the present programming period has not started yet, there is no beneficiary registered in such list.

Apart from typical judicial actions that can be taken against a dishonest beneficiary, in the case of suspected fraud and the financial deposits to guarantee reliable project implementation, there is no particular procedure for making the names of such beneficiaries public. There are no legal measures that would permit the publication of such a blacklist. So far, no independent initiatives in this area have been noted, unlike e.g. defaulting debtors, whose names are listed in a private website. For that reason, it seems that an instrument of this kind will not be used in foreseeable future.

A4.3 - Performance assessment

Adhesion to the ETI objective in the country under investigation

Each interested institution perceives ETI minimum requirements as a formal mandatory obligation and does not question its necessity. It is rather the capacity and capability of web design that determines the quality and extent of information provided. There are no problems with data provision, which suggests that the qualification of shared and endorsed raison d'être is fully appropriate.

Technical factors hindering compliance with the ETI obligations

ETI data are directly obtained from the above-mentioned SIMIK system used for all the Structural and Cohesion Funds. Considering its gradual implementation and automation of its introduction, it is difficult to envisage whether more and more information will be made available to the public and easier to be found. On the other hand, a number of local and regional initiatives that are not necessary compatible with the national system have been taking place, which is encouraging for the prospects of transparency in absorbing the EU funds.

Administrative factors hindering compliance with the ETI obligations

Access to the system that permits data input granted to authorised staff of institutions that belong to the system implementing the Structural Funds in Poland sometimes contradicts the right to access the data unprotected by the Access to Information Act or other regulations that is to be enjoyed by all citizens at large. The system's implementation was officially completed in 2008. So far, the only practical manifestation of the existence of this database is the national list of projects that have obtained aid from the Structural Funds, complete with the minimal set of information mandated by relevant regulations, including the beneficiary name, project title, amount received and the programme under which financial support was granted, e.g. the Human Capital Operational Programme, Innovative Economy Operational Programme, Regional Operational Programmes, etc.

Political or cultural factors hindering compliance with the ETI obligations

It is worth pointing out that some regulations applicable in 2007-2013 programming period have faced considerable opposition. Most criticism was directed at the provisions stipulating the right to access the submitted project by third parties not involved in the process of evaluation or aid granting. Beneficiaries invoked the need to protect intellectual property rights subsisting in individual projects as well as to prevent plagiarism. This leads to the conclusion that the fear of disclosure of the contents of all the documents related to the process of application for EU funding still runs deep not only among the implementing institutions, but also among the potential recipients of aid. One may even go as far as to say that public mistrust towards the institutions is also reflected in the levels of trust among the individuals themselves, hence the idea of public access to all the documentation appears to be extremely difficult to implement.

It should be stressed that even though in Poland there are few overt references to the ETI provisions, a number of impacts of the initiative may be found in the way the Structural Funds have been implemented at the regional level and in the way relevant information is disseminated. This transparency in spending the Structural Funds is reflected primarily in the publication of ranking lists of projects that have been approved for financing. The procedures adopted by the mediating institutions and implementing institutions stipulate

that on each occasion the competition closes with the publication of successful applications on their websites. However, the procedures of formal and factual evaluation did not admit of appeal against the evaluation or the amount granted – the budget negotiations that constituted the subject of evaluation consisted only in expressing consent to proposed cuts in project budgets. Another controversial element in the process of granting financing was the anonymity of individuals who evaluated the applications. For the sake of transparency, it appears justified to publicize the personal data of those who evaluate applications, on the other hand, such a disclosure might reduce their independence in that it may open up possibilities for exerting informal pressure and influence on the individuals who evaluate the project.

The role of partnership in explaining the performance

The partnership was particularly evident in the process of formulating the content of the operational programmes, mostly in the Human Capital Operational Programme. At present, the representatives of a wide range of social and economic partners review the progress of EU funded project through a number of monitoring bodies. It is the strength of civil society of given country that determines the actual power of such bodies and their impact on policy formulation and implementation. When discussing the carrying out of the ETI in Poland, it is justified to conclude that it has not been implemented in a consistent and comprehensive manner. Some of its provisions operate only at the central level, whereas their vestigial forms can be found at the regional level. Consequently, the European Transparency Initiative arouses doubts with respect to its regional and local aspects. The Committee of the Regions, when expressing its position regarding the ETI and general satisfaction with the scope of problems addressed, regretted that this observation does not apply to the regional and local dimensions. The Committee of the Regions underscores the fact that the European Union is a partnership operating at a number of levels, with regional and local authorities participating in the shaping of European policy at national and European levels. It believes that it is necessary to emphasize again the need to differentiate between consultations of European institutions with selected local and regional authorities and their associations on the one hand, and with pressure groups representing special interests on the other hand. These considerations translate into the implementation of ETI provisions at regional and lower levels.

Positive factors or mechanisms that could / do enhance compliance with the ETI obligations

It is expected that the projects implemented within the framework of the operational programmes can be presented as a model for other potential beneficiaries. When existing databases will be supplemented with best practises it will highly facilitate developing projects and implementing them in an appropriate way. Extended data collection on characteristics of individual projects should also contribute to improved transparency in programme results and impacts. It should also overcome the barrier in accessibility of funds otherwise limited to professional large organisations specialised in taking advantage of knowledge of EU procedures, regulations and principles concerning Structural Funds. It should be noted that simple and clear rules of financial procedures and consistent approach to the scope of the programmes will stimulate higher interest in participation in the programmes resulting from the Structural Funds.

READER'S NOTES

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