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Abstract: These briefing notes were produced and published within the context of Work Package 6: EU Advocacy Test Bed. These policy briefs reflected the key areas of interest of EU policy makers related to open budget and spending identified in Task 1. Many of these thematic policy areas were sublimated by tailored briefings to interested stakeholder, including investigative journalists covering areas of EU financial transparency and accountability.

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Executive Summary

This deliverable represents the briefing notes produced within the context of Work Package 6 to date. Task 1 carried out a needs assessment of EU policy makers related to budget and spending information, with particular focus on the European Parliament's Budgets (BUDG) and Budgetary Control (CONT) committees. Two key areas of concern that were highlighted in relation to open, transparent, and accountable spending of EU funds were European Structural and Investment Funds (ESIF) and spending by the European Parliament generally, and Members of the European Parliament use of allowances specifically. Advocacy briefing products have stressed these two issues and designed primarily for policy makers, citizens, and journalists. Although these briefing notes have been relied upon by the aforementioned stakeholders, tailor made briefings, both oral and written, were also offered to a variety of journalists working on the transparency and accountability EU funds.

Abbreviations and Acronyms

| | |
|-------------|---|
| APA | Accredited Parliamentary Assistance |
| BUDG | Budget Committee |
| CONT | Budgetary Control Committee |
| CSV | Comma Separated Value |
| DG | Directorate General |
| EU | European Union |
| ESIF | European Structural and Investment Fund |
| GEA | General Expenditure Allowance |
| MEP | Member of the European Parliament |
| OLAF | European Anti-Fraud Office |
| OP | Operational Programme |
| PAA | Parliamentary Assistance Allowance |

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1. Parliamentary Assistance Allowance

MEP Parliamentary Assistance Allowance

Members of the European Parliament (MEPs) are entitled to a number of allowances designed to help carry out activities related to their legislative mandate. The Parliamentary Assistance Allowance (PAA) is used by MEPs to pay their staff and amounts to €24,164 monthly per MEP.



There are five categories of staff that MEPs can use their allowance to pay. Accredited Parliamentary Assistants, who are based in Brussels/Strasbourg, and who maintain a direct contract with the Parliament. Local parliamentary assistants, who are based in an MEP's constituency and have a private employment relationship with the MEP. Service provider and intern contracts, which are temporary contracts signed with the MEP, and paying agents, who manage the local contracts to ensure the requisite national taxes and contributions are paid.

The GEA is intended for specific purposes and has rules in place on how it must be used. These rules are contained in the [Members' Statute](#), accompanying [implementing measures](#) and financial regulation. Since 2008, the statutory and internal rules on transparency have improved. Rules governing contract controls have been enhanced and the names of assistants and service providers are now published on the [Parliament's website](#). Yet, we still see irregularities and fraudulent activities by MEPs with their staff allowance. This has ranged from a former MEP who skimmed off the top of staff contracts to pay for holiday trips to Marine Le Pen and Front National embroiled in a [fraud case in France](#) for misusing their staff allowance.

The best way to prevent fraud and misuse of public money is through transparency and accountability. Citizens need to be able to scrutinise how their MEPs spend their allowances to be able to hold them to account.

Recommendations

- The European Parliament should publish anonymised spending details per individual MEP, and per staff category, for contract expenditures defrayed from the Parliamentary Assistance Allowance. This data should be published in a timely manner, on a rolling basis, in open and in machine readable format;
- The European Parliament needs to publish more detailed information on staffing arrangements of individual MEPs' use of the PAA. The Parliament should publish, along with the already available names of staff, details of contracts concluded. This would include whether it is part-time or full-time, duration of the contract, as well as business addresses and the descriptions of the service provided regarding service providers;
- The European Parliament needs to increase resources for both DG Finance and DG Personnel to enhance internal financial controls of the PAA. The European Parliament needs to ensure an effective information sharing arrangement between DG Finance and DG Personnel in order to properly control the use of the PAA in regard to parliamentary accredited assistants. The Parliament should publish whether an accredited assistant has been authorised for other external activities.

2. General Expenditure Allowance

MEP General Expenditure Allowance

Members of the European Parliament (MEPs) are entitled to a number of allowances designed to help carry out activities related to their legislative mandate. The General Expenditure Allowance (GEA) is meant for office expenses related to their work as a MEP, such as rental costs for constituency office space, phone bills, or office supplies. The GEA amounts to € 4,342 per month/per MEP and is transferred to the MEPs' bank account of their choosing, including their own personal accounts by default. The spending under this budget line amounts to just under €40 million annually in taxpayers' money.

The GEA is intended for specific purposes and has rules in place on how it must be used. These rules are contained in the [Members' Statute](#), accompanying [implementing measures](#) and financial regulation. The European Parliament has also adopted [internal guidelines](#) that are given to MEPs to clarify how this money should be spent.

There is absolutely [no transparency](#) of the GEA, nor financial controls by the European Parliament to prevent misuse of this allowance. The Parliament [does not hold](#) a single document nor receipt related to the spending of the GEA by MEPS. The only publicly known fact, which the [Secretary General confirmed](#), is that 98.4% of all MEPs in 2014, including departing ones from the last mandate, used the full amount of their GEA.



The best way to prevent fraud and misuse of public money is through transparency and accountability. Citizens need to be able to scrutinise how their MEPs spend their allowances to be able to hold them to account.

Recommendations

- The European Parliament's Bureau should establish basic financial control mechanisms concerning the General Expenditure Allowance. The Directorate General of Finance should carry out an annual spot check of GEA expenditures for at least 5% of MEPs. The European Parliament should provide adequate resources for DG Finance to put into place any financial control mechanisms of the GEA;

- The European Parliament's Bureau should amend the Implementing Measures to require MEPs to contract an external professional audit, on an annual basis, of the GEA. The European Parliament's Bureau could adopt a decision earmarking a percentage of the General Expenditure Allowance for MEPs to contract this external professional auditor. This audit and spending information should be fully transparent, published in a timely manner, and in open source machine readable format;
- The European Court of Auditors and the European Parliament Internal Auditor should carry out special audit reports on the GEA. These reports should be made publically available upon submission to the Parliament;
- The European Parliament should provide clearer guidelines for MEPs on the use of the GEA. These guidelines should more specifically outline what the GEA cannot be used for as well as the legal obligations by Members that any unused GEA money must be paid back to the Parliament.

3. Subsistence Allowance

MEP Subsistence Allowance

Members of the European Parliament (MEPs) are entitled to a number of allowances designed to help carry out activities related to their legislative mandate. The subsistence allowance is designed to offset the costs of expenses that MEPs incur in the course of carrying out their parliamentary duties. It is essentially a per diem that is meant for covering accommodation and other costs when MEPs have to stay in Brussels, Strasbourg, or abroad on official missions. In 2017 this daily allowance constituted €306 for every day a MEP signed an official attendance register. For official meetings outside the European Union, MEPs [receive €153](#), with accommodation expenses being reimbursed separately. The allowance is governed by the [Members' Statute](#), accompanying [implementing measures](#) and financial regulation.

There is no transparency on how MEPs spend their subsistence allowance. Making this information would allow for the calculation of the overall annual expenditure amount per MEP of this particular allowance. Second, and perhaps more importantly, there is a public interest in allowing citizens and civil society to evaluate their elected representatives' parliamentary activities, such as with attendance rates.

The Parliament does see the benefits in making similar information available on their website, such as with committee minutes' MEP attendance registers or plenary roll call vote figures, which constitutes a partial attendance record. However, this information is incomplete as it does not account for the total number of times a MEP signs a register for receiving the subsistence allowance. [Some MEPs make information publicly available](#) on the number of times they have claimed for the subsistence allowance and the total amount of that claim. Publishing these figures would provide a complete picture of an individual MEP's attendance record and overall spending of this allowance.

