

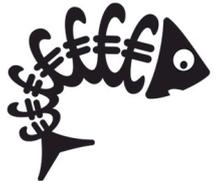


Slipping through the net

How EU countries evade new budget transparency rules

Brigitte Alfter

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Background

In the summer of 2004, in response to an access to documents request, the European Commission provided the author with lists of fish subsidy recipients between 2000 and 2003. Although most of the information was useful -- the data came in a spreadsheet, with 15 fields showing comparable information for all 27 member states -- the name of the company or individual who actually received the money was missing.

Further requests for information were later made by Markus Knigge and Nils Mulvad. They made a series of access to document requests between 2007 and 2009, and published their analysis of the data quality in the Launch Report of the website www.fishsubsidy.org earlier this year. They drew attention to a number of flaws with the data of a technical and record-keeping nature. Again, the data published did not include names of the actual beneficiaries of the EU funds rather the names of vessels: 'Aurora Borealis', 'Girl Maureen' etc.

The European Transparency Initiative (ETI) launched in 2005 aimed to fix this shortcoming. A laudable effort led by European Commission vice-president Siim Kallas, the first member of the Commission to propose the idea of letting Europeans know how their money is spent, the ETI specifically sought to require the publication of the end beneficiaries of all EU funds and resulted in new provisions on transparency in the EU Financial Regulation agreed by EU heads of government in 2006.

EU fisheries subsidies are administered under the 'shared management' of the European Commission and individual EU member states. EU subsidies are often supplemented by national subsidies, and all aids are paid out by agencies in each member state. Under the new rules of the ETI, member states were given the responsibility of publishing the names of beneficiaries and the amounts of EU funding allocated after 1 May 2007.

This report attempts to discover how much data has been disclosed by member states under the new rules of the ETI and how accessible is the data.

Method

The European Commission webpage on the European Transparency Initiative as it relates to the Common Fisheries Policies is the obvious starting point for the evaluation:

http://ec.europa.eu/fisheries/cfp/structural_measures/transparency_en.htm

As of 11 September 2009, this 'portal page' contained links to the relevant websites for only 16 member states. It emerged that some of these links led to only to partial lists of beneficiaries or none at all.

The next step was to find the relevant contact person in each of the national paying agencies, via a list provided by the Commission. In some cases mailing addresses and telephone numbers were provided; in other cases, only a telephone number. For member states that are not linked to from the Commission's portal page, whose links were broken or for whom information about subsidy recipients was missing or untraceable, the author contacted the relevant individuals by mail and/or by telephone between mid-August and early September 2009. The list of contacts provided by the Commission does not appear to be entirely up-to-date or accurate. For example, the contact telephone number provided for the Lithuanian paying

agency leads instead to an Estonian ministry.

As part of the enquiry, data from the European Fleet Register was cross-checked against data published by member states to assess the content and detail of the data disclosed.

The publication of data by member states was assessed on three criteria : (1) does it comply with the legal requirements of the ETI? (2) How accessible is the data and (3) is additional information provided that goes beyond what is required by the ETI?

Complying with the law

As a result of the European Transparency Initiative, there is a new legal framework for disclosure of funds under the common fisheries policy. The principal legal basis is the revised EU Financial Regulation agreed by heads of government in December 2006.¹ In accordance with Article 53 (b) of the Financial Regulation and the implementing regulations for structural support for the fisheries sector (Commission Regulation (EC) No 498/2007 of 26 March 2007), member states must publish every year at least the following information:

- The names of beneficiaries that have been allocated funding from EFF or FIFG after 1 May 2007
- The name of the operation
- The amount of public funding allocated to the operations.

The format for publication is not set out in the legislation. Quite the contrary. The broadest possible range of options is allowed. The wording of regulation 498/07's article 31 d) is as follows: "the publication, electronically or otherwise, of the list of beneficiaries, the names of the operations and the amount of public funding allocated to the operations." ²

The data published by member states were examined to assess whether they meet the requirements of the regulation, specifically, whether they include the name of the beneficiary, the name of the operation (e.g. fishing vessels, ports, fish farms, processing companies) and the amount of public funding paid.



