

OpenBudgets.eu: Fighting Corruption with Fiscal Transparency

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Abstract: The stakeholder mappings strategy and outreach plan provides guidelines and methods to map and engage with stakeholders and publics that are related to the Openbudgets.eu project

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Executive Summary

The MEP survey results, coupled with a series of interviews with European Parliamentary committee administrators, political group policy advisors and MEP assistants demonstrated a number of clear budget data needs of members of the Parliament's Budget and Budgetary control committees.

First, MEPs overwhelmingly found it useful for budget and expenditure data to be provided and analysed on an online platform. Second, raw budget data needs to be complemented and processed by other sources. These additional sources, such as annual audit reports, provide appropriate levels of context in order to carry out informed policy making. Third, whereas specific budget data sets are important, from a policymaking perspective one needs to analyse larger trends over time and in different funding areas. This exercise helps to identify both good and bad examples of sound financial management which can also be linked to specific and strategic policy goal alignment. Certain indicators also highlighted as important in analysing the spending and management of EU budget funds. Finally, policy makers preferred the data to be visualised by sector and geographically.

Additionally, several barriers to their policy making work and the possible impact of integration of their budget data needs into OpenBudgets.eu were identified. These included the complexity of the budgetary process, the availability of timely data, linguistic barriers, the inability to use non-standardised data across different Member States and the need to have data contextualised to gain a comprehensive picture.

Abbreviations and Acronyms

MEP	Members of the European Parliament.
BUDG	Refers to the committee on Budgets in the European Parliament. This committee, in conjunction with the Council, negotiates and adopts the annual budget of the EU
CONT	Refers to the Budgetary Control committee in the European Parliament. It ensures that the spending of the EU budget is managed and spent correctly according to financial regulations as well as that the spending adheres to strategic policy goals
MFF	Multiannual Financial Framework.
OP	operational programme.

Table of Contents

1	INTRODUCTION	7
2	THE MEP SURVEY	7
3	KEY FINDINGS	8
3.1	PROCESSING OF RAW DATA.....	8
3.2	LEVEL OF DETAIL.....	9
3.3	INDICATORS	12
3.4	THEMATIC POLICY FOCUS.....	12
3.5	LEGISLATIVE PROCESS	13
3.6	VISUALISATION	14
4	CONCLUSION	15
5	ANNEX I: MEP SURVEY RESULTS	16

List of Figures

Figure 1 - Useful sources in order to analyse and process raw data.....	9
Figure 2 - Level of detail in budget data.....	10
Figure 3 - Level of detail in expenditure data	11
Figure 4 - Importance of data by heading	13
Figure 5 - Importance of data by fund.....	13
Figure 6 - Comparable timelines.....	15

1 Introduction

Greater fiscal transparency can help enhance accountability within the public sector and help to prevent mismanagement and corruption in EU funds. The OpenBudgets.eu platform aims to provide a framework for containing relevant tools to enhance levels of budget transparency. One of the main goals of this work package aims to establish an ‘advocacy test bed’, which will assess the needs of EU policy makers in order to help incorporate this into the development of the OpenBudgets.eu platform.

The needs assessment focused on members of two European Parliament committees: the committee on Budgets (BUDG) and the Budgetary Control committee (CONT). Although both committees’ parliamentary works involves the European Union budget, both have distinct mandates. The BUDG committee, in conjunction with the Council, negotiates and adopts the annual budget of the EU. This committee also helps shape the strategic vision of the Multiannual Financial Framework’s (MFF) budget priorities. The CONT committee ensures that the spending of the EU budget is managed and spent correctly according to financial regulations as well as that the spending adheres to strategic policy goals. The CONT committee’s mandate can be particularly complex as approximately 80% of the EU budget is governed under a ‘shared managed’ principle, whereby 28 different member states’ national authorities are responsible for the management, control and audit obligations of the funds. For these reasons, the CONT committee also has an interest in the prevention of corruption, fraud and the misuse of EU funds.

A number of bi-lateral meetings with Members of the European Parliament (MEPs), BUDG and CONT administrators, political group policy advisors and MEP assistants were held. These meetings aimed to introduce the OpenBudgets.eu project, discuss the concept of open budget data, and solicit opinions of how budget data is used and how the project could aid in policy making. Based on the feedback provided, a survey was produced in order to help further determine budget data needs of MEPs in these two Parliamentary committees.

2 The MEP Survey

The MEP survey was designed to assess the budget data needs of MEPs in the Budget and Budgetary Control committees. The eleven questions sought to assess MEPs’ data needs within 5 main areas: thematic policy focus; level of details of budget data; comparative indicators; additional sources used in their work; and visualisations.

The online survey was communicated to all members and substitutes of CONT and BUDG beginning on November 16th and was open until December 6th 2015. The live survey dates were chosen to maximise the chances of an equally proportionate response rates from both committees. Unfortunately, the 2016 budgetary procedure takes place during the fall of each year, which includes drafting parliamentary reports, hundreds of amendments to discuss and entering into negotiations with the Council. Thus, it was determined that to achieve maximum response rates the survey should be available from after the initial compromise between BUDG and the Council (November 14th) and to extend the survey completion window until after the Parliament’s plenary budget vote (November 25th).

After the survey launch, corresponding outreach activities towards MEPs and their offices continued in order to highlight the survey but also to continue the introduction of the OpenBudgets.eu project. Despite many parliamentary staff expressing doubts of MEPs completing a survey, given their respective workloads, the final response rate was 9.5 %. This response rate is comparable to corporate consultancy surveys of MEPs, such as a [recent one](#) conducted by ComRes. The MEP survey respondents comprised of 66% members of BUDG and 41% of CONT, as 1 respondent was a member/substitute of both committees.

3 Key Findings

The results of the survey were able to show a number of important trends and requirements of potential users of OpenBudgets.eu. First, 100% of respondents demonstrated a clear need for raw budget and expenditure data to be analysed and processed in order to be useful for their parliamentary work. Second, respondents identified preferences, to varying degrees, of thematic focuses, desired indicators, and the level of detail of budget and spending data needed in order to carry out their parliamentary work. Third, it is clear that policy makers would find it useful to be provided an explanatory outline of the legislative process. Finally, the survey responses were able to prioritise preferred visual presentation themes.

3.1 Processing of Raw Data

Raw budget and expenditure data are important to policy-makers, as communicated in many bi-lateral meetings. However, in order to properly and fully appreciate a particular dataset it must be contextualised by supporting sources. The survey responses have clearly demonstrated this point, with 100% of MEPs finding it useful for budget and expenditure data figures to be further analysed on an online platform. Both committee administrators and political group policy advisors echoed this sentiment by saying that it is necessary to rely on a number of sources. Often these additional sources are the annual or periodic activity or audit reports published by both EU and national institutions or authorities.

In order to see what would help the processing of raw data, a list was created of the most referenced sources from the bi-lateral meetings. In turn, survey respondents highlighted their most preferred reference points. The European Court of Auditors' reports ranked the highest in survey responses. The Court of Auditors, the European Union's independent external auditor, issues several different kinds of reports. The [annual audit report](#) covers the EU budget and European Development Funds and assesses if the spending has been managed properly, adhering to the relevant regulations and rules. The Court also issues special reports, such as the 2015 [report](#) on "*Efforts to address problems with public procurement in EU cohesion expenditure should be intensified*". Both types of reports are often relied upon in the CONT committee's parliamentary work.

The second source MEPs favoured for analysing budget data was the EU Commission's annual activity [reports](#). These are internally-produced reports by each Directorate General of the Commission to outline how the management of funds has been carried out and how this has conformed to set objectives. The survey also recognised the importance of individual member state national audit reports as well as Commission budget implementation summaries, such as this [2014 summary](#) from DG Regional Policy.

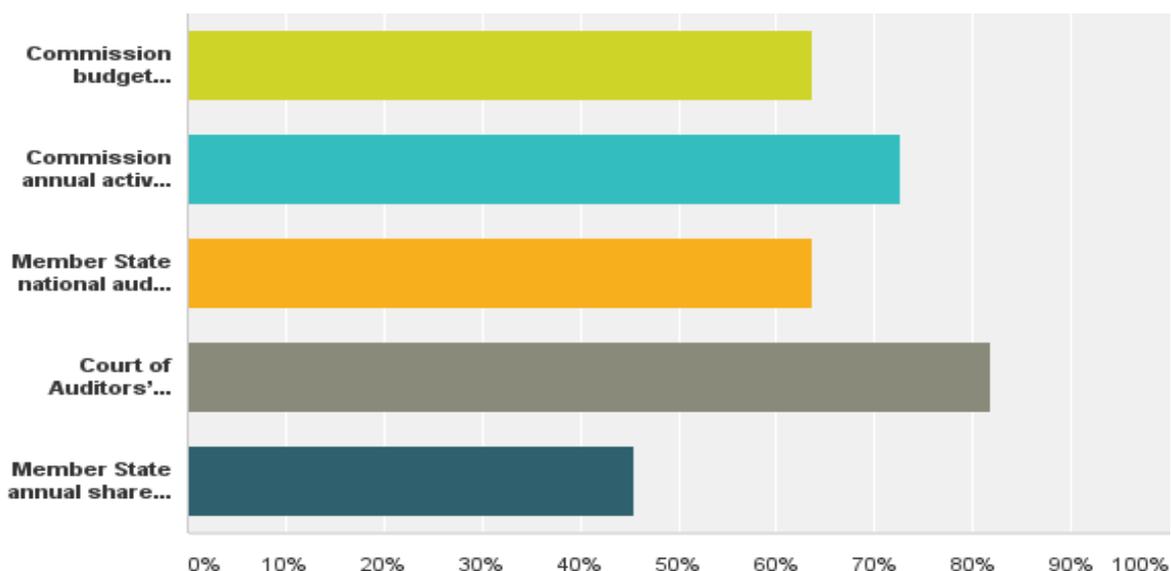


Figure 1 - Useful sources in order to analyse and process raw data

Three main potential obstacles were identified in providing these complementary sources to provide additional context to help process and analyse the raw data on the OpenBudgets.eu platform. First, all of these sources are text documents, predominately in PDF format, and could entail hundreds of pages as is the case with many Commission annual activity reports. Second, there is a lack of uniformity among

Member States as to the scope and/or approaches to audit procedures. Third, interviewees pointed out that for some national member state reports linguistic barriers exist, as they are often exclusively available in the original national language of the respective Member State.

3.2 Level of Detail

The EU Budget is comprised of separate categories and implemented through different instruments. Implementation of the budget policy priorities are arranged by several major funds and carried out through a variety of programmes. These include, for example, the Cohesion fund or Employment and Social Innovation Programme.

The overall budget appropriations are divided into budget headings that correspond to the activities laid out in the [Multiannual Financial Framework](#). The MFF ultimately sets the annual spending ceilings for these different budget headings. These headings are further divided into individual itemised budget lines.

When carrying out parliamentary budget work, members and staff of both committees expressed preferences as to the level of detail they require. The most striking conclusion is that they are not interested in minute levels of budget allocations. Whereas 72% of policy makers found individual budget lines important, only 27% of MEPs found itemised items within a budget line to be useful for their work. As way of example, this finding could surmise that MEPs could be interested in how much the European Police College (CEPOL) is annually allocated in [2016](#) but not how the College actually has internally appropriated that 93.7 million EUR.

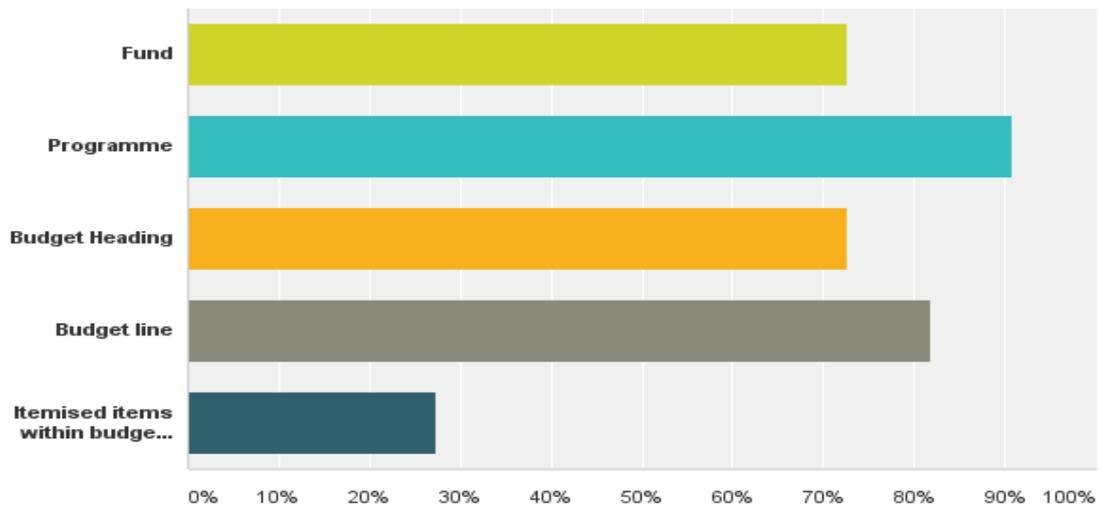


Figure 2 - Level of detail in budget data

Additionally, it is clear that policy makers (91%) deem [programme](#) budget data the most important. This is equally true of operational programme (OP) expenditure data, for example with OPs of the [European Social Fund](#) or the [European Maritime and Fisheries Fund](#). 90% of MEP survey respondents considered operational programme expenditure data important to their work. MEPs also place great significance on individual funds' budget and expenditure data.

Similar to budget data levels, MEPs appear to not regard some of the more detailed sets of data to be of great interest, as evidenced by only 50% of respondents finding individual project data important. MEPs do care about these major projects, as the CONT committee conducts on-site project delegation missions in different Member States to assess the implementation of some of these projects funded by the EU. For example, they recently [visited](#) seven such priority projects in Greece. However, it was noted by interviewees that policy makers must primarily use their resources identifying systematic problems of project implementation in different funds and programmes, rather than in-depth engagement with individual projects. Interestingly, they do find information on fund beneficiaries to be necessary in performing their parliamentary functions, with 70% wanting this information. As respondents did not supply any additional survey comments, it is unclear as to why this is the case with beneficiary fund recipients.

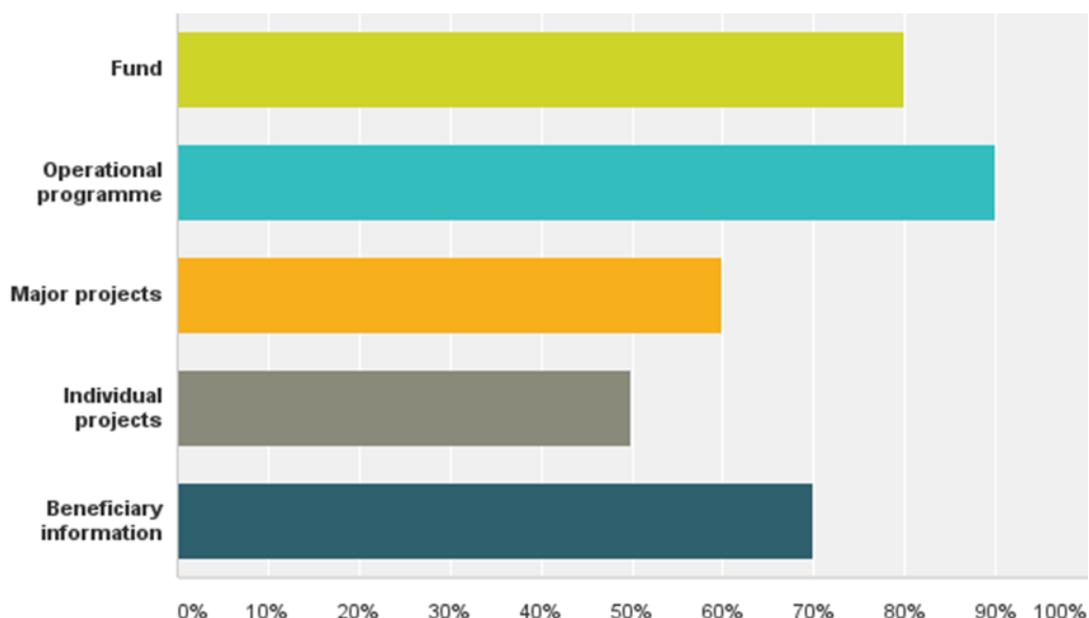


Figure 3 - Level of detail in expenditure data

In some respects these aforementioned preferences will allow data to be more easily located for potential use on OpenBudgets.eu. Though many of these budget figures are not available in open source format, they are publically accessible, such as with budget lines in the annual [2016 EU budget](#). Often the more detailed itemised budget allocations can be difficult to locate or are not publically available. Interestingly, some meeting interviewees pointed out that they even found it difficult to find this detailed information on the European Parliament's own internal budget.

Equally, expenditure data preferences of MEPs can also be easily incorporated into OpenBudgets.eu. Certain funds, such as the [Cohesion fund](#), have regulatory provisions requiring certain data sets to be published by national managing authorities. In this new 2014-2020 funding period, these provisions include a requirement of publication in open data formats. There are also regulatory transparency provisions regarding the publication of certain information regarding beneficiaries of the Agricultural and Rural development fund. The Directorate General of Regional Policy has also recently launched its own [portal](#) with certain budget data sets currently available from the European Structural and Investment Funds in the current funding period. Beneficiaries of funds that are directly managed by the Commission can also be found on their open source data [portal](#). Additionally, some Member States proactively provide this data on national sites in open source format.

However, expenditure data availability, the openness of formatting, and usability becomes patchier when it concerns certain funds and programmes. Interviewees communicated that this is partially because many of these funds and programmes are under shared management with Member State national authorities and do not have strict regulatory provisions governing the transparency and publication of the data.

Therefore, obstacles do exist to usability, availability, and openness of data from some programme and funds. First, this information is often exclusively published in original national languages. For example, you can find open source data sets on Agricultural and Rural Development spending on the Latvian government's [website](#), though only in Latvian. The same problem could be encountered for non-English speakers seeking to find fund beneficiaries on the United Kingdom's departmental [website](#). Second, availability of data can be lacking in certain areas due to legal restrictions. Parliamentary staff indicated it was often difficult to locate certain funding data in relation to the beneficiaries of Agricultural and Rural development projects in some Member States. It was highlighted that there is a

minimum spending threshold from the fund, which is a fixed amount for each Member State, before publication of beneficiary information is required. Additionally, it was pointed out that restriction exist to certain beneficiary details being published because of court [rulings](#) over data protection.

3.3 Indicators

MEPs often use fiscal indicators in carrying out their parliamentary duties. The most commonly referenced indicators by interviewees were incorporated into the survey to determine levels of importance. The results showed that many indicators, such as error rate, held roughly the same level of importance to MEPs from 54-63%. However, performance rates clearly stood apart with 81% of MEPs finding this indicator important for their work. This can be explained in part by a greater focus on results from budget spending. It also marks a departure from heavy reliance by policy makers on other traditional financial indicators, such as error rates that gives an estimation on the impact of transactional errors.

These indicators would often be found in audit reports or annual activity reports and would be one of the ways MEPs would be able to process the raw data in order to make it more relevant for their work. However, as previously mentioned, they are multipage texts, in multiple formats, and originate from an EU and Member State level making it very difficult to incorporate into the OpenBudgets.eu platform.

3.4 Thematic Policy Focus

In order to identify potential areas of thematic policy focus, the survey asked MEPs to prioritise the importance of budget and expenditure data in budget headings and funds. The headings, from the Multiannual Financial Framework, were ranked according to importance, with 0 being the lowest and 5 being the highest. The first noticeable finding is that there was general interest by MEPs in all heading areas, with not one ranking below 3.78. However, Smart and Inclusive Growth did garner the highest ranking among all the headings with 4.73 rating.

Interestingly, the rankings do not reflect a direct relation between the proportion of the EU budget heading and MEPs' rankings of level of importance. In 2014 Sustainable Growth: natural resources accounted for 41.6% of the EU's budget expenditure. Security and citizenship comprised of only 1.5%. Yet, MEPs ranked them equal in importance at 4.27. This in part could possibly be explained by events involving the recent migrant crisis. However, this trend extends to other headings as well. For example, MEPs similarly rank Administration, which covers the budget of the EU institutions and agencies, and Global Europe high even they account for under 6% each of total expenditure in 2014.

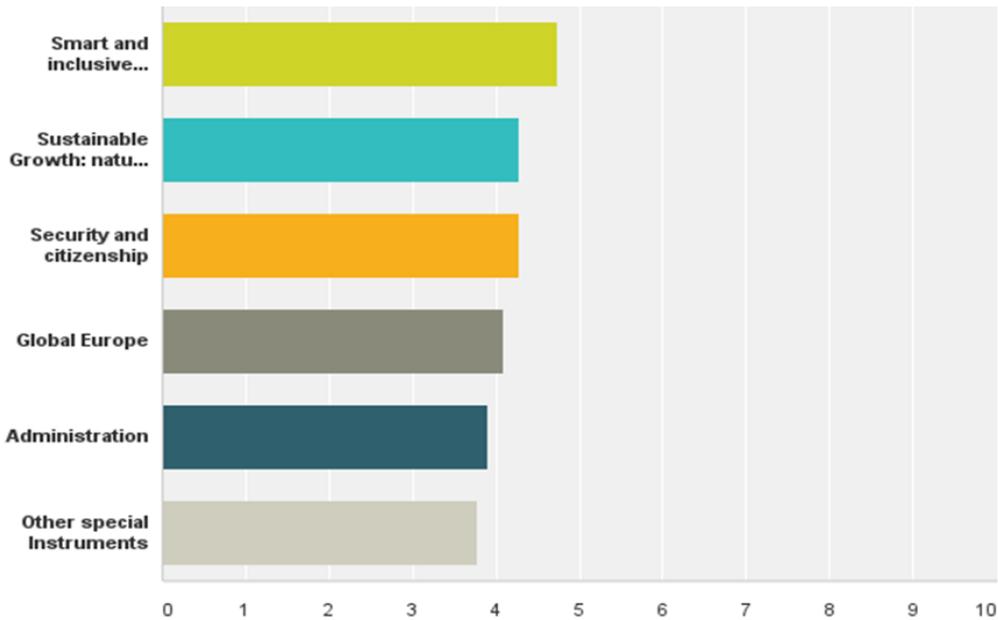


Figure 4 - Importance of data by heading

Additionally, MEPs generally felt that budget and expenditure data in major EU funds were of similarly weighted importance. Although there are no significant variations, MEPs signalled that budget and expenditure data for Structural and Cohesion funds were of the highest importance, with a ranking of 4.73. The lowest ranking fund of 3.36 was the Maritime and Fisheries Fund, although it was still relatively high on the overall scale of importance.

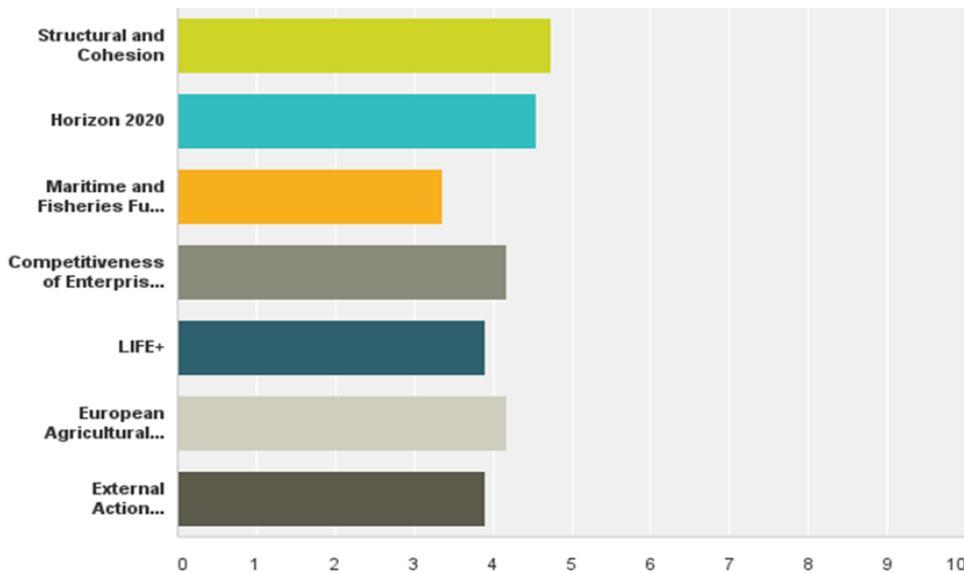


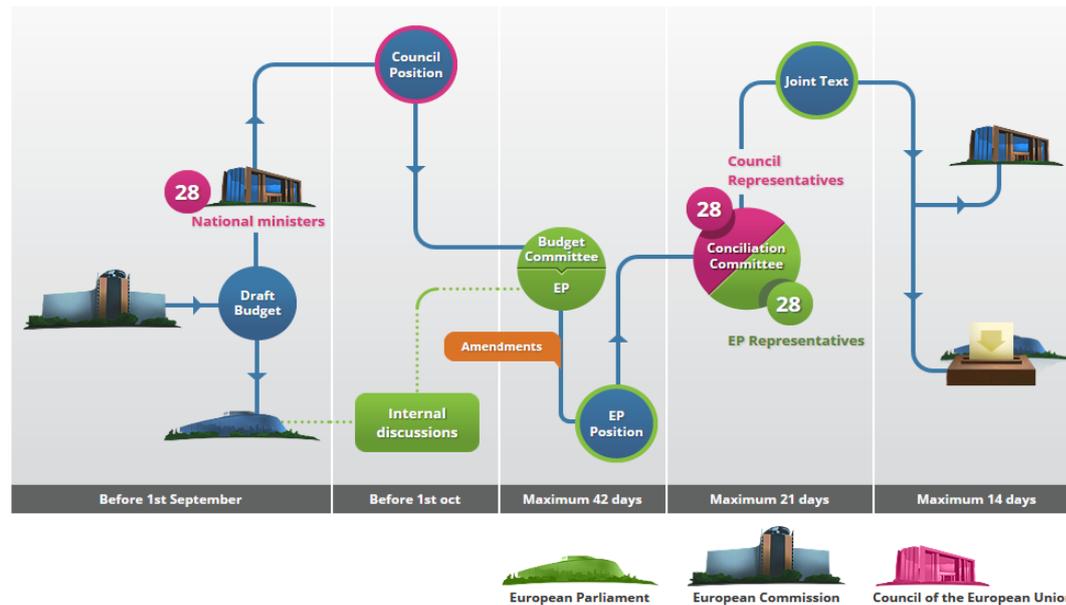
Figure 5 - Importance of data by fund

3.5 Legislative Process

The EU budgetary processes and structures are very complex. It is a legislative procedure, involving the Commission, Parliament and Council, which takes place under a strict annual timeline. It also involves the CONT committee’s discharge procedure, which assess the implementation of the budget, and upon recommendation from the Council, approves discharge and closes the accounts or not.

Budgetary procedure

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Originally highlighted in several meetings, and evidenced by an 81% MEP survey result, it was found that policy makers favoured OpenBudgets.eu providing an outline of the legislative budget process. This partially can be attributed to the complexity of the budgetary process, but it may also be explained by the number of new MEPs, and corresponding assistants, who have joined the BUDG and CONT committees at the beginning of the new legislative mandate in July 2014. This necessary explanatory budget process narrative could be incorporated into the OpenBudgets.eu platform based on publicly available material already published on a variety of different EU institutional websites.

3.6 Visualisation

Proper visualisations of budget data would be necessary to ensure policy makers are able to effectively use the full functionality of OpenBudgets.eu. Staff responses demonstrated a low appreciation of the many available technical types of visualisations (e.g. treemapping, time series, etc.). Rather, focus centred on the content of what should be visualised. Based on this, the survey queried if policy makers would prefer to have the data presented geographically, by fund, by sector, or through timelines. Policy makers identified two preferences: having the data displayed geographically and by sector (both 70%).

Although MEPs did not prefer the data to be visualised predominately by timelines (30%), staff feedback stressed that the ability to comparatively analyse certain budget and expenditure areas through the use of timelines would be highly useful. Therefore the survey presented several options of budget and funding periods, which encompassed a range of time frames. Policy makers found, by a clear margin of a 72%, it important to be able to compare data within the context of different annual budget periods. At the other end of the spectrum, only 18% found the span of a programme life to be useful.

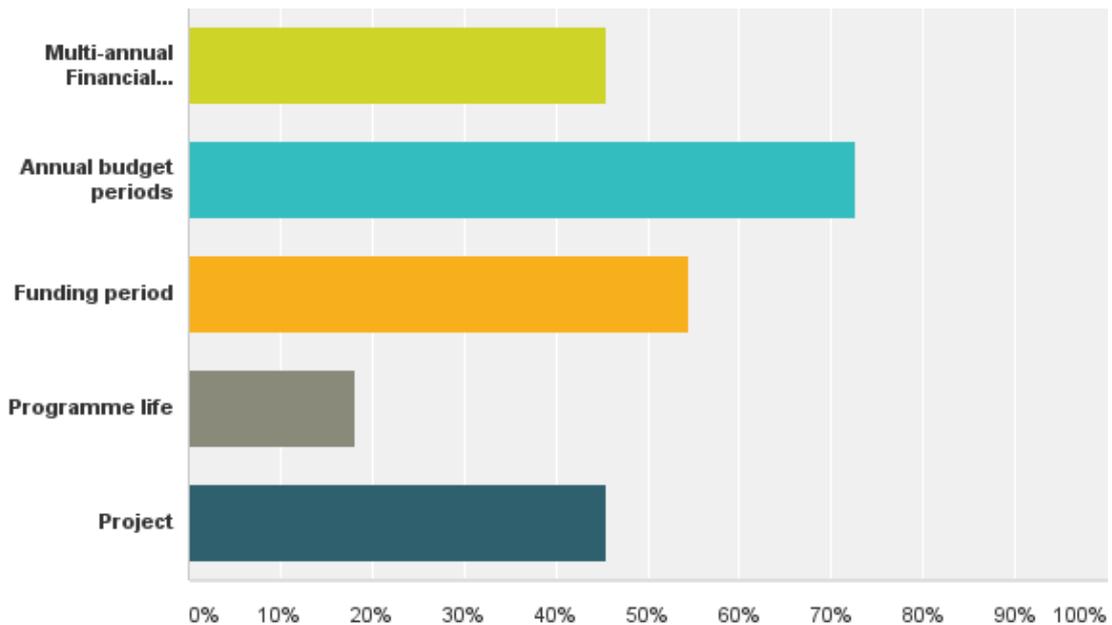


Figure 6 - Comparable timelines

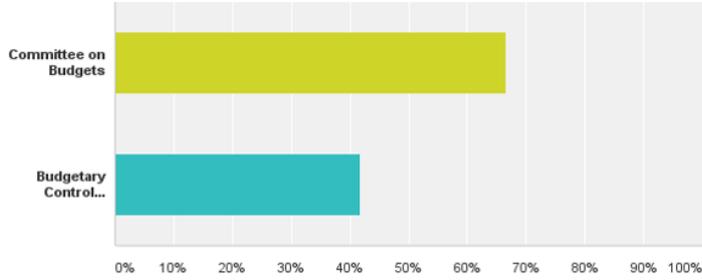
4 Conclusion

The survey results, in addition to bi-lateral meetings with parliamentary staff, highlighted some key findings of budget data needs of MEPs. The clearest finding was that 100% of MEP survey respondent demonstrated the clear need for raw budget and expenditure data to be analysed and processed. Some preferred additional sources including the Court of Auditors' reports and Commission annual activity reports, which include many of the aforementioned fiscal indicators. MEPs also demonstrated their partiality to looking at overall trends and systematic approaches, rather than be bogged down by small level detail or individual projects. The survey also identified several visualisation theme preferences, such as having data presented geographically and by theme.

Several concrete budget data needs of policy makers were identified for consideration in the development of the OpenBudgets.eu platform. Many, such as an explanation of the budgetary legislative process can be easily achieved. Also, it is positive that MEPs highlight a preference for Cohesion and Structural Funds, given new open data legislative provisions and available data. However, certain barriers will need to be addressed, including the contextualisation of raw data with text sources, linguistic issues, and the openness and availability of data from the Member States.

5 Annex I: MEP Survey Results

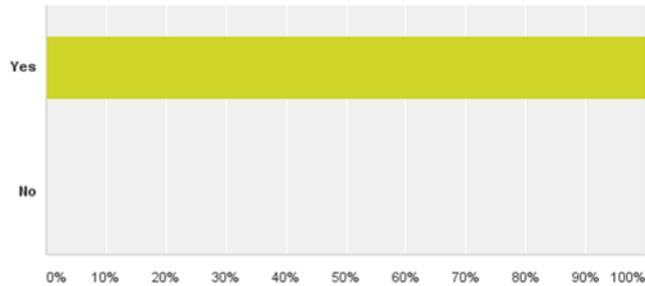
Q1: Which committee(s) are you a member/substitute of:



Answer Choices	Responses	Count
Committee on Budgets	66.67%	8
Budgetary Control Committee	41.67%	5
Total Respondents: 12		

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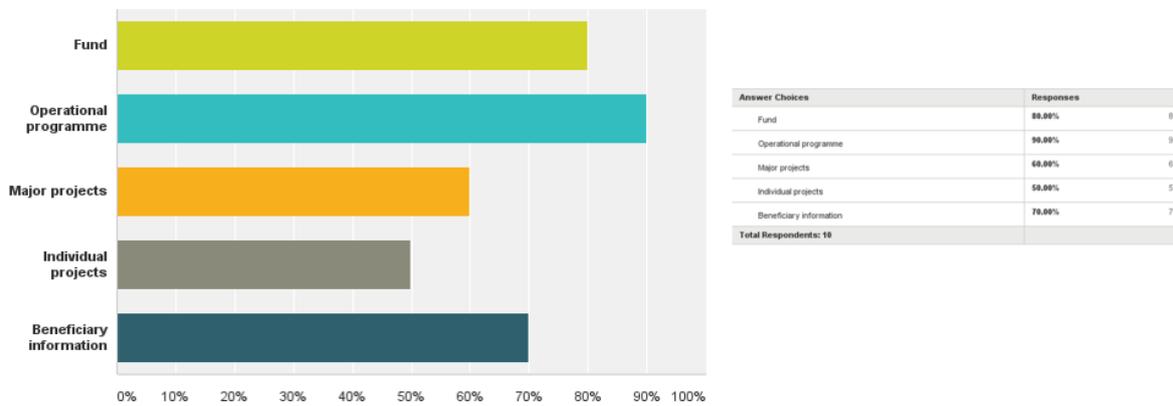
Q2: Would you find it useful for budget and expenditure figures to be analysed on the online platform?



Answer Choices	Responses	Count
Yes	100.00%	12
No	0.00%	0
Total		12

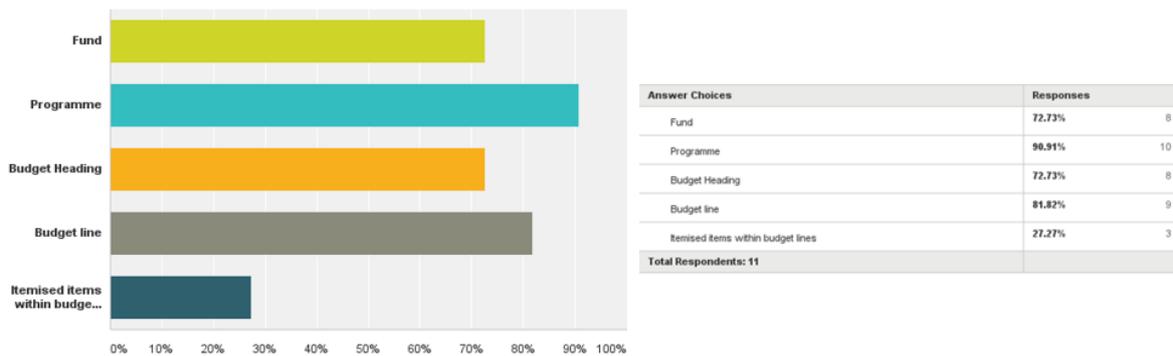
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Q3: Which of the following levels of detail in expenditure data are important for your work:



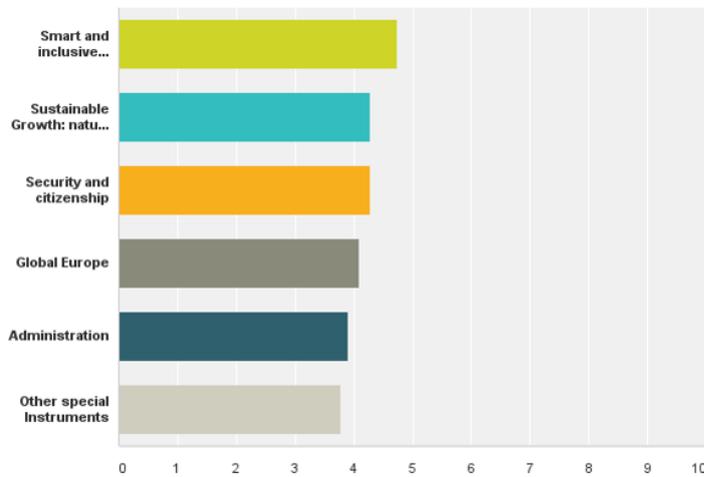
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Q4: Which of the following levels of detail in budget data are important for your work:



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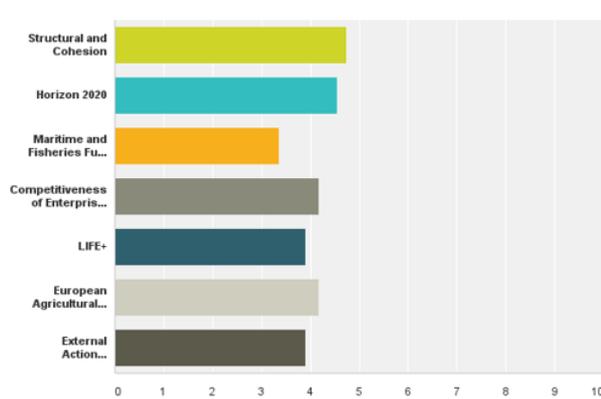
Q5: How important is budget and expenditure data in the following headings, with 0 being lowest and 5 being highest:



	0	1	2	3	4	5	Total	Weighted Average
Smart and inclusive growth	0.00%	0.00%	0.00%	0.00%	27.27%	72.73%	11	4.73
Sustainable Growth: natural resources	0.00%	0.00%	18.18%	0.00%	18.18%	63.64%	11	4.27
Security and citizenship	0.00%	0.00%	9.09%	9.09%	27.27%	54.55%	11	4.27
Global Europe	0.00%	0.00%	0.00%	18.18%	54.55%	27.27%	11	4.09
Administration	0.00%	9.09%	0.00%	27.27%	18.18%	45.45%	11	3.91
Other special Instruments	0.00%	0.00%	11.11%	33.33%	22.22%	33.33%	9	3.78

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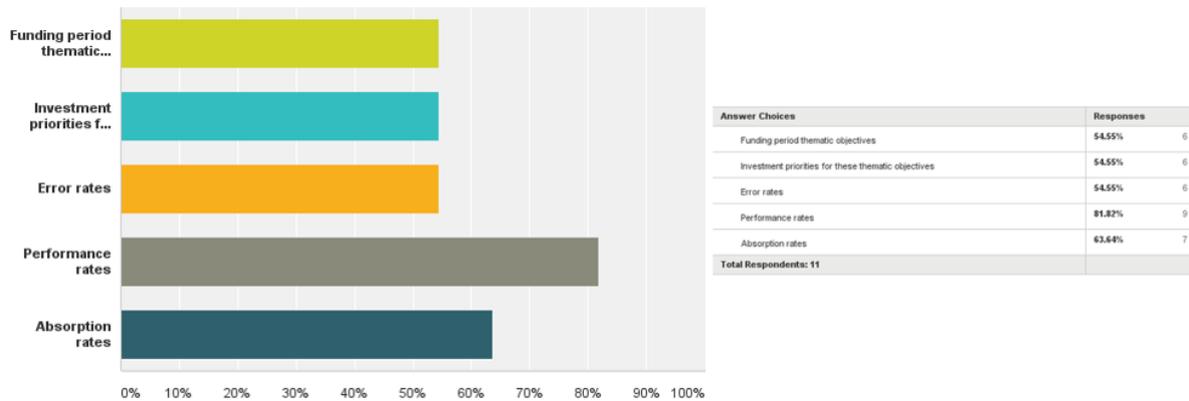
Q6: How important is budget and expenditure data in the following funds, with 0 being lowest and 5 being highest:



	0	1	2	3	4	5	Total	Weighted Average
Structural and Cohesion	0.00%	0.00%	0.00%	9.09%	9.09%	81.82%	11	4.73
Horizon 2020	0.00%	0.00%	0.00%	0.00%	45.45%	54.55%	11	4.55
Maritime and Fisheries Fund (EMFF)	0.00%	18.18%	9.09%	18.18%	27.27%	27.27%	11	3.36
Competitiveness of Enterprises and SMEs (COSME)	0.00%	0.00%	9.09%	9.09%	36.36%	45.45%	11	4.18
LIFE+	0.00%	9.09%	9.09%	0.00%	45.45%	36.36%	11	3.91
European Agricultural Fund for Rural Development (EAFRD)	9.09%	0.00%	0.00%	9.09%	18.18%	63.64%	11	4.18
External Action Instruments	0.00%	0.00%	0.00%	36.36%	36.36%	27.27%	11	3.91

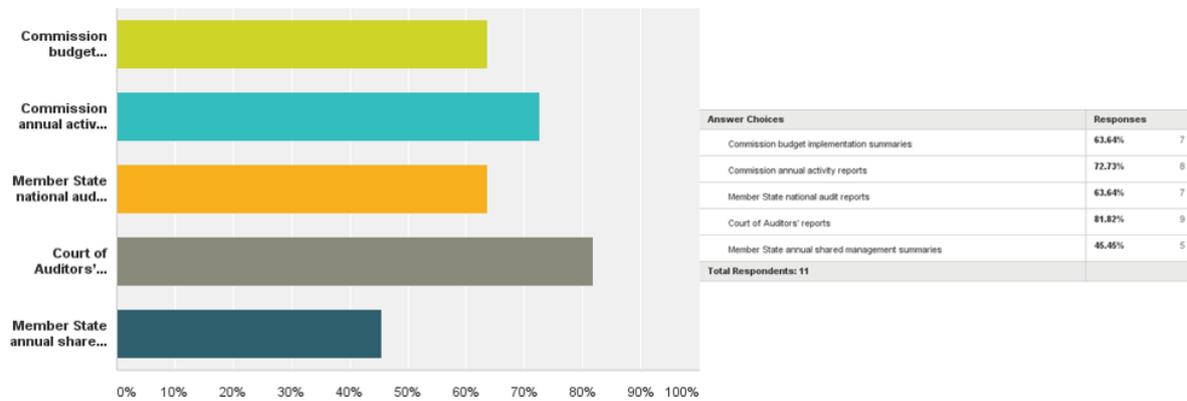
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Q7: Which indicators do you find most important in your work:



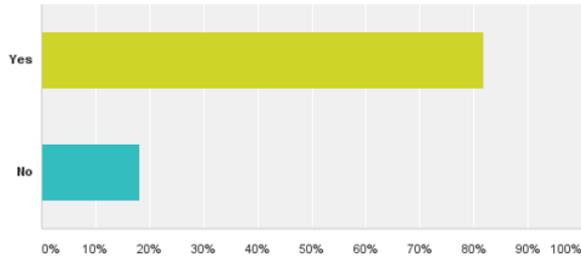
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Q8: What sources would be useful in order to analyse and process the raw budget and expenditure data:



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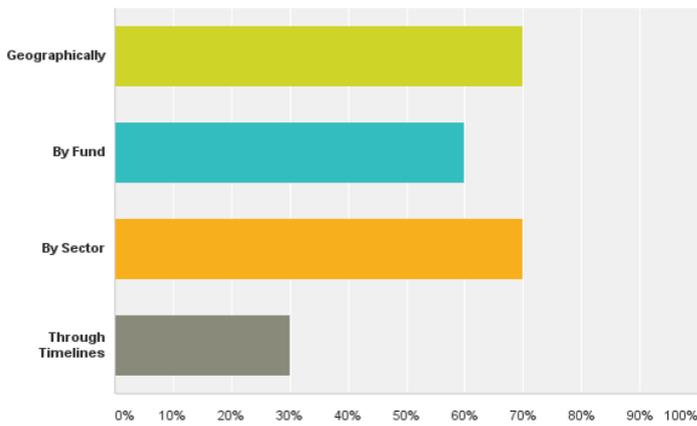
Q9: In addition to budget data would you like to have the legislative budget process outlined on the platform?



Answer Choices	Responses
Yes	81.82% 9
No	18.18% 2
Total	11

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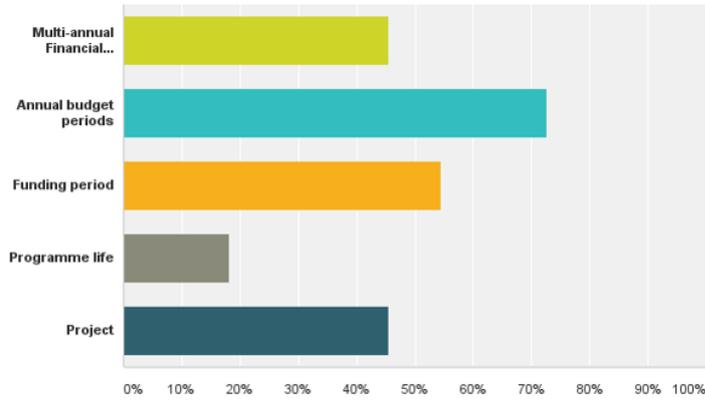
Q10: How would you like the data presented on the platform:



Answer Choices	Responses
Geographically	70.00% 7
By Fund	60.00% 6
By Sector	70.00% 7
Through Timelines	30.00% 3
Total Respondents: 10	

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Q11: Which comparable timelines would be most useful to you:



Answer Choices	Responses
Multi-annual Financial Framework periods	45.45% 5
Annual budget periods	72.73% 8
Funding period	54.55% 6
Programme life	18.18% 2
Project	45.45% 5
Total Respondents: 11	

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