Making the expenditure data transparent would both allow citizens, journalists and civil society to scrutinise the spending of public money under this budget line. It would also enable citizens to evaluate their elected MEPs' parliamentary attendance rates

Recommendations

- The European Parliament should publish the number of times and dates an individual MEP claims this subsistence allowance. This attendance information and corresponding annual expenditure data should also be published and in machine readable format.

4. Travel Allowance

MEP Travel Allowance

Members of the European Parliament (MEPs) are entitled to a number of allowances designed to help carry out activities related to their legislative mandate. The travel allowance is designed for MEPs to undertake journeys to Parliament's places of work, within the Member State where they are elected, and in other countries within the performance of their parliamentary duties. The 2017 budget appropriation for the ordinary travel allowance available to MEPs amounted to [€69,200,000](#). This allowance is reimbursed at cost to the MEP, upon the production of request travel documents to the Parliament. The allowance is governed by the [Members' Statute](#), accompanying [implementing measures](#) and financial regulation.

The spending data of MEPs' use of the travel allowance is not publicly available. The Parliament has financial controls in place for the reimbursement of travel expenses, including sample controls of payments. The travel allowance's financial management has been criticised in the past when it was paid as a lump sum. In a [2008 special report](#) the European Court of Auditors found that internal checks were not sufficient, cost discrepancies occurred, and requirements on submission of documentation were 'flimsy'. A number of reforms in relation to control and risk management followed this audit report and the rules have been changed to reimburse actual costs.

There have been minimal public cases of allegations of MEPs misusing this allowance since the introduction of these reforms.

Although irregularities occur and risk of misuse exists, there should still be transparency of the expenditure data to allow citizens to be able to scrutinise how their MEPs spend their allowances.

Recommendations

- The European Parliament should publish aggregate spending data for individual MEP claims and reimbursement for the travel allowance. This expenditure data should be published and in machine readable format.

5. European Parliament

European Parliament

The European Parliament has taken many positive steps to increase the transparency of documents related to official parliamentary activities. The Parliament website [streams](#) committee meetings and plenary sessions, publishes minutes of [voting records](#), maintains a public documents [register](#), and has an [online portal](#) for documents related to legislative and non-legislative dossiers. Although sometimes difficult to locate across numerous parliamentary sites and portals, there is a great deal of information related to legislative activities published by the Parliament. The Parliament also provides a limited number of open data sets to the EU [Open Data Portal](#).

In regard to budget and spending data of the institution, The Parliament publishes a number of documents. Most of the EU institutional annual account information is published within the context of the [budget discharge procedure](#). This is an annual process which sees the Parliament formally close the annual budget cycle for EU institutions and agencies. For Parliament budget and expenditure information there is the overall EU budget appropriation figures, published annual fiscal accounts, audit reports, detailed responses to parliamentary questionnaires on spending, activity reports from the different Directorates General (DGs), and reports on budgetary and financial management. These separate documents provide varying levels of budget and spending details.

Though many documents are transparent there are practical barriers for citizens to use and understand this budget and expenditure data. to ascertain this information. Much of the information is not in machine readable format and published in only one language. A degree of prior technical knowledge is needed to fully appreciate what the different reports and accounts signify, as there are no detailed explanations pertaining to individual documents. The EU budgetary processes and structures are also very complex, comprising a legislative procedure, involving the Commission, Parliament and Council.

These barriers that hinder civil society, journalists, and citizens' ability to use and appreciate budget and expenditure data should be addressed by the Parliament.

Recommendations

- The Parliament should provide a centralised site on its budget and spending data. These documents should have an accompanying explanation of the documents' significance and the relevant budgetary process.
- The Parliament should make available, in a timely manner, this budget and expenditure data in open and machine-readable formats, such as CSV.