¹ Council Regulation (EC, Euratom) N°1605/2002 applicable to the general budget of the European Communities as amended by Council Regulation (EG) N° 1995/2006, OJ L 390 of 13.12.2006, p.1. <http://tinyurl.com/r9o99y>

² Implementing regulations are available at <http://tinyurl.com/o9963s>



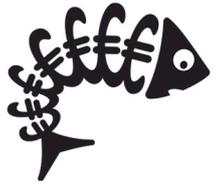
TABLE 1: EVALUATING COMPLIANCE WITH THE LAW

COUNTRY	SCORE	RATING
Finland	80	Green
Denmark	75	Green
Sweden	75	Green
Slovenia	75	Green
Czech Republic	70	Green
Slovakia	70	Green
Estonia	68	Green
Belgium	65	Green
Austria	65	Green
Cyprus	65	Green
Latvia	65	Green
Netherlands	65	Green
Spain	65	Green
Lithuania	65	Green
Poland	60	Green
United Kingdom	51	Yellow
Germany	41	Yellow
Hungary	41	Yellow
Bulgaria	-11	Red
Greece	-13	Black
France	-13	Black
Ireland	-13	Black
Italy	-13	Black
Malta	-13	Black
Portugal	-13	Black
Luxembourg	-	Grey
Romania	-	Grey

Notes to the table

The **United Kingdom** presents the data in so many different formats and at so many different levels, that it is impossible to see, whether all parts of the country have provided data. It is unclear whether all data are published for **Germany**, as several provinces have published empty data sheets. In **Hungary** data are provided per province and mixed into farmsubsidy data, so it stays unclear, whether all data are published. **Bulgaria** has published a website however it only presents empty data sheets, attempts of phone calls have not led to any clarification. According to a phone conversation with the paying agency **Greece** does not have an operational program yet, however previous data could be published, as **Greece** was an EU member in May 2007. In **France**, data is 'not accessible at the moment' according to press office of the paying agency. **Ireland** has not made the data accessible yet according to the paying agency press office. Data from **Italy** have been impossible to trace and attempts of mail/phone contact have not been answered. The ministry in **Portugal** has undergone a change of IT-systems and expects to publish data in early September 2009.

Romania does not have an operational program yet and thus does not publish any data, previous data from FIFG are irrelevant because EU membership is too recent, according to phone and mail correspondence. **Luxembourg** is irrelevant in this context, as the CFP is not applied.



Accessibility

"European citizens have the right to know how their money is used. The EU has committed itself to full transparency about who receives monies from the EU budget," thus states the Commission on the webpage that presents the European Transparency Initiative as it relates to the CFP. This has been an explicit aim of the European Transparency Initiative first stated by Commission Vice-President Siim Kallas in a speech in the UK in March 2005.

As shown above not all member states have complied with the requirements of the relevant regulation. Many member states do not present information in a user-friendly way. Nor are they required to do so. Article 31d of regulation 488/07 for the European Fisheries Fund states that publications of lists of beneficiaries should be published "electronically or otherwise". The obligation to publish "otherwise" could theoretically be fulfilled by displaying a list on in a paper print-out held by the paying agency - not exactly user-friendly. This can be contrasted with the situation in relation to the Common Agricultural Policy where implementing regulations set out detailed requirements and deadlines for the publication of data on end beneficiaries of farm subsidies.

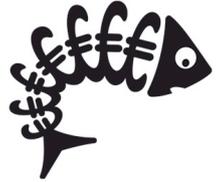
The implementing regulations do not promote the accessibility of information at a pan-European level because responsibility for publication is devolved to member states. The Commission concedes on its overview page that this has had negative consequences, "the degree of coverage and detail as well as the way of presenting the information... can vary widely."

"Can vary widely" is a diplomatic understatement, given the realities of what happens were an EU citizen to seek to get an overview of the published data, even within a single member state, let alone across the EU as whole. In the United Kingdom, for example, the format of the data varies from very user-friendly html search pages to PDF overviews or even lists of recipients in varying formats hidden away at the bottom of press releases. All this is within just one member state. In Germany and Bulgaria, meanwhile, empty lists are published. The appropriate headings are there but without any data.

Format is not the only problem. The data is often difficult, if not impossible to cross-compare. Take, for example, the dates of payment. Some member states publish payments according to the calendar year, some choose a date of publication on a given day of the year; some sort information by date of payments made, some register the date of money allocated; and some don't mention any dates at all.

Europe's many languages also constitute a challenge, although in most cases this can be solved with the help of a translation program (for instance, this analysis used Google Translate). Of course, this kind of translation is nowhere near perfect, but it can be helpful when trying to trace the lists of beneficiaries. Even so, this detour can be cumbersome and time consuming.

Meanwhile, several countries do not link their websites to the Commission's overview page (for example, Poland's website, which provides the information required in the regulation and has been online since January 2009). Other member states have bad links from the Commission's website. The link to the Finnish ministry leads only to an empty page, although Finland does provide a very user-friendly website, once the correct page has been found. In the case of Germany, the link provided on the Commission website is misspelled, meaning that the German data can be accessed



only after identifying the correct spelling of the link.

Some national paying agencies contacted were both helpful and polite, and provided links to webpages and other information about the status of the publications and programs. But in some member states the relevant contacts simply didn't reply, either by phone or by mail. The contact details used were either provided by the Commission or found through searches on the national ministries website.

In several cases - such as Slovenia, Hungary and Northern Ireland - data about EU fisheries subsidies is presented amongst data on other subsidies, meaning it must be traced measure by measure.

In this report, four measures of accessibility were tested: Is the information easily accessible via the Commission overview or online? Is the information presented in English or in one of the other EU working languages (i.e. German, French)? Is the format user-friendly? Is it possible to download the information per member state and year in a machine-readable format (such as csv or spreadsheet) in order to be able to analyse the data?

TABLE 2: EVALUATING ACCESSIBILITY OF THE INFORMATION

COUNTRY	SCORE	RATING
Denmark	75	Green
Estonia	46	Green
Poland	46	Green
Finland	45	Green
Cyprus	33	Yellow
Austria	28	Yellow
Spain	28	Yellow
Slovakia	28	Yellow
Germany	27	Yellow
Sweden	26	Yellow
Netherlands	26	Yellow
Bulgaria	25	Yellow
Belgium	25	Yellow
Czech Republic	24	Yellow
United Kingdom	24	Yellow
Latvia	23	Yellow
Lithuania	22	Yellow
Hungary	21	Yellow
Slovenia	8	Red
Greece	8	Red
France	1	Red
Ireland	1	Red
Italy	0	Black
Malta	0	Black
Portugal	0	Black
Luxembourg	-	Grey
Romania	-	Grey

Full details of the evaluation is available online: <http://tinyurl.com/qxxagr>

Additional information beyond the requirements of the regulation

The third round of the evaluation concerned any additional information that some member states choose to make public, which others do not. The data published by member states was evaluated to find out whether it contained data that it is known to be recorded by paying agencies (types of data that have been released under previous access to documents request) or data that is relevant in order to compare and trace beneficiaries and to understand the operation of the CFP. The information tested concerns:

- geographical information
- vessel information
- unique identifiers for beneficiaries
- compatible dates of payment
- subdivision in EU and national support
- CFP measures
- operation identifiers

Any effort to help Europeans exercise their right to know how their money is being spent is valuable, and all countries providing additional information should be praised for doing so. Unfortunately, the additional information varies so widely from country to country that it loses a certain amount of value unless comparable information can be obtained in at least a majority of countries, if not all of them. For example, the lack of consistency in payment dates makes comparisons between member states difficult.

Comparing 2004 data, ETI data and 2009-Belgian data

To provide an accurate overview of the current situation following the introduction of the European Transparency Initiative, data previously published can be compared with data published under the new framework for transparency. To this end, three data sets on the FIG (the Financial Instrument for Fisheries Guidance is the predecessor of the current European Fisheries Fund). are compared:

- Disclosure of data on fisheries subsidy payments as provided by member states to the Commission for the years 2000-2003, obtained from the Commission via an access to documents request by the author in the summer of 2004 and in subsequent disclosures to Markus Knigge and Nils Mulvad for the period 1994-2006.
- A report on fish subsidy spending in Belgium under the FIG program from 2000-2006, obtained via mail correspondence about the publication of the payments in September 2009.
- The information published under the European Transparency Initiative.




TABLE 3: COMPARISON OF DETAIL OF DATA DISCLOSED

#	ACCESS 2004	BELGIUM 2009	ETI 2009
1	No	Beneficiary name	Beneficiary name
2	Project ID number	ID number	No
3	Internal Vessel Number	Vessel register	No
4	Location of Project	Municipality	No
5	NUTS III Code	NUTS III Code	No
6	Total Eligible Cost (euros)	Total Eligible Cost	No
7	FIFG Aid Granted	FIFG Aid Granted	No
8	Date Aid Granted	Date Aid Granted	No
9	Measure	Measure	No
10	Action	Action	Name of operation
11	Indicator	Indicator	No
12	Physical Quantity Achieved	Physical Quantity	No
13	State of Project	State of Project	No
14	Eligible Expenditure	Eligible Expenditure	No
15	Total National Payment	Total National Payment	Amount of public funding allocated
16	Total FIFG Payment	Total FIFG Payment	Amount of public funding allocated

The comparison shows that following the changes made under the European Transparency Initiative much less data is being published than was previously (in relation to the period 1994-2006). The data disclosed has been reduced from 15 data fields under the previous access to documents regime to 4 data fields under the European Transparency Initiative. Thanks to the Belgian report we know that 16 pieces of information are easily available, as national authorities hold them in one document in order to fulfill their duty of reporting the EU funds that they administer.

It should be stressed that in one very important respect the ETI has improved on previous practice: the publication of the name of the beneficiary individual or company. However, there is a lot of data which was previously published that is not accessible under the ETI's new transparency rules. This is a step backwards. The Belgian case is presented an example of 'best practice' in which a very full data disclosure has been made.

Conclusions

With the introduction of the European Transparency Initiative, the cumbersome process of making access to documents requests relating to EU funds paid under the Common Fisheries Policies should have become unnecessary. Citizens, journalists, political parties and public-interest groups should have direct access to the information – making it easier for citizens and public officials at national and EU-level alike. Unfortunately, this has not happened.

Instead, when compared to previous data sets that have been published, the European Transparency Initiative has resulted in a single (giant) step forward but twelve steps back. The publication of names of beneficiaries represents real progress in budget transparency but this has been accompanied by a reduction in the quality

and detail of data and its fragmentation into dozens of often inaccessible sources. With the responsibility for publication of data - including the choice of data format - left to member states, European citizens are cast into a maze of different languages, formats, places and modes of publication.

The aim of letting EU citizens know how their money is being used is not fulfilled through the new rules following the ETI. Mere information about the name of a person or company in a member state combined with a figure on how much he or she has received is nowhere near capable of providing an understanding of how the money is being used or how a policy is being implemented. As Commissioner Fischer Boel said in relation to farm subsidies in a speech in July 2006, "Telling the public about who gets how much money is only half of the story. The other half is explaining what the money is for."

The European Transparency Initiative currently does not provide much extra benefit for citizens. Exchanging one piece of information – the name of the beneficiary – for 12 other pieces of information no longer disclosed (including the identity of the fishing vessel, the payment date and the subsidy measure) is a bad trade-off for the European public.

Some member states do publish a more than the limited information required under the ETI. This is welcome and it shows that member states do have the technical capacity to adopt a 'best practice' transparency policy. What is lacking in most member states is the will to do so.

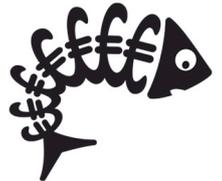
Given the concern about the state of European and global fish stocks, and the upcoming review of the Common Fisheries Policy, journalists, activists, academics and citizens will pursue their quest to understand and analyse the CFP. The fact that the EU has chosen not to publish the data will lead to confusion, lack of data and cumbersome work for citizens and officials in establishing accurate information for every member state.

Recommendations and next steps

Overcoming the previous secrecy about the identities of beneficiaries of EU funds paves the way to move on to a new level of transparency and accountability. This was a major achievement of the European Transparency Initiative. However, an unintended consequence of the ETI's focus on beneficiaries at the expense of other important data relating to the administration of EU fish subsidies is that under the new rules, significantly less data is being published, and it is being published in a much more fragmented and uncoordinated way. Publication of the names of beneficiaries *plus publication of all previously published information on the operation of the CFP* is needed for citizens to "know how the money is used".

To provide meaningful information on the Common Fisheries Policies, the relevant regulations governing disclosure of data should be updated. In the future, the data should be published at one central website and the European Commission should bear the responsibility for coordination while member states remain responsible for the accuracy of the data.

All of the information should be published in a consistent and user-friendly format, such as with an html search function and the option to download entire data sets in a spreadsheet or csv format. Finally, the largest possible range of data fields should be





published, at the very minimum maintaining the detail of data disclosed under previous access to documents requests before the ETI came into force.

TABLE 4: OVERALL EVALUATION OF DATA DISCLOSURE PERFORMANCE

COUNTRY	CONFORMITY WITH THE LAW	ACCESSIBILITY	EXTRA INFORMATION	OVERALL SCORE
Denmark	75	75	16	55
Finland	80	45	23	49
Estonia	68	46	25	46
Belgium	65	25	46	45
Austria	65	28	30	41
Sweden	75	26	19	40
Czech Republic	70	24	26	40
Cyprus	65	33	21	40
Poland	60	46	11	39
Latvia	65	23	30	39
Netherlands	65	26	26	39
Slovenia	75	8	26	36
Spain	65	28	16	36
Slovakia	70	28	4	34
Lithuania	65	22	9	32
Germany	41	27	26	31
United Kingdom	51	24	15	30
Hungary	41	21	14	26
Bulgaria	-11	25	0	5
Greece	-13	8	0	-2
France	-13	1	0	-4
Ireland	-13	1	0	-4
Italy	-13	0	0	-4
Malta	-13	0	0	-4
Portugal	-13	0	0	-4
Luxembourg	-	-	-	-
Romania	-	-	-	-

About the author

Brigitte Alfter is a Danish-German journalist covering Europe. She is a co-founder of farmsubsidy.org and the director of the European Fund for Investigative Journalism, which supports quality journalism and cross-border journalistic research through research grants. She has covered European affairs and EU-matters for a number of years, she uses freedom of information legislation as a journalistic tool and conducts training on the subject.