

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT **D**
BUDGETARY AFFAIRS

Budgets

Budgetary Control



Democratic Accountability and Budgetary Control of Non-Governmental Organisations Funded by the EU Budget

STUDY



DIRECTORATE GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT D: BUDGETARY AFFAIRS

Democratic accountability and budgetary control of non-governmental organisations funded by the EU budget

STUDY

Abstract

This study follows up on a 2010 European Parliament study, 'Financing of Non-Governmental Organisations (NGO) from the EU budget'. Difficulties identified in that study relating to fragmented European Commission systems still exist today. This constrains policy analysis and transparency and accountability. The existence of multiple, complex, overlapping NGO networks presents significant challenges to accountability and transparency, as does the emergence of new and innovative funding mechanisms that do not involve large institutional donors.

24/01/2017

This document was requested by the European Parliament's Committee on Budgetary Control. It designated Mr Markus Pieper, MEP, to follow the study.

AUTHOR(S)

Blomeyer & Sanz Ltd:

Mr. Roderick Ackermann

Ms. Elsa Perreau

Ms. Malin Carlberg

RESPONSIBLE ADMINISTRATOR

Ms Beata Grzebieluch

Policy Department on Budgetary Affairs

European Parliament

B-1047 Brussels

E-mail: poldep-budg@europarl.europa.eu

LINGUISTIC VERSIONS

Original: EN

Executive summaries: DE, FR, ES, IT, PL

ABOUT THE EDITOR

Policy Departments provide in-house and external expertise to support European Parliament's committees and other parliamentary bodies in shaping legislation and exercising democratic scrutiny over EU policies.

To contact the Policy Department or to subscribe to its newsletter please write to:

poldep-budg@europarl.europa.eu

Manuscript completed in November 2016.

Brussels, ©European Union, 2016.

This document is available on the Internet at:

<http://www.europarl.europa.eu/studies>

DISCLAIMER

The opinions expressed in this document are the sole responsibility of the author and do not necessarily represent the official position of the European Parliament.

Reproduction and translation for non-commercial purposes are authorized, provided the source is acknowledged and the publisher is given prior notice and sent a copy.

CONTENTS

CONTENTS	3
LIST OF ABBREVIATIONS	5
LIST OF TABLES	7
LIST OF FIGURES	7
EXECUTIVE SUMMARY	8
1 INTRODUCTION	13
1.1 Objectives	13
2 DEFINITION OF NGO	15
3 TOP NGO RECIPIENTS OF EU GRANTS	18
4 ANALYSIS OF NGO INFLUENCE INDICATORS	26
5 CASE STUDIES – NGOS THAT ENGAGE WITH EU INSTITUTIONS AND/ OR RECEIVE EC GRANT FUNDING	34
5.1 Eurodad – The European Network on Debt and Development	35
5.2 European Environmental Bureau	46
5.3 The European Consumer Organisation (BEUC)	54
6 CASE STUDIES - NGOS THAT INFLUENCE POLICY IN THE EU BUT DO NOT ENGAGE WITH EU INSTITUTIONS	57
6.1 WeMove.eu	57
6.2 Attac International	61
7 REGULATORY FRAMEWORKS OF DIFFERENT JURISDICTIONS APPLICABLE TO NGOS OPERATING IN THE EU	68
7.1 Comparison between jurisdictions in EU and non-EU states	68
7.2 Other rules applying to NGOs funded from the EU budget	74
8 MONITORING AND CONTROL OF EU-FUNDED NGOS	82
8.1 Monitoring and control mechanisms of the Commission	82
9 TRANSPARENCY STANDARDS APPLICABLE TO NGOS	88
9.1 The Transparency Register	88
9.2 Specific EU transparency requirements	90
9.3 NGO transparency and accountability frameworks	90
10 CONCLUSIONS AND RECOMMENDATIONS	94
10.1 Definition of NGO	94
10.2 Influential NGOs	94
10.3 Management and control of EC grant funding	95
10.4 Transparency and accountability	96
REFERENCES	100
ANNEX 1: RANKING OF NGOS BY INTENSITY OF LOBBYING ACTIVITIES	108

ANNEX 2: DG BUDG NGO FUNDING DATA – 2015 COMMITMENTS TO MOST-FUNDED NGOS, OCTOBER 2016	113
ANNEX 3: OXFAM GB FEEDBACK ON THE PRE-RELEASE STUDY REPORT & AUTHORS' RESPONSES	117
ANNEX 4: HOW ECHO AWARDS FUNDING	127

LIST OF ABBREVIATIONS

ABAC	The EC's accrual based accounting system
AISBL	Association Internationale Sans But Lucratif
ASBL	Association Sans But Lucratif
BEUC	The European Consumer Organisation
BTSF	Better Training for Safer Food
CFP	Call for Proposals
Chafea	Consumer, Health, Agriculture and Food Executive Agency
CSO	Civil Society Organisation
DG BUDG	European Commission Directorate General for Budget
DG DEVCO	European Commission Directorate General for International Cooperation and Development
DG ECHO	European Commission Directorate General for Humanitarian Aid and Civil Protection
DG ENV	European Commission Directorate General for Environment
DG JUST	European Commission Directorate General Justice and Consumers
DG NEAR	European Commission Directorate-General for Neighbourhood and Enlargement Negotiations
EACEA	Education, Audiovisual and Culture Executive Agency
EACI	Executive Agency for Competitiveness and Innovation
EASME	Executive Agency for Small and Medium Enterprises
EC	European Commission
EDES	Early Detection and Exclusion System
EEA	European Economic Area
EEB	European Environmental Bureau
EP	European Parliament
EU	European Union
Eurodad	European Network on Debt and Development
EWS	Early Warning System
FPA	Framework Partnership Agreement
FPI	European Commission Service for Foreign Policy Instruments
FRSB	Fundraising Standards Board
FTS	Financial Transparency System
GRI	Global Reporting Initiative
IATI	International Aid Transparency Initiative

IMS	Irregularities Management System
INGO	International Non-governmental Organisation
MSF	Medicins Sans Frontieres
NGO	Non-governmental organisation
NPO	Not for profit organisation
OLAF	European Commission Anti-Fraud Office
PHEA	Public Health Executive Agency – now Chafea
PRAG	Practical Guide on Procurement and Grants for European Union External Actions
SCE	European Cooperative Society
SGA	Specific Grant Agreement

LIST OF TABLES

Table 1: Sample of incomplete data on NGO recipients of EU grants (2015 commitments).....	22
Table 2: 28 top NGO recipients of EU funding (2015 commitments)	24
Table 3: EC bodies responsible for awarding grants to the top 28 NGO recipients.....	25
Table 4: Location of head office for NGOs registered in the Transparency Register	29
Table 5: Location of head office for the 40 NGOs identified as very active around EU policy-making .	30
Table 6: Fields of interest declared by the 40 NGOs identified as the most active around EU policy-making	31
Table 7: EC-funded actions co-ordinated by Eurodad 2008-2012	39
Table 8: Beneficiaries of EUR 5 million grant commitment position SCR.CTR.338179.01.1	42
Table 9: EU grants to ActionAid in 2015	44
Table 10: Country locations of Attac's national chapters	63
Table 11: Funding of Attac chapters according to the Transparency Register (2014 data)	65
Table 12: Attac national chapter structure and activities (self-reported).....	66
Table 13: Summary of the NGO legal framework in six countries	69

LIST OF FIGURES

Figure 1: LIFE project data organisational typology	16
Figure 2: FTS screenshot showing DG DEVCO grant SCR.CTR.338179.01.1 (BGUE)	20
Figure 3: Proportion of NGOs belonging to networks.....	32
Figure 4: Eurodad network	36
Figure 5: FTS screenshot showing zero search results for EASME	48
Figure 6: FTS screenshot of grant SI2.703921.1 (BGUE)	49
Figure 7: FTS screenshot showing distribution of grant JAG.45009.1 (BGUE)	50

EXECUTIVE SUMMARY

Introduction

The overall aim of this study is to understand:

- Which non-governmental organisations (NGO) are most influential in policy-making in the European Union (EU) through engagement with European institutions;
- Which NGOs receive the most grant funding from the European Commission (EC);
- To what extent 'big NGO players' comply with rules, regulations, and standards;
- Transparency and accountability in the NGO sector.

The first two points relate specifically to NGOs that engage directly with EU institutions and/ or receive grant funding directly from the EC. The last two points also apply to NGOs that do not engage directly with EU institutions or receive EC funding. The study focuses on five case study NGOs – three of which engage directly with EU institutions and receive funding directly from the EC, and two of which do not engage with EU institutions or receive funding from the EC. All five case studies are NGO networks or groupings.

The study also considers EC processes for monitoring and controlling grant funding. It focuses on a selection of EC grant awarding bodies, on the basis that they provide grants to case study NGOs, or other NGOs mentioned in the study:

The study also considers the challenges presented by the lack of an agreed EC-wide definition of 'NGO'.

The study commenced in mid-July 2016 and was originally scheduled to be completed by October 2016. This was subsequently extended to early November to accommodate adjustments to the focus of the study.

For the purposes of this study, this report defines NGOs as non-profit legal persons that are independent from government, other public authorities and from political or commercial interests, and whose objective is the public good.

Findings and conclusions

NGO definition

There is a continuing absence of an EU-wide definition of 'NGO'. Different EC departments apply the term differently, and in some cases there are differences in definitions used by different programmes managed by the same department. Several EC stakeholders consider that the term 'NGO' is not useful, as it generally does not correspond to the eligibility criteria of EU-funded programmes. Feedback from the EC regarding a proposal for an EU-wide status of European Association can best be described as lukewarm. It is unclear what the benefits would be, it might add complexity, and like other organisational typologies might not correspond to the eligibility criteria of specific EC grant programmes.

A cross-country analysis of the legal framework of NGOs in six European and non-European jurisdictions indicates diverse understandings and designations of 'NGO', between countries, and this suggests that harmonisation of the concept may be problematic.

The most influential and largest NGO beneficiaries

It is not possible to identify the 50 top NGO recipients of EC funding using existing, publically available databases, such as the Financial Transparency System. Analysis of data from European Commission Directorate General for Budget (DG BUDG) indicates that, in 2015, EC services made commitments of EUR 610 million to the top 28 NGO grant recipients. The three largest beneficiaries of these commitments are the Danish Refugee Council, which accounted for 8.4%, Red Barnet Forening (Save The Children, Denmark) (7.5%), and the Norwegian Refugee Council (7.3%). NGOs from just two Member States (Denmark and the UK) account for almost 40% of these EUR 610 million commitments. Almost 100% of these commitments were made by EC departments dealing with external matters. The Directorate General for International Cooperation and Development (DG DEVCO) and the Directorate General for Humanitarian Aid and Civil Protection (DG ECHO) accounted for 92% of the EUR 610 million commitments in 2015 to the top 28 NGOs. NGOs awarded EC grants may also receive additional EU funds through procurement.