6. European Structural and Investment Fund Data Quality

European Structural and Investment Fund Data Quality

[EU Regulation No 1303/2013](#), governing the European Structural and Investment Fund (ESIF), Data Quality requires the Member States to create a single website providing all viable information on their operational programmes and publishing their beneficiary data in a machine-readable format. Comparative analysis between the two funding periods has shown that substantial progress was made with the introduction of this regulation.

The current funding period shows more machine readable data formats and the data quality has increased. Nonetheless, Member States are still slow regarding the data's publication and some Member States are not complying with regulatory data publication requirements.

For the data to become useable for further analysis, the datasets are still missing crucial information. IN order to gather in depth insights from the data the amount and date information needs to be improved. Furthermore, to allow for comparative analysis, for links to the EU programs, and for geographic analysis, additional data is needed. Member States are still from completely adhering to the EU regulation, with only 22 of 28 countries having released the beneficiary lists as of February 2017. Furthermore, six Member States still used close data formats. In order for civil society, citizens, and journalist to be able to properly use ESIF data a number of improvements must be made.

| COUNTRY | DATA FORMAT | ENGLISH TRANSLATION | SCORE |
|--------------------------|-------------|---------------------|-------|
| Bulgaria | XLS | yes | 5 |
| Lithuania | XLS | yes | 5 |
| Poland | CSV | yes | 5 |
| Slovenia | XLS | yes | 5 |
| Belgium Flanders | XLS | yes | 4 |
| Denmark | CSV | yes | 4 |
| Finland | CSV | yes | 4 |
| Greece | CSV | yes | 4 |
| Italy | XLS | no | 4 |
| Portugal | XLSX | no | 4 |
| Austria* | XLSX | yes | 3 |
| Croatia | XLS | no | 3 |
| Czech Republic | XLSX | yes | 3 |
| Estonia | webpage | yes | 3 |
| Hungary | webpage | yes | 3 |
| Latvia | XLS | no | 3 |
| Luxembourg | webpage | no | 3 |
| Slovakia | webpage | no | 3 |
| France | XLS | yes | 2 |
| Germany | XLSX | yes | 2 |
| Malta | PDF | yes | 2 |
| Romania | PDF | no | 2 |
| Sweden | webpage | no | 2 |
| UK - England | XLSX | yes | 2 |
| Cyprus | | no | 1 |
| Ireland | | yes | 1 |
| Netherlands ³ | XLSX | no | 1 |
| Spain | | yes | 1 |

* - The Austrian Portal was updated and brought to our attention in April 2017.

3 - The Dutch portal is ranked with 1 point due to the fact that it only provides an excerpt of projects funded by the Netherlands.

Recommendations

- Provide websites in English;
- Make CSV or JSON the mandatory format for beneficiary data;
- Include information on legal form of beneficiary;
- Require standardised date-notation;
- Provide standardised way to make non-Euro amounts comparable;
- Provide the following amounts: applied, allocated, and paid out;
- Provide project funding broken down by EU Amount, Member State Amount, Third Party Amount, and a total Amount;
- Provide information on the following dates and milestones in the project: start, finish, payment date and duration;
- Provide sufficient information to link the beneficiary lists to the programmes by CCI codes;
- Provide sufficient geographical information for both beneficiary and project location.

7. Conclusion

The aforementioned briefing notes have highlighted the thematic areas of focus and key policy areas for Work Package 6. The substantive content and corresponding policy recommendations have been instrumental in advocacy activities of EU policy makers. They have also played an important role in dissemination and communications work, including workshops, bi-lateral briefings, and media outputs. Finally, these stand-alone briefings were instrumental in Work Package 6 outreach efforts to investigative journalists to garner interest and understanding of the transparency and accountability of certain EU funds. They were also accompanied by numerous bi-lateral and tailored briefings to individual journalists from a variety of Member States and national media outlets.