Access to the European institutions appears to be one of the key criteria to be able to influence EU policy-making. This means having representation in Brussels or being based in a neighbouring country. The Transparency Register indicates that 'Climate action', 'Development' and 'Environment' are the main fields of interest of the NGOs that are most active around EU policy-making, followed by 'economic and financial affairs', 'energy', and 'justice and fundamental rights'. Large NGO recipients of EC grants that are not registered in the Transparency Register in their own right may nevertheless be considered as highly influential through close association with organisations that are registered. Some organisations that are registered in the Transparency Register in their own right exert additional influence through membership of, or association with, other organisations that are registered in the Transparency Register.

Management and control of EC grant funding

The EU itself does not have rules on NGOs specifically. It does, however, apply rules in respect of EU funding for NGOs, and other recipients. The main rule is that they must not be in one of situations specified in Article 106(1) of the EU Financial Regulation, which specifies the exclusion criteria. Feedback from two EC departments suggests that there may be differences between departments with regard to their approach to the exclusion criteria.

EC systems do not allow accurate analysis of funding allocated to individual NGOs, or to NGOs in general. EC systems do not utilise a standard NGO classification, but rather use the term not-for-profit, which includes many types of organisation. Moreover, EC data does not reflect redistribution of grant funding between consortium partners. Different EC services continue to utilise separate grant recording systems. There are inconsistencies in the way that data is entered (e.g. beneficiary names) between and within systems, and this further constrains analysis.

The EC has extensive processes and systems in place to screen, monitor, and control grants awarded to NGOs (and all other types of organisation). This includes a centralised system, accessible to all relevant departments, for flagging organisations of concern. However, a high profile example suggests that the EC's grant monitoring and control processes may not be functioning as envisaged, in particular where it relies on grant beneficiaries to notify it of certain developments. The European Commission Anti-Fraud Office (OLAF) is not able to provide information on the misuse of funds by NGOs, as it does not analyse investigations by type of organisation.

Transparency and accountability

NGOs

Analysis reveals a complex web of interconnected NGOs linked through membership of numerous overlapping networks that address many different issues. It is often difficult to identify which organisations in a network or consortium are undertaking which activities or how funds flow between them in relation to those activities. It is difficult to link published NGO activities and outputs to specific EU-funded actions, because of the way beneficiary organisations present their activities, without reference to specific EU-funded actions. It is impossible to reliably correlate financial information from various sources including the Financial Transparency System, individual EC departments, and NGOs' annual reports. Substantive, publicly available evaluative information on the performance of EC funded NGOs and actions funded by EU grants seems to be limited.

NGOs receiving EU funds provide varying levels of EU visibility. It is unclear if this is due to EC visibility rules or to the way in which NGOs apply the rules. Some NGOs acknowledge EU support on every web page. Others provide limited, seemingly haphazard, acknowledgement of EU funding on their websites and in publications. On the websites of some of the largest NGO recipients of EU grant funding it is difficult to find acknowledgement of EU funding.

Reliance on individual/ private donors as opposed to institutional donors enables NGOs to use funding without the need to comply with major accountability and transparency requirements, which would be required by institutional donors.

There appear to be gaps between NGOs' declared aspirations regarding accountability and transparency and actual practice.

The European Commission

The Financial Transparency System has limited utility as a tool for analysis of grant funding. The underlying system is a tool for tracking commitments for budgeting purposes. It does not indicate actual disbursements.

The LIFE project database systematically provides much useful and important information about grant funded actions dating back to 1992. It is unclear to what extent other EC services are able to present this level of information to the public. Nevertheless, information for ongoing multi-year projects that started a year or more ago appears to be limited, and information that can be downloaded in spreadsheets does not appear to include financial data. This database does not appear to be linked directly to the Financial Transparency System (FTS), requiring users to search manually in both systems to find the same action.

In order to understand relevant rules and obligations relating to EU funding, applicants generally need to consult multiple documents, some of which partly repeat themselves. Some EC departments make this information more accessible than others through clearer presentation on their websites. Rules vary somewhat between funding instruments, for example depending on target group or the objective of the instrument. Obstacles to locating and understanding rules are likely to make it harder for NGOs to comply with rules, and it undermines public accountability as it is harder for the public to understand the obligations to which NGOs have committed themselves.

Transparency Register

The Transparency Register is the main tool available to identify NGOs (and other entities) gravitating around EU institutions.¹ However, it is not a reliable source of information. Registration in the register is voluntary, information provided by all types of entity is not verified, and there are many errors. Data downloaded from the Transparency Register requires significant processing in order to carry out different types of analysis. This is in itself an obstacle to transparency.

NGO compliance with rules and regulations

This study has encountered just two contested examples of NGOs that have been considered by one party or another, at some point, to have been in breach of rules or regulations. A ruling by a local tax office in one MS against one NGO mentioned in this report was **subsequently overturned by a court in the NGO's favour**. The other example concerns an NGO that was found by a national industry fundraising regulator to have breached a fundraising code. According to one EC department, it would have expected this organisation, which receives large amounts of EC funding, to have notified the EC about this development, while the organisation itself considers that it was not required to do so because the code in question is an industry self-regulating code. These two examples illustrate that, as in all spheres, interpretation and application of rules relating to NGOs may be subject to different interpretations and application.

The lack of statistics on NGO non-compliance suggests that, either NGOs are all complying with rules and regulations, or that breaches are going undetected, or are not being publicly reported when they are detected. As far as EC funding is concerned, EC systems may be identifying and recording breaches by individual NGOs, but relevant EC systems are not able to generate statistics on NGOs, for example because of difficulties regarding organisational typologies, or because relevant systems do not track breaches by type of organisation.

Recommendations

NGO definition

Instead of seeking a precise definition of the term 'NGO', or other similarly broad concepts, it may, in the context of EC funding, be more useful to focus on applying precise definitions of the many different types of organisations that are often included under this term. In this way, it would be possible to specify, with more precision, which types of organisations are included when the term 'NGO' is used in different contexts. As a minimum, it would greatly facilitate the exclusion of specific organisational types from policy debate and analysis.

If it is considered essential to reach a specific, unique, and universally agreed and applied definition of the term 'NGO', it is suggested that this would require more intensive analysis, for example through a study of the subject on its own account.

¹ Information is available from other sources, such as EC commissioners' websites, a list of which has been compiled by Transparency International (available at: <http://www.transparencyinternational.eu/european-commissions-lobbying-meetings/>). EU Integrity Watch analyses data collected from various official websites and makes it available online in the form of interactive charts. Its information on lobby organisations is itself obtained from the Transparency Register (<http://www.integritywatch.eu/about.html>). Data on persons accredited to enter the European Parliament is available from: <https://data.europa.eu/euodp/en/data/dataset/transparency-register>

Management and control of EC grant funding

A single, centralised EC system for recording and managing grant funding would enhance transparency and analysis by eliminating variations that currently exist between different EC systems. This would ideally record not only forecast commitments, but actual disbursements.

In order to analyse how funding is allocated to different types of entity, and to understand variations in the effectiveness of funds allocated to different types of entity, it is necessary for all EC services to agree on standard entity definitions, and then to apply them uniformly.

In order to understand how much EC funding individual NGOs are receiving, it is necessary to record how grant funds are actually redistributed between project partners.

Rather than relying on grant beneficiaries to inform the EC of changes in their situation with regard to the exclusion criteria, it may be advisable for the EC to proactively review the situation of the largest beneficiaries as a matter of course.

Transparency and accountability

To enhance the visibility of EC grant instruments, it may be desirable to revisit rules on visibility. These might include, for example:

- A requirement to display a standard, highly recognisable 'EC-funded' logo on every web page of direct and indirect grant beneficiaries (e.g. in the header, footer, or in menus);
- A webpage linked to the above-mentioned logo showing all EU funding the entity has received over a five-year period, instruments that the funding came from, and the actions for which the funding was provided;
- Links to EC-funded project websites;
- Links to publicly available information on EC systems relating to the actions listed on the webpage (e.g. to the LIFE project database, the Financial Transparency System, and other relevant systems).

Besides the requirements on visibility, the EC could also introduce requirements for grant beneficiaries to present other standard information about EC actions in a uniform manner, such as action titles, reference numbers, descriptions, partners, results, evaluations, etc.

Transparency would be enhanced if different EC departments and instruments presented information about grant-funded actions and entities in a more consistent and uniform manner.

Transparency, as well as compliance with rules, would be greatly facilitated by a clearer and more consistent presentation of information on the websites of different EC services and instruments.

The complexity of relationships between NGOs funded by the EC, and the complexity of the actions they undertake, pose significant challenges with regard to accountability and transparency, not just to the EC, but to society in general. There is perhaps a need to review how this is ensured, and to consider new tools and approaches at EU level. In particular, the emergence of new and innovative approaches to NGO funding increasingly releases NGOs from the transparency and accountability requirements imposed by large institutional donors, and this implies that their activities are not subject to such intensive, systematic monitoring.

1 INTRODUCTION

A key area of concern for this study is to understand which non-governmental organisations (NGOs) are the most influential in policy-making in Europe, regardless of whether or not they are funded by the European Union (EU) and to assess if they comply with relevant national and EU rules on the operation of NGOs. A further aim was to identify the 50 NGOs that receive the most funding from the EC and, again, to assess the extent to which they comply with relevant national and EU rules on the operation of NGOs, in particular, rules applying to recipients of grants.

As far as the first point, on influential NGOs, is concerned, the focus was on NGOs that are operating primarily inside the EU, although 'big players' operating primarily outside the EU with EC funding were not excluded, since they too may have significant influence on European policy.

The study commenced in mid-July 2016 and was originally scheduled to be completed by October 2016. This was subsequently extended to early November to accommodate adjustments to the focus of the study.

For the purposes of this study, this report defines NGOs as non-profit legal persons that are independent from government, other public authorities and from political or commercial interests, and whose objective is the public good.

1.1 OBJECTIVES

The overall aim of the study is to understand:

- **Which NGOs are most influential** in policy-making the EU through engagement with European institutions;
- **Which NGOs receive the most grant funding** from the European Commission;
- **To what extent 'big NGO players' comply** with rules, regulations, and standards;
- **Transparency and accountability** in the NGO sector.

The first two points relate specifically to NGOs that engage directly with EU institutions and/ or receive grant funding directly from the EC. The last two points also apply to NGOs that do not engage directly with EU institutions or receive EC funding. The study focuses on five case study NGOs – three of which engage directly with EU institutions and receive funding directly from the EC, and two of which do not engage with EU institutions or receive funding from the EC.

- The European Network on Debt and Development – Eurodad
- The European Environmental Bureau – EEB
- The European Consumer Organisation – BEUC
- ATTAC.org
- WeMove.eu

All of these organisations are networks or groupings of NGOs.

The study also considers **EC processes for monitoring and controlling grant funding**. It focuses on the following EC grant awarding bodies, on the basis that they provide grants to case study NGOs, or other NGOs mentioned in the study:

- European Commission Directorate General for Humanitarian Aid and Civil Protection (DG ECHO)
- European Commission Directorate General for International Cooperation and Development (DG DEVCO)
- Executive Agency for Small and Medium-sized Enterprises (EASME)
- Consumer, Health, Agriculture and Food Executive Agency (Chafea)

The study also considers the challenges presented by the **lack of an agreed EC-wide definition of 'NGO'**.

The study involved consultations with stakeholders and desk research. Representatives of the following organisations and institutions were consulted during the course of the study:

- The European Commission Directorate General for Budget – DG BUDG
- The European Commission Directorate General for International Cooperation and Development – DG DEVCO
- The European Commission Directorate General for Humanitarian Aid and Civil Protection – DG ECHO
- The European Commission Directorate General for Environment – DG ENV
- The Executive Agency for Small and Medium Enterprises – EASME
- The European Consumer Organisation – BEUC
- The European Environmental Bureau – EEB
- The European Network on Debt and Development – Eurodad
- Transparency International
- Civil Society Europe

There were email exchanges with representatives of Attac AT and Wemove.eu but both declined to be interviewed.

2 DEFINITION OF NGO

KEY FINDINGS

- There is a continuing absence of an EU-wide definition of 'NGO'.
- When necessary, the EC refers to the national legislation under which an organisation is registered in order to confirm its status.
- Some EC-funded programmes consider an NGO to be any organisation that is not part of the government, including, for example, private companies, universities, not-for profit organisations. Other programmes (e.g. LIFE NGO operating grants) are much more restrictive.
- Different EC departments apply these terms differently, and in some cases there are differences in definitions used by different programmes managed by the same department.
- The term 'not for profit' is sometimes used in preference to 'NGO', but this can cover many types of organisation.
- Definitions of 'NGO' are specified in the rules covering individual grant programmes.

There is no EU-wide or EC-wide definition of NGO. Annex I of the 'Agreement between the European Parliament and the European Commission on the transparency register for organisations and self-employed individuals engaged in EU policy-making and policy implementation', provides the following definition: ***'Not-for-profit organisations (with or without legal status), which are independent from public authorities or commercial organisations. Includes foundations, charities, etc.'***²

The term NGO does not have a precise definition at the international level. At the national level, many member states do not mention the term NGO but use a definition and a legal status for what is generally considered as NGO (not for profit organisation, independent from government). The broad term of NGO has led to various initiatives to harmonise the status of NGO at the European level, such as EurAssoc. This initiative was launched at the beginning of 2016 and describes its goals on the website as follows: *'The goal of EurAssoc is to act by any legal means to the introduction in the whole European Union of a common legal basis allowing for the establishment of unique non-governmental not for profit associations, in order to develop activities of European or transnational interest, jointly in several Member States.'*³

The European Commission currently has no position regarding the definition of 'NGO'. DG BUDG does not have a definition of NGO and classifies as NGOs organisations that are not-for profit, even though some organisations that are not-for-profit could not be considered as non-governmental. Some EC services were asked about the usefulness of a European legal status for non-governmental organisations. **The added-value of a European status does not appear clearly to the EC stakeholders interviewed.** Having a European framework for NGOs is considered possible but complicated and not worth the complication, given it would have little added-value in terms of financing organisations from the EU budget. Moreover, some EC departments dealing with external affairs even think that it might be problematic to have a European status for NGOs. It is thought that it would complicate the work of DG DEVCO for example. One of the main reasons is that this could mean that some foreign NGOs could be excluded from EU funding because the law of their home country is

² 'Agreement between the European Parliament and the European Commission on the Transparency Register for Organisations And Self-Employed Individuals Engaged in EU Policy-Making and Policy Implementation', accessed 30 August 2016, [http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014Q0919\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014Q0919(01)&from=EN).

³ 'EurAssoc', accessed 5 October 2016, <http://www.eurassoc.eu/>.

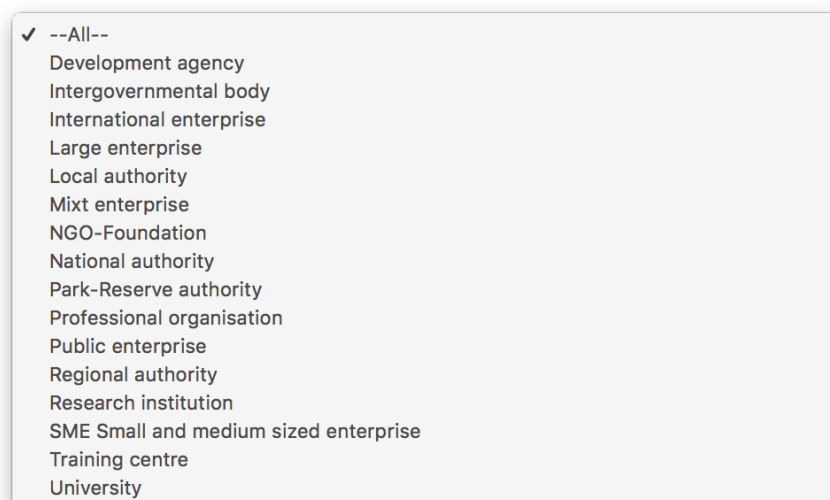
different. Instead of harmonising, it might create a gap between NGOs based inside and outside Europe.

Regarding humanitarian aid, **DG ECHO** applies a definition that is based on the **not-for-profit** criteria, and requires that the organisation be registered as such in its home country. As DG ECHO mainly partners with European NGOs, a European status would not have much impact on the work of ECHO, but it would not really add value, according to stakeholders from that DG.

DG DEVCO generally does not differentiate between different types of organisations with regard to funding, and there is no programme specific to NGOs. There is a programme specific to non-state actors and local authorities, but these actors are not necessarily NGOs. **When NGOs are targeted in a call for proposals, the definition of NGOs is based on the law of the country in which the action will be implemented.**

In the area of environment, nature conservation and climate change, the **LIFE** financial instrument includes **operating grants specifically for NGOs**, which must be **non-profit legal persons** that are **independent** from government, other public authorities and from political or commercial interests, and their objectives must be aimed at, among other things, the **public good**.⁴ The Executive Agency for Small and Medium-sized Enterprises (**EASME**) **notes that it tends to use the term ‘not for profit’ rather than ‘NGO’ as an organisational typology**. LIFE action grants are open to a wide range of organisations including private companies, public bodies, NGOs, and other non-commercial organisations. For the purposes of LIFE action grants, EASME makes no distinction between the multiple types of organisations that are awarded grants. Nevertheless, the **LIFE project database does group beneficiaries into 16 types, including ‘NGO-Foundation’** (see Figure 1).

Figure 1: LIFE project data organisational typology



Source: European Commission LIFE project database⁵

⁴ European Commission Executive Agency for Small and Medium-sized Enterprises (EASME), 'CALL FOR PROPOSALS – FRAMEWORK PARTNERSHIP AGREEMENT FOR NON-GOVERNMENTAL ORGANISATIONS - Call Identifier: LIFE-NGO-FPA-EASME-2015', n.d., p.6, http://ec.europa.eu/environment/life/funding/ngos/pdf/2015/ngos_application_pckg2014.zip.

⁵ European Commission, 'Environment - LIFE by Theme', accessed 10 November 2016, <http://ec.europa.eu/environment/life/project/Projects/index.cfm>.

However, the **definition of 'NGO' in this list appears to be more relaxed than the definition used for the LIFE NGO operating grants** – for example, one NGO entry states that it is a **non-profit foundation within a university**, with a mission to, help the university *'achieve a range of objectives, including the promotion and transfer of technology and innovation, the training of students and skilled professionals, and to act as a link between the University, companies and other public and private institutions'*.⁶ As shown in Figure 1, 'University' is also included in the list of LIFE beneficiary categories. The main difference here is that this NGO would possibly not meet the 'public good' and 'independence' criteria of the narrower LIFE operating grant definition. **Despite the ambiguities in the categorisation of beneficiaries, the LIFE project database does provide a basis for some analysis.**

EASME does not have an explicit definition of the term 'NGO' as it is not relevant in the context of action grants, as any type of organisation may be involved. LIFE operating grants used to specify 'NGO' as an eligibility criterion but now refer to 'non-profit' instead. LIFE operating grant applicants have to indicate under which national law they are registered/ operate. EASME checks this to confirm that the indicated law is an NGO-type law (non-profit, exclusion of political activities, etc.). **Thus, as in the case of DG DEVCO, 'NGO' is defined by national law, not at EU level.** EASME notes that **the ABAC accounting system does include the possibility of identifying NGOs in its flagging system, but it is complicated and not compulsory and is therefore not consistently used.**

⁶ 'LIFE AMMONIA TRAPPING - Development of Membrane Devices to Reduce Ammonia Emissions Generated by Manure in Poultry and Pig Farms LIFE15 ENV/ES/000284', accessed 12 November 2016, http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=5743.

3 TOP NGO RECIPIENTS OF EU GRANTS

KEY FINDINGS

- EC systems do not allow accurate analysis of funding allocated to individual NGOs or to NGOs in general. A 2010 European Parliament study identified significant shortcomings in the way that the Commission records grant funding. These shortcomings remain. Firstly, EC systems do not utilise a standard NGO classification, but rather use the term not-for-profit, which includes many types of organisation. Data from some services does not even make this distinction. Secondly, EC data does not reflect redistribution of grant funding between consortium partners.
- Different EC services continue to utilise separate grant recording systems. Commitment data from these separate systems is submitted to DG BUDG which transfers the data to a central budgeting system that forms the basis of the Financial Transparency System. There are inconsistencies in the way that data is entered (e.g. beneficiary names) between and within systems, and this further constrains analysis. DG BUDG appears to use a legal entity key to identify unique grant beneficiaries, but this key does not appear to be available with data downloaded from the Financial Transparency System.
- The Financial Transparency System has limited utility as a tool for analysis of grant funding. The underlying system is a tool for tracking commitments for budgeting purposes. It does not indicate actual disbursements.
- It is possible that apparent differences between data provided to the European Parliament in mid 2016, and data in the Financial Transparency System (FTS) may be due to differences in the year in which the grants are 'booked' in the FTS and individual EC departments' own systems.
- Analysis of DG BUDG data indicates that EC services made commitments of EUR 610 million to 28 NGOs in 2015. Almost 100% of these commitments were made by EC departments dealing with external matters.
- The three largest beneficiaries of these commitments are the Danish Refugee Council, which accounted for 8.4%, Red Barnet Forening (Save The Children, Denmark) (7.5%), and the Norwegian Refugee Council (7.3%).
- Six of the 28 NGOs appear to be registered in the UK and account for 15.9% of the EUR 610 million.
- NGOs from just two Member States (DK and UK) account for almost 40% of these EUR 610 million commitments.
- DG ECHO and DG DEVCO accounted for 92% of the EUR 610 million commitments in 2015 to the top 28 NGOs, with DG ECHO alone accounting for 68%.

This chapter provides an overview of the top 30 NGO recipients of EU funding.

The study aimed to identify the 50 NGOs that receive the most grant funding from the EC and EU agencies. This has proven to be problematic. The main source of publicly available data, the Financial Transparency System (FTS)⁷ is a tool for tracking financial commitments made by grant awarding bodies, rather than analysis of grant funding. **The main problems we have encountered when attempting to analyse the data are explained below, these largely restate issues identified**

⁷ 'Financial Transparency System (FTS) - European Commission', accessed 3 September 2016, http://ec.europa.eu/budget/fts/index_en.htm.

in a 2010 European Parliament study,⁸ and in a 2015 analysis of the European Parliamentary Research Service.⁹

- **The FTS generally gives no indication of how commitments are allocated between multiple beneficiaries listed under each commitment position** (see Figure 2) and it provides no information about actual disbursements. With regard to LIFE action grants, for example, EASME notes detailed budget allocations have only been recorded since 2016 in the EC's accrual based accounting system, ABAC. EASME notes that this does not necessarily reflect the ultimate distribution of funds between LIFE action project partners as there must be flexibility to allow adjustments as the project progresses to allow for unforeseen circumstances. It is understood that EASME, for example, does not record how grants are redistributed between consortium partners. EASME sends ABAC data to DG BUDG, which then enters the information into the FTS.
- **It is impossible to analyse the data for NGOs only, because the system does not include any organisational typology. The issue of a lack of consistent organisational typology between Commission departments was previously highlighted in a 2010 European Parliament study.**¹⁰ In the context of the present study, DG BUDG suggested using keyword searches in the downloaded data to limit the results to NGOs. This approach is both impractical and highly unreliable due to the very large number of search criteria that have to be used. We incrementally developed a list of more than 100 search criteria but found that the results still included numerous grantees that were clearly not NGOs. Probably, hundreds of search criteria would be required to filter out the majority of non-NGOs. However, as the list of search criteria increases, an increasing number of NGOs are also omitted from the results. Feedback from different EC stakeholders indicates that development of a standard, EC-wide definition of NGO is problematic. Nevertheless, analysis would be significantly facilitated if the FTS included a typology field that provided typologies for other types of entity, which are easier to define, such as commercial entities, local authorities, states, educational establishments, research institutes, trade unions, etc.
- **The 2010 study noted that there were inconsistencies in the way in which beneficiary names were entered in the records maintained by different Commission departments.**¹¹ **This issue remains in the FTS** and this exacerbates the problems associated with keyword searches. For example, the term for Polish Limited Liability Company is given variously as:
 - SPOLKA ZOO
 - SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA
 - SP(ZOO)
- VAT registration numbers are used as unique identifiers, where the beneficiary has one. However, many beneficiaries are not VAT registered (or at least no VAT number is provided). **Where a VAT number is not provided, there is no other form of unique identifier, and this increases the risk of errors in any analysis based on the name of the entity, because of the variations in the way that entity names are entered.** The lack of unique beneficiary identifiers was also raised in the 2010 study.
- **Data downloaded from the FTS in spreadsheet format require significant manipulation before they can be analysed.** The main issue here is that for any given 'commitment position' where multiple beneficiaries are listed, apart from the first entry for each 'position', all of the fields (apart from beneficiary name and VAT registration) for subsequent entries are blank.

⁸ Roland Blomeyer et al., 'Financing of Non-Governmental Organisations (NGO) from the EU Budget', 2010, [http://www.europarl.europa.eu/RegData/etudes/etudes/join/2010/411285/IPOL-JOIN_ET\(2010\)411285_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2010/411285/IPOL-JOIN_ET(2010)411285_EN.pdf).

⁹ Gianluca Squeo, 'Financial Accountability of Civil Society Organisations' (EPRS | European Parliamentary Research Service, May 2015), [http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_IDA\(2015\)556992](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_IDA(2015)556992).

¹⁰ Blomeyer et al., 'Financing of Non-Governmental Organisations (NGO) from the EU Budget'.

¹¹ Ibid.

These blank fields have to be populated using the data from the first entry in the list so that multiple records are not omitted when searching, for example, by position number, responsible entity, etc. This is a simple matter of copy and paste for a small spreadsheet, but the FTS data downloaded for 2015 includes more than 65,000 records and populating the blank fields involves database scripting (programming).

Figure 2: FTS screenshot showing DG DEVCO grant SCR.CTR.338179.01.1 (BGUE)

The screenshot displays the Financial Transparency System (FTS) interface. At the top, there is a navigation bar with links: A-Z Index, Sitemap, About this site, FAQ, What's New, Legal notice, Contact, Search, and a language dropdown set to English (en). Below this is the European Commission logo and the title 'FINANCIAL TRANSPARENCY SYSTEM'. A breadcrumb trail reads: European Commission > Budget > Financial Transparency System (FTS).

The main search area includes a search bar with the text 'Q FTS' and buttons for 'About', 'FAQ', 'Contact', and 'Help'. Below the search bar, there are filters for 'Year 2015', 'Any Country', and 'eurodad', with a 'Search' button. The results are displayed in a table with tabs for 'Summary', 'Country', 'Responsible Service', 'Program', 'Recipients', and 'Details - 1 results'. An 'Export' button is also present.

The search results table shows the following data:

Year	Program	Amount	Country
2015	MOBILISING EUROPEAN CITIZENS TO PLACE INEQUALITY AND TAX JUSTICE AT THE HEART OF THE EUROPEAN DEVELOPMENT AGENDA DURING EYD2015 AND BEYOND	5,000,000 €	Belgium
...and 22 other recipients			
	ACTIONAID INTERNATIONAL FOUNDATION NIGERIA LTD/GTE ACTIONAID NIGERIA AAN		Nigeria
	ACTIONAID INTERNATIONAL SWEDEN*		Sweden
	ACTIONAID IRELAND*		Ireland
	ACTIONAID LBG*		United Kingdom
	ASSOCIATION PEUPLES SOLIDAIRES* PSO		France
	DEMOKRATIKUS JOGOK FEJLESZTÉSEERT ALAPITVANY* FOUNDATION FOR DEVELOPMENT OF DEMOCRATIC RIGHTS DEMNET HUNGARY		Hungary
	EKOLOGICHO SDRUŽENIE ZA ZEMIATA* ENVIRONMENTAL ASSOCIATION ZA ZEMIATA		Bulgaria
	EKVILIB INSTITUT ZAVOD*		Slovenia
	FORUM SOLIDARIDAD PERU*		Peru
	FUNDACION OXFAM INTERMON* OI		Spain
	GLOPOLIS, OPS*		Czech Republic
	INSTYTUT GLOBALNEJ ODPOWIEDZIALNOSCI*		Poland
	LATVIJAS PLATFORMA ATTISTIBAS SADARBIBAI BIEDRIBA* LAPAS LATVIAN PLATFORM FOR DEVELOPMENT COOPERATION		Latvia
	MELLEMFOLKELIGT SAMVIRKE MS ACTIONAID DENMARK FORENING* MSAAD		Denmark
	OXFAM DEUTSCHLAND EV* OXFAM GERMANY		Germany
	OXFAM FRANCE*		France
	OXFAM GB LBG*		United Kingdom
	OXFAM ITALIA ONLUS ASSOCIAZIONE*		Italy
	OXFAM REPUBLIC OF IRELAND*		Ireland
	STICHTING ACTIONAID*		Netherlands
	STICHTING OXFAM NOVIB*		Netherlands
	VZW OXFAM-SOLIDARITEIT* ASBL OXFAM SOLIDARITE		Belgium

Source: European Commission, Financial Transparency System, 09 November 2016

A 2015 analysis reiterates these points and notes also that ***'not all information on EU spending for the third sector is made available through FTS. This is still scattered across different databases, in which different definitions and data formats are in use, so that a reliable comparative analysis is difficult to obtain.'***¹²

Table 1 lists 20 NGOs awarded EU grants in 2015. These are commitments made by the EC and related bodies in 2015. This table is based on data provided by different EC departments to the European Parliament in mid-2016. **This data is of limited use for several reasons:**

- It does not include data from all relevant entities.¹³ It does not include DG DEVCO grant data, or data from EASME or Chafea, which account for significant EU grants;
- Data from DG RTD was available but was not included in the analysis as it **includes numerous entities besides NGOs, such as higher education establishments, research organisations, and 'Other' which includes many types of organisation including limited companies.**
- If the grants involve consortia, these are not indicated and the data do not show consortium partners or the amounts allocated to them.
- **There are inconsistencies in the naming of entities, including some of the largest beneficiaries, which means that any analysis based on entity name will not show the correct totals for specific entities** because the relevant amounts are split between different entity names. In general, the differences in the way that entity names have been entered appears to reflect differences between EC departments. However, in some cases, the same department appears to have entered the name of the same entity differently. For example, European Commission Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) uses both 'DANSK FLYGTLINGEHAELP FORENING' and 'DANSK FLYGTLINGEHAELP FORENING (DRC)'. As noted above in the discussion of the FTS, even such small differences are critical.

¹² Sgueo, 'Financial Accountability of Civil Society Organisations', 23.

¹³ The list includes only data from DG AGRI, DG EAC (ERASMUS), DG ECHO, DG ENV, FPI, DG HOME, DG NEAR, DG REGIO, and DG SANTE.

Table 1: Sample of incomplete data on NGO recipients of EU grants (2015 commitments)

BENEFICIARY	EC COMMITMENT 2015 (EUR)
NORWEGIAN REFUGEE COUNCIL (NOR)	43,048,246
Red Barnet	41,575,000
DANSK FLYGTNINGEHJÆLP	33,210,294
International Rescue Committee UK	27,403,918
International Medical Corps UK	24,242,366
OXFAM (GB)	21,852,933
Acción Contra El Hambre (ES)	20,264,568
CONCERN WORLDWIDE, (IRL)	20,142,000
SOLIDARITES INTERNATIONAL, (FR)	19,606,159
Premiere Urgence Internationale	18,499,000
Action Contre La Faim (FR)	16,723,823
THE SAVE THE CHILDREN FUND (GBR)	14,743,370
GOAL, (IRL)	14,450,000
ACTED (FR)	13,750,000
MEDECINS DU MONDE	11,700,000
The alliance for international medical action (FR)	10,439,017
FEDERATION HANDICAP INTERNATIONAL	10,097,800
CROIX-ROUGE FRANCAISE	9,935,000
MERCY CORPS EUROPE (GBR)	9,794,189
Relief International-UK	9,350,000

Source: based on data provided by the EC to the European Parliament in mid-2016

Perhaps the most reliable data on the most funded NGOs is the data obtained from DG BUDG. However, **the data included a range of organisational types reflecting the EC's broad definition of NGO: 'In the absence of a universally applied definition of NGO, the Commission considers as NGO any non-profit, non-public law body independent of public authorities, political parties and commercial organisations.'**¹⁴ It was therefore necessary to manually remove 22 of the 50 entries included in DG BUDG's spreadsheet (introducing the possibility of error), leaving 28 NGOs. The resulting data are summarised in Table 2 (further analysis is provided in Annex 2: DG BUDG NGO funding data – 2015 commitments to most-funded NGOs, October 2016).

According to this data, these **28 NGOs accounted for approximately EUR 610 million** in commitments made by the EC directly to NGOs. **The two largest beneficiaries are the Danish Refugee Council (8.4%) and Red Barnet Forening (Save The Children, Denmark) (7.5%).** Although the DG BUDG data does not include country of registration, additional research indicates that **six of the 28 NGOs are registered in the UK and account for 15.9% of the EUR 610 million.** Thus, **NGOs from just two Member States (Denmark and the UK) account for almost 40% of the**

¹⁴ DG BUDG, 'Email from DG BUDG to the European Parliament', 25 October 2016.

EUR 610 million included in this list. However, it is important to keep in mind that the list includes only the 28 top NGO recipients - there are thousands of NGO recipients of EC grants.

A significant point about the data provided by DG BUDG (Table 2) is that it includes an 'LE Key' (legal entity key), which we understand to be a unique entity identification number that eliminates ambiguities arising from differences in the way that entity names are entered in the system. However, these LE Keys do not appear to be publicly available in the FTS, and as noted above, there does not appear to be a reliable way of identifying all unique entities in the FTS from the publicly available data, given differences in the way entity names are entered. From the information provided by individual EC departments to the European Parliament in mid-2016, it is not clear if they are using the same LE Keys – if they are, it is unclear why the same entities appear with, apparently, variations in their names.

In the data provided by DG BUDG to the European Parliament in October 2016, there appears to be consistency in the entity names. This suggests that DG BUDG has 'cleaned' the data provided by the different EC departments in order to eliminate name differences, but this does not appear to be fully reflected in the FTS. Another possibility is that discrepancies remain in the system but these are not evident in the data provided by DG BUDG as this covered only the 50 largest recipients of grant funding.

A further problem with the data provided by DG BUDG is that it does not indicate whether or not consortia are involved. If some of the listed grants do involve consortia (which we believe to be the case e.g. ActionAid LBG), then there is no way of knowing from this data which other NGOs are involved, or how funds are distributed between them. In other words, **the data from DG BUDG shows only the first step in the distribution of grants (i.e. from the EC to action co-ordinator) and does not indicate how much EU funding different NGOs are ultimately receiving.** Moreover, it is our understanding that the **DG BUDG data relates only to commitments and not to actual disbursements, which is presumably available only from the relevant EC departments.**

Another limitation of this analysis is that **the data provided covers only a single year – it would be useful to analyse commitments over a longer period (e.g. three years or more) to understand trends in NGO funding.**

Table 2: 28 top NGO recipients of EU funding (2015 commitments)

RANK	BENEFICIARY	EC COMMITMENT (EUR)	%
1	DANSK FLYGTNINGEHJÆLP FORENING* ¹⁵ DANISH REFUGEE COUNCIL DRC	51,026,228 ¹⁵	8.4
2	RED BARNET FORENING*	45,651,346	7.5
3	STIFTELSEN FLYKTNINGHJELPEN* ¹⁶ NORWEGIAN REFUGEE COUNCIL	44,343,246	7.3
4	OXFAM GB LBG*	33,027,224	5.4
5	INTERNATIONAL RESCUE COMMITTEE UK* ¹⁷ IRC UK	32,218,039	5.3
6	ACTED	27,325,727 ¹⁶	4.5
7	CONCERN WORLDWIDE LBG	25,096,682 ¹⁷	4.1
8	ASSOCIATION FEDERATION HANDICAP INTERNATIONAL* ¹⁸ HI HANDICAP INTERNATIONAL FEDERATION	24,417,416 ¹⁸	4.0
9	FUNDACION ACCION CONTRA EL HAMBRE* ¹⁹ ACTION CONTRE LA FAIM-ESPAGNE FACH	24,156,972	4.0
10	INTERNATIONAL MEDICAL CORPS UK LBG* ²⁰ IMC	23,144,600	3.8
11	ACTION CONTRE LA FAIM* ²¹ ACF	22,920,023	3.8
12	SOLIDARITES INTERNATIONAL ASSOCIATION*	21,780,000	3.6
13	FEDERATION INTERNATIONALE DES DROITS DE L'HOMME ASSOCIATIONS*	20,918,150	3.4
14	ALLIANCE FOR INTERNATIONAL MEDICAL ACTION ASSOCIATION* ²² ALIMA	18,145,262	3.0
15	CLOVEK V TISNI OPS* ²³ PEOPLE IN NEED	17,248,300	2.8
16	PREMIERE URGENCE INTERNATIONALE	17,133,000	2.8
17	THE SAVE THE CHILDREN FUND LBG*	16,530,900	2.7
18	FRONT LINE THE INTERNATIONAL FOUNDATION FOR THE PROTECTION OF HUMAN RIGHTS DEFENDERS TRUST*	15,009,450	2.5
19	EAST AND HORN OF AFRICA HUMAN RIGHTS DEFENDERS NETWORK COMPANY LIMITED BY GUARANTEE* ²⁴ PROJECTS EHAHRDP	15,005,377	2.5
20	PROTECTION INTERNATIONAL AISBL	15,000,000	2.5
21	ASSOCIATION MEDECINS DU MONDE* ²⁵ FRANCE	14,638,915	2.4
22	GOAL LBG*	14,450,000	2.4
23	NADACIA HABITAT FOR HUMANITY INTERNATIONAL	14,000,000	2.3
24	ACTIONAID LBG*	13,518,458 ¹⁹	2.2
25	MERCY CORPS EUROPE	13,398,329	2.2
26	CROIX ROUGE FRANCAISE* ²⁶ FRENCH RED CROSS	10,692,000	1.8
27	THOMSON FOUNDATION (TRUSTEE) LIMITED* ²⁷ THOMSON MEDIA FOUNDATION	9,915,677 ²⁰	1.6
28	DANSK RODE KORS* ²⁸ DANISH RED CROSS DRC	9,483,274	1.6
	Total	610,194,596	100

¹⁵ Includes EUR 9,053.70 membership fees.¹⁶ Includes EUR 726.51 membership fees.¹⁷ Includes a EUR 19,900 procurement contract.¹⁸ Includes EUR 142.81 membership fees.¹⁹ Includes EUR 2,000 procurement contract. According to feedback on the pre-release study report submitted by Civil Society Europe, the correct figure for ActionAid is EUR 13,516,458 – the feedback states ActionAid has no procurement contract with the EC. This suggests the possibility of an error in DG BUDG data.²⁰ Includes a EUR 7,805,200 procurement contract.

Source: based on DG BUDG, October 2016²¹

Table 3 summarises the same data by grant awarding body. This shows **that DG ECHO is by far the largest grant awarding body in respect of the 28 most funded NGOs**, accounting for 68% of EC commitments made to these NGOs in 2015. This is followed by DG DEVCO (24.1%). **Almost 100% of commitments to these 28 NGOs were made by EC departments dealing with external matters.**

Table 3: EC bodies responsible for awarding grants to the top 28 NGO recipients

GRANT AWARDING BODY	2015 COMMITMENTS (EUR)	%
DG ECHO	415,042,052	68.0%
DG DEVCO	147,081,770	24.1%
DG NEAR	32,325,822 ²²	5.3%
FPI ²³	14,271,481	2.3%
PHEA ²⁴	634,415	0.1%
EACEA ²⁵	510,490	0.1%
DG JUST	328,566	0.1%
Total	610,194,596	100%

Source: based on DG BUDG, October 2016²⁶

²¹ DG BUDG, 'Email from DG BUDG to the European Parliament'.

²² Includes a EUR 7,805,200 procurement contract.

²³ European Commission Service for Foreign Policy Instruments

²⁴ Public Health Executive Agency – renamed in 2008 as Executive Agency for Health and Consumers, and currently Chafea. See <http://ec.europa.eu/chafea/news/news4.html>

²⁵ Education, Audiovisual and Culture Executive Agency

²⁶ DG BUDG, 'Email from DG BUDG to the European Parliament'.

4 ANALYSIS OF NGO INFLUENCE INDICATORS

KEY FINDINGS

- Geographical location of NGO headquarters appears to be an important consideration for NGOs that are actively engaged in influencing EU policy-making. Access to the European institutions appears to be one of the key criteria to be able to influence EU policy-making. This means having representation in Brussels or being based in a neighbouring country.
- The Transparency Register indicates that 'Climate action', 'Development' and 'Environment' are the main fields of interest of the NGOs that are most active around EU policy-making, followed by 'economic and financial affairs', 'energy', and 'justice and fundamental rights'.
- The Transparency Register is an unreliable source of information.
- Declaration of the fields of interest in the Transparency Register is voluntary and does not involve any verification. There may be discrepancies between reality and what is declared. Some registered NGOs declare all possible fields of interest in the Transparency Register.
- The majority of the 40 most active NGOs in terms of influencing policy making are either members of a network or are themselves networks. Networks alone account for 55% of this group. Large NGO recipients of EC grants that are not registered in the Transparency Register in their own right may nevertheless be considered as highly influential through close association with organisations that are registered.
- Some organisations that are registered in the Transparency Register in their own right exert additional influence through membership of, or association with, other organisations that are also registered in the Transparency Register.
- Organisations with branches in several countries generally characterise themselves as networks. However, not all NGOs declare membership of a network despite the existence of closely related organisations in different countries.
- There are significant inconsistencies in the financial data provided in the Transparency Register. Some NGOs provide information for financial year 2014 and others for financial year 2015. Some NGOs appear to have reported unrealistic amounts of grant funding received from the Commission.
- NGOs awarded sizeable EC grants may also be awarded additional EU funds through procurement.

This chapter presents trends regarding the head office location, the declared fields of interest, the memberships and affiliation of NGOs and EU funding of those NGOs. The objective is to provide an overview of the landscape of NGOs active around EU policy. To this end, we have used data contained in the Transparency Register, and on websites compiling data from the Transparency Register, such as the Integrity watch of Transparency International, and the Lobby Fact website.

The Transparency Register was established in 2011. It is best described as '**a voluntary system of registration for entities seeking to directly or indirectly influence EU decision-making**'.²⁷ Registration in the register is voluntary, even though there are strong **incentives for organisations to**

²⁷ Marie Thiel and Elisabeth Bauer, Briefing 'EU Transparency Register - EPRS_BRI(2016)581950_EN.pdf' (European Parliamentary Research Service, May 2016), [http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/581950/EPRS_BRI\(2016\)581950_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/581950/EPRS_BRI(2016)581950_EN.pdf).

register, such as being automatically invited to public consultations, or access to some institutions, especially the European Parliament.

The following criteria have been used to filter the Transparency Register listings and identify the most active NGOs around EU policy-making:

- Number of high-level meetings the organisation has had with the European Commission since December 2014;²⁸
- The lobbying costs declared by the organisation;²⁹
- Number of access badges to the European Parliament that the organisation holds for the lobbyists;³⁰
- Number of EC expert groups the organisation is part of;³¹

Using data from the Lobby Fact website (23 September 2016), the most active NGOs have been identified by looking at the top 40 NGOs in number of high level meetings organisations, and number of European Parliament passes, and the top 30 in declared lobbying costs. The analysis does not include lobbying costs because it appears to be the least reliable criterion. The Lobby Fact website compiles data from the Transparency Register and the European Commission data on meetings. Using the data from the Transparency Register, the website is refreshed once a day, and the data on Commission meetings is refreshed once a week. Lobby Fact is a joint project of two organisations: Corporate Europe Observatory and LobbyControl, which are both members of the Alliance for Lobbying Transparency and Ethics Regulations (ALTER-EU), and of the Full lobby transparency now! Campaign.³²

A total of 19 NGOs appear in the top of at least two criteria, and are considered by this study as NGOs that are the most active around EU policy. To complete the list, the top 20 NGOs for each criterion have been included, regardless of whether they score well in other indicators. Unrealistic entries (such as non-NGO entities) have been removed to obtain a list as consistent as possible.³³ This results in a list of 40 NGOs that are considered as being most active around EU policy.³⁴ The criterion of membership to expert groups has been set aside because there are discrepancies between the data available in the Transparency Register and the data available in the expert group register of the Commission, currently being remodelled.

The list of 40 NGOs is seen here as a sample of some of the most active NGOs around EU policy. There may be NGOs very active around EU policy that do not declare their activities in the Transparency Register. It is important to note that the data in the register is provided voluntarily by NGOs and has not necessarily been verified by the Transparency Register Secretariat. As a result, the data compiled here can only provide an overview of trends, and should be considered with caution, as it may not reflect the exact situation of NGOs operating around EU policy-making. With that in mind, the

²⁸ Transparency International, 'EU Integrity Watch: Monitor Potential Conflicts of Interests', accessed 22 July 2016, <http://www.integritywatch.eu>.

²⁹ 'LobbyFacts.eu', accessed 22 July 2016, <http://lobbyfacts.eu/>.

³⁰ Ibid.

³¹ 'Register of Commission Expert Groups and Other Similar Entities', accessed 22 July 2016, <http://ec.europa.eu/transparency/regexpert/>.

³² 'Welcome to LobbyFacts | LobbyFacts Database', accessed 23 September 2016, <https://lobbyfacts.eu/>.

³³ In that regard, many entries of the top 20 in terms of budget have been removed because some were not NGOs, and some had entered their total budget as lobbying expenditure. Only entries for which it was very clear that there was a mistake in the data have been removed. The shortcomings of the Transparency Register are discussed below.

³⁴ The number of NGOs examined has been reduced with the purpose of looking only at NGOs that top the indicators and can therefore be considered as being very active.

Transparency Register remains the main tool available compiling information on NGOs and appears therefore as the most relevant tool to use.³⁵

Large NGO recipients of EC grants not registered in the Transparency Register in their own right may nevertheless be considered as highly influential through close association with one or more organisations that do appear on the list. For example, analysis of DG BUDG data indicates that Oxfam GB and ActionAid UK were between them allocated a total of EUR 46 million by the EC in 2015. Neither are registered in the Transparency Register. However, the OXFAM International EU Advocacy Office is high on the list, and Oxfam GB is also member of Eurodad, which is also high on the list. Similarly, ActionAid International is registered in the Transparency Register, although it does not appear in the 'top 40' list produced for this analysis. There is no suggestion of any impropriety.

The analysis carried out for this study does not take into account situations where organisations exert additional influence through membership of other organisations. For example, the **European Environmental Bureau appears high in the 'top 40' list, and is also a member of Green 10, which appears lower down the list.**

4.1.1 Head office country

Table 4 shows the countries in which the head offices of NGOs registered in the Transparency Register are located. As can be expected, a large part of NGOs registered have their head office in Belgium. NGOs located close to the EU institutions are more likely to be able to be in frequent contact with officials and therefore to be in a position to influence EU policy-making. If we take into account the NGOs that have their head office in another country but a subsidiary office in Belgium, the number of NGOs represented directly in Belgium rises to 798.

Being based in Brussels or nearby is an important asset for NGOs willing to engage regularly with the Commission and the Parliament. As Table 4 below shows, the vast majority of NGOs have their head offices located in Belgium or in neighbouring countries – within a short of the European institutions. The number of NGOs with head offices in Belgium, Germany, the UK, France and the Netherlands account for more than half of the registered NGOs (59.6%), without taking into account NGOs having representation in Belgium (through subsidiary offices or network representation).

³⁵ Information is available from other sources, such as EC commissioners' websites, a list of which has been compiled by Transparency International (available at: <http://www.transparencyinternational.eu/european-commissions-lobbying-meetings/>). EU Integrity Watch analyses data collected from various official websites and makes it available online in the form of interactive charts. Its information on lobby organisations is itself obtained from the Transparency Register (<http://www.integritywatch.eu/about.html>). Data on persons accredited to enter the European Parliament is available from: <https://data.europa.eu/euodp/en/data/dataset/transparency-register>

Table 4: Location of head office for NGOs registered in the Transparency Register

COUNTRY	NUMBER OF ORGANISATIONS HAVING THEIR HEAD OFFICE IN THIS COUNTRY
Belgium	585
Germany	289
United Kingdom	239
France	189
Netherlands	156
Italy	140
Spain	115
Austria	69
Switzerland	62
United States	61
Sweden	48
Others (62 countries) ³⁶	493
Total	2446

Source: Author, based on Transparency Register

Among the 40 NGOs identified as most active, most are based in Belgium or neighbouring countries. To be able to meet with EU officials and lobby EU institutions, organisations need to stay close to these institutions. The Table below shows the location of the head offices of the 40 most active NGOs identified.

³⁶ Countries located in and out of the EU where less than 40 NGOs have their head office.

Table 5: Location of head office for the 40 NGOs identified as very active around EU policy-making

COUNTRY	NUMBER OF ORGANISATIONS HAVING THEIR HEAD OFFICE IN THIS COUNTRY
Belgium	24
Germany	3
Switzerland	3
United Kingdom	3
Austria	2
Netherlands	2
Czech Republic	1
France	1
United States	1

Source: Author, based on Transparency Register

60% of the NGOs identified as the most active round EU policy-making have their head office in Brussels, and only four NGOs have their head office outside of the EU in Switzerland and the United States. As previously explained, some NGOs have subsidiary offices in Belgium. Most of the NGOs are represented in Belgium: only five of the 40 NGOs identified (12.5%) do not have any office representation in Brussels. This means that overall, 87.5% of the NGOs identified have an office in Belgium, whether it is their head office or not.

Among the five NGOs that do not have an office in Belgium, two are themselves a network and declare that they have members located in Belgium, and two are part of networks that are based in Belgium. As we can consider that members and umbrella may represent the organisations indirectly, this only leaves one NGO without any representation in Belgium. As this NGO is based in the UK, it still has relatively easy access to the European institutions and European policy-making. **Access to the European institutions appears as one of the key criteria to be able to be influential on EU policy-making. This means having representation in Brussels or being based in a neighbouring country.**

4.1.2 Subject focus

When registering in the Transparency Register, NGOs indicate their fields of interest by selecting from a pre-established list. Table 6 summarises the fields of interest registered by the group of 40 NGOs.

Table 6: Fields of interest declared by the 40 NGOs identified as the most active around EU policy-making

FIELDS OF INTEREST	NUMBER OF NGO	FIELDS OF INTEREST	NUMBER OF NGO
Climate Action	25	Trans-European Networks	16
Development	25	Research and Technology	15
Environment	25	Enterprise	14
Economic and Financial Affairs	24	Food Safety	14
Energy	23	Competition	13
Justice and Fundamental Rights	22	Foreign and Security Policy and Defence	13
External Relations	21	Taxation	13
Public Health	21	Internal market	12
Agriculture and Rural Development	20	Youth	12
Trade	20	Culture	11
Enlargement	19	Fisheries and Aquaculture	11
General and Institutional Affairs	19	Information Society	11
Regional Policy	19	Communication	10
Education	18	Consumer Affairs	9
Transport	18	Audiovisual and Media	8
Budget	17	Customs	5
Employment and Social Affairs	17	Sport	4
Home Affairs	17	Financial Stability, Financial Services and Capital Markets Union	2
Humanitarian aid	16		

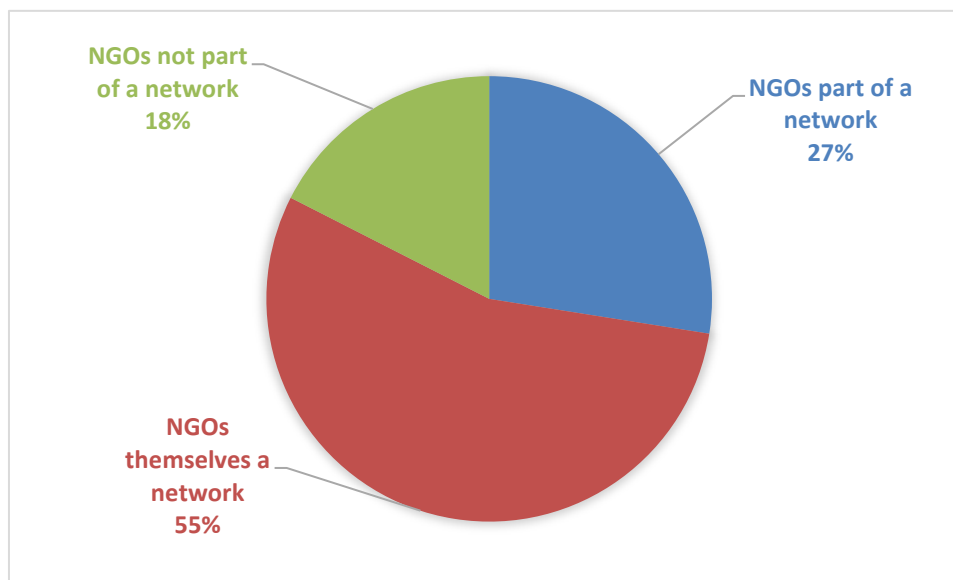
Source: Author, based on Transparency Register

Table 6 shows that **‘Climate action’, ‘Development’ and ‘Environment’ are the main fields of interest of the NGOs that are active around EU policy-making, followed by ‘economic and financial affairs’, ‘energy’, and ‘justice and fundamental rights’**. It has not been possible to compare this data with the fields of interests declared by all the NGOs registered in the Transparency Register. **As declaration of the fields of interest is voluntary and does not involve any verification, there are reasons to believe that there are discrepancies between what is declared and the reality.** As an example, **some of the NGOs registered in the Transparency Register declare all the possible fields of interest.** The data of declared fields of interest may also be biased slightly by the fact that NGOs may then receive information on EC activities (public consultations, roadmap...) in the fields they declare as being of their interest. This may be an **incentive to declare more areas of interest than the NGO actually deals with**, given that the categories are quite broad. On average, NGOs declare about 14 fields of interests in the Transparency Register.

4.1.3 Network organisation:

Of the selected group of 40 NGOs, **11 (27%) are part of a network of NGOs, 22 (55%) are themselves a network** of NGOs and 7 (18%) are not part of any network. This is shown by Figure 3 below.

Figure 3: Proportion of NGOs belonging to networks



By network here, we consider NGOs or associations that are gatherings of organisations (NGOs and other organisations). The data is based on what NGOs reported in the Transparency Register and therefore depends on NGOs self-perceptions as to whether or not they are part of a network or a branch of a bigger NGO. For example, **Transparency International EU indicates membership of the Transparency International network, while other organisations do not declare themselves as a network although the organisation has several branches in different counties.** This is not the case of any of the organisations identified as very active, but this is the case of Human Rights Watch for example. This depends largely on the global structure of the NGO.

It appears also that many NGOs are part of more than one network, and organisations that are themselves networks are also part of networks of organisations. 16 out of the 22 NGOs themselves a network are part of another network. This results in a relatively complex web of organisations with numerous and diverse affiliations operating around EU policy-making.

4.1.4 EU funding

Of the 2,446 NGOs registered in the Transparency Register, 650 (26.6%) declare having received one or more EU grants during the last financial year they documented. Of the 40 most active NGOs identified, 22 declared having received grants from the EU during the last financial year they reported in the Transparency Register. This amounts to 55% of the NGO sample. There is here quite a difference between the global population of NGOs of the Transparency Register and the sample of 40 most active NGOs. This data needs to be looked at in context because **some NGOs provide information for financial year 2014 and others for financial year 2015. There appear to be errors in the information provided, and some NGOs appear to have reported having received unrealistic amounts of grant funding from the Commission.** Besides, some NGOs, such as Medecins Sans Frontieres (MSF), document on the Transparency Register the sum of grants received from the EU instruments and the EU member states. As a result, MSF declares on the Transparency Register having

received EUR 79,025,000 in 2014. **Because of the discrepancies in the data available in the Transparency Register in terms of financial year, origin of the grant and amount, it is not possible to analyse the grant data to identify trends.**

5 CASE STUDIES – NGOS THAT ENGAGE WITH EU INSTITUTIONS AND/ OR RECEIVE EC GRANT FUNDING

KEY FINDINGS

- Eurodad, the European Environmental Bureau (EEB), and the European Consumer Organisation (BEUC) are network organisations. However, there are major differences in how they are funded and operate. Eurodad receives EU funding through action grants (mainly from DG DEVCO), whereas the EEB is funded through annual operating grants from DG ENV. Eurodad seeks to influence policy within Europe, to address inequality resulting from the policies of European states beyond Europe. The EEB focuses on environmental policy that affects European citizens. Eurodad does not participate in formal EU platforms and structures whereas the EEB does. The EEB represents members' interests in Brussels, whereas Eurodad is a coalition-building organisation that aims to enhance the way that European NGOs engage with their governments. The BEUC is similar to the EEB in that it represents members' interests in Brussels, although it has a smaller membership.
- Analysis reveals a complex web of interconnected NGOs linked through membership of numerous overlapping networks that address many different issues. NGOs that do not receive EU grants directly may nevertheless benefit indirectly from EU funding through membership of networks that do receive EU grants. It is often difficult to identify which organisations in a network or consortium are undertaking which activities or how funds flow between them in relation to those activities. Feedback from the EC suggests that it may inadvertently have contributed to this complexity, for example with requirements that grant applicants must have partners in all Member States.
- It is difficult to link published NGO activities and outputs to specific EU-funded actions, because of the way beneficiary organisation present their activities, without reference to specific EU-funded actions.
- NGOs receiving EU funds provide varying levels of EU visibility. It is unclear if this is due to EC visibility rules or to the way in which NGOs apply the rules. Some NGOs acknowledge EU support on every web page. Others provide limited, seemingly haphazard, acknowledgement of EU funding on their websites and in publications. On the websites of some of the largest NGO recipients of EU grant funding it is difficult to find acknowledgement of EU funding.
- It is impossible to reliably correlate financial information from various sources including the Financial Transparency System, individual EC departments, and NGOs' annual reports. The level of detail in the financial information provided in NGOs' annual reports is variable and it is not always clear where additional information can be found.
- There is little evidence of substantive, publicly available evaluative information on the performance of EC funded NGOs and/ or actions funded by EU grants. Two case-study NGOs indicate that they produce this information for their members and the EC, but this information is not publicly disclosed. DG ENV's LIFE project database systematically provides much useful and important information about grant funded actions dating back to 1992, although information for ongoing multi-year projects that started a year or more ago appears to be limited.

This section introduces three case-study NGOs that engage with EU institutions and/ or receive EC grant funding:

- Eurodad – The European Network on Debt and Development
- The European Environmental Bureau (EEB)
- The European Consumer Organisation (BEUC)

5.1 EURODAD – THE EUROPEAN NETWORK ON DEBT AND DEVELOPMENT

Eurodad is itself not amongst the largest recipients of EC grant funding. It is included here as an example of a network that includes some major recipients of EC grant funding amongst its membership (e.g. Oxfam GB). EC commitments to Eurodad, and individually to its members, are provided mainly by EC services dealing with external matters (DG ECHO and DG DEVCO). Eurodad, like its members, seeks to influence policy inside and outside the EU. This case study also introduces a EUR 5 million tax justice action funded by DG DEVCO in 2015, of which Eurodad is a joint beneficiary and which aims to influence policy inside the EU. *‘The main institutions targeted by the Eurodad network are European governments, the World Bank, International Monetary Fund and the Organisation for Economic Co-operation and Development’.*³⁷ Eurodad does not engage formally with EU platforms and structures.³⁸

5.1.1 Focus and structure

Eurodad *‘is a network of 47 civil society organisations (CSOs) from 20 European countries, which works for transformative yet specific changes to global and European policies, institutions, rules and structures to ensure a democratically controlled, environmentally sustainable financial and economic system that works to eradicate poverty and ensure human rights for all.’*³⁹ Its 2015 annual report notes that in that year, it had 46 members, and that these consisted of *‘all the main European NGOs involved in development finance, and comprises large and small groups, as well as religious and other specialist networks and platforms.’*⁴⁰

Figure 4 below provides an overview of the Eurodad network’s membership.

Eurodad focuses on *‘strengthening the power of European CSOs, working as part of a global movement to push governments and powerful institutions to adopt transformative changes to the global economic and financial system.’*⁴¹

More specifically, its work focuses on:

- Tax justice;
- Ending debt crises;
- Effective aid;
- Publicly-backed private finance;
- Climate finance;
- Financial sector rules.

³⁷ ‘Transparency Register -Eurodad’, *Transparency Register*, accessed 5 September 2016, <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=09136982496-09>.

³⁸ Ibid.

³⁹ ‘Eurodad - European Network on Debt and Development’, *Eurodad*, accessed 3 September 2016, <http://www.eurodad.org/sites/about>.

⁴⁰ Eurodad European Network on Debt and Development, ‘Annual Report 2015’ (Brussels, Belgium, no date), p.2, <http://eurodad.org/files/pdf/57601cc192ceb.pdf>.

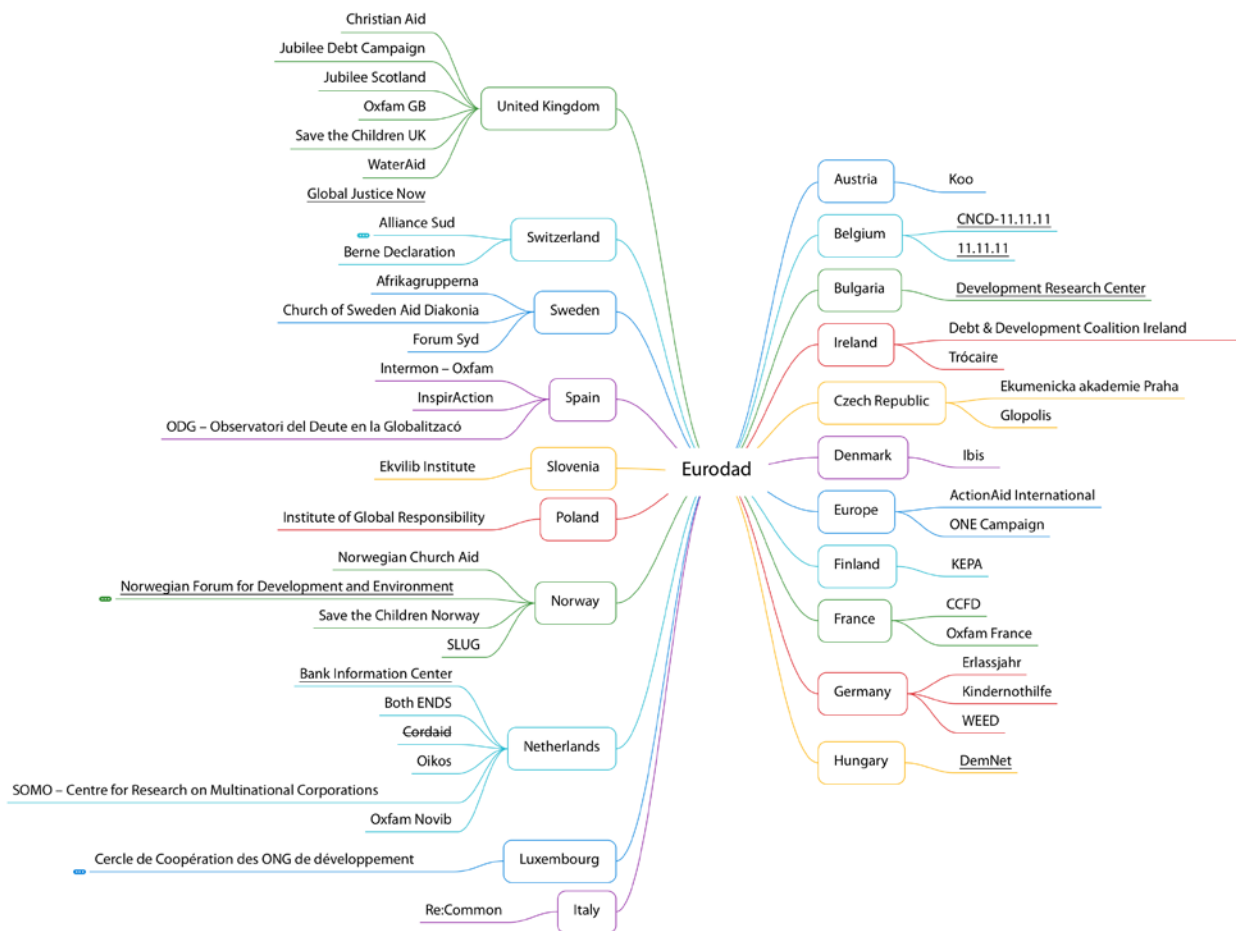
⁴¹ ‘Eurodad - European Network on Debt and Development’.

Its 2015 annual report notes that it plays ‘a vital role in European and global civil society initiatives’ in the first four of these areas.⁴² It does not appear to refer to climate or financial sector rules, although it does refer to ‘related economic and financial policy issues relating to the Global South and North’.

Eurodad also has cross-cutting priorities:

- Gender equality;
- Global economic good governance;
- Responsible finance standards.

Figure 4: Eurodad network



Source: author, based on Eurodad.⁴³

According to extracts of its statutes provided by Eurodad, members must fulfil the following requirements:

- They must be a natural person or legal entity which is domiciled or has its registered office in a European state, which:
 - Represents an unincorporated grouping of non-governmental organisations;
 - Is willing to actively help promote EURODAD's purposes and objectives;
 - Wishes to actively help EURODAD in realising its objectives and purposes on a regional, national, European or international level.

⁴² Eurodad European Network on Debt and Development, ‘Annual Report 2015’.

⁴³ ‘Eurodad Members’, Eurodad, accessed 3 September 2016, <http://www.eurodad.org/sites/members>.

- Each member that is a legal entity must be established in accordance with the laws and customs of its respective country of origin, and must be governed by principles of democracy and equal opportunity.

Eurodad's statutes do not appear to be available on its website. Eurodad did, however, provide a link to a Belgian government website where documentation can be viewed, in Dutch only.⁴⁴ The apparent lack of publicly available documentation in other languages is likely to undermine transparency, given that the network is active internationally, and its amended articles of association indicate the appointment of individuals from various EU Member States as directors.⁴⁵

Several of Eurodad's members are themselves networks. For example:

- The Debt & Development Coalition Ireland has 55 members. These appear to be mainly faith-based organisations, but include Attac Ireland and Action Aid.
- ActionAid International is listed as a 'Europe' member.
- The Norwegian Forum for Development and Environment has 49 members, including Attac.⁴⁶
- Cercle de Coopération des ONG de développement in Luxembourg has 75 members.⁴⁷

Eurodad members are also members of other networks. For example, Global Justice Now is the UK chapter of Attac,⁴⁸ and WEED is a member of Attac Germany.⁴⁹ Four of Eurodad's members are Oxfam members.

Eurodad's website lists the Development Research Center as a Bulgarian member. However, it is unclear what connection this organisation has with Bulgaria. Its website provides two addresses, both of which are in the USA.⁵⁰ A search on its blog for 'Bulgaria' produces no results.⁵¹

Eurodad is itself a member of several networks.⁵²

- Tax Justice Europe
- Reality of Aid
- Better Aid
- Financial Transparency Coalition
- Global Social Economy Group
- IFIwatchnet
- EuroIFInet
- Time for Change Europe
- South-North campaign on illegitimate debt

⁴⁴ 'S.C. - H.V.', accessed 7 November 2016, <http://www.ejustice.just.fgov.be/tsv/tsvf.htm>.

⁴⁵ European Network on Debt and Development, 'Amendment to Articles of Association and Seat / Adaptation to the Belgian Law', n.d., ll. De algemene vergadering benoemt unaniem als bestuurders van de vereniging., <http://www.ejustice.just.fgov.be/tsv/tsvf.htm>.

⁴⁶ 'Medlemmer', *The Norwegian ForUM for Development and Environment*, accessed 3 September 2016, <http://www.forumfor.no/medlemmer>.

⁴⁷ 'ONG Actives En Coopération', *Cercle de Coopération*, accessed 3 September 2016, <http://cercle.lu/ong-actives-en-cooperation/>.

⁴⁸ 'Attac UK', *The International Attac Network*, accessed 3 September 2016, <https://www.attac.org/en/whatisattac/attac-uk>.

⁴⁹ 'Mitgliedsorganisationen', *Attac Deutschland*, accessed 3 September 2016, <http://www.attac.de/was-ist-attac/strukturen/attac-netzwerk/mitgliedsorganisationen/>.

⁵⁰ 'Contact Us', *Development Research Center*, accessed 3 September 2016, <http://devresearch.org/contact-us/>.

⁵¹ 'Home', *Democracy, Development and Institutions - A Blog Sponsored by the Development Research Center*, accessed 3 September 2016, <https://devresearchcenter.org/>.

⁵² 'Transparency Register -Eurodad'.

Eurodad is part of a global network of coalition on debt and development that comprises also Asian Peoples Movement on Debt and Development (APMDD), Latindadd, and AFRODAD.

5.1.2 Main activities, tools, and approaches to influence European policy

Eurodad's website indicates a range of tools/ approaches including:

- Lobbying
- Reports
- Petitions (e.g. Greek debt relief)
- Press releases
- Videos
- Conference presentations (e.g. OECD DAC conference)

Feedback from Eurodad indicates that it views itself as a coalition building network. It does not exist to represent members' interests in Brussels. Rather, it helps its members to engage more effectively with their governments about their governments' participation in international bodies. *'It provides a regional and global platform through which its members explore issues, gather intelligence and ideas and engage in collective advocacy.'*⁵³

It does not undertake direct actions, e.g. rallies, although its members may undertake this type of action: *'Some of the core activities Eurodad members are involved in include: research; direct advocacy targeting decision-makers; awareness-raising activities; public campaigns; media briefing and supporting southern group advocacy.'*⁵⁴

5.1.3 EU grants

The Transparency Register entry for Eurodad indicates that it received grants of EUR 669,229 from the EC in 2015.⁵⁵ This is close to the figure of EUR 682,116 given in its annual report.⁵⁶ That report also indicates that it received EUR 304,485 from the EC in 2014, and EUR 304,704 in 2013. However, **it is unclear if the EUR 669,229 it received in 2015 relates to the EUR 5 million DG DEVCO grant commitment of which Eurodad is a joint beneficiary.**⁵⁷ The FTS has no entries for Eurodad in 2013 or 2014. This may be due to the fact the FTS records commitments rather than disbursements, and the figures given for 2014 and 2013 in Eurodad's 2015 annual report may relate to DG DEVCO commitments from previous years (e.g. 2012), but this is not clear.

The FTS indicates that Eurodad was the co-ordinator of five actions funded by the EC between 2008 and 2012 amounting to approximately EUR 3 million. These are listed in Table 7 below.

⁵³ Eurodad European Network on Debt and Development, 'Written Feedback from Eurodad', 31 October 2016.

⁵⁴ 'Eurodad Members', European Network on Debt and Development, <http://www.eurodad.org/sites/members>, 19 January 2017.

⁵⁵ 'Transparency Register -Eurodad'.

⁵⁶ Eurodad European Network on Debt and Development, 'Annual Report 2015', 23.

⁵⁷ SCR.CTR.338179.01.1 'Mobilising European Citizens To Place Inequality And Tax Justice At The Heart Of The European Development Agenda During Eyd2015 And Beyond'.

Table 7: EC-funded actions co-ordinated by Eurodad 2008-2012

YEAR	RESPONSIBLE EC DEPARTMENT	REFERENCE	TITLE OF ACTION	COMMITMENT AMOUNT	ACTION LOCATION
2012	DG DEVCO	SCR.CTR.279721.01.1	Addressing illicit capital flight for policy coherence for development	EUR 999,827	Belgium, Czech Rep, Denmark, France, Hungary, Italy, Ireland
2012	DG DEVCO	SCR.CTR.296306.01.1	Development finance for equitable growth: enhancing dialogue between EU civil society and decision-makers	EUR 585,387	Belgium, Czech Republic, Denmark, Germany, Ireland, Italy, N [sic]
2011	Service for Foreign Policy Instruments	SI2.607965.1	Enhancing cooperation between EU and ROK civil society	EUR 129,998	Not indicated
2008	DG DEVCO	SCR.727511.1	Towards A Global Financial System Fit For Development. Building Awareness, Mobilising Opinion	EUR 1,000,000	Not indicated
2008	DG DEVCO	SCR.720067.1	Make Finance Work For Development: Enhancing European Ngo Coordination, Capacity And Communication	EUR 349,606	Not indicated
Total				EUR 3,064,818	

Source: European Commission Financial Transparency System⁵⁸

5.1.4 Transparency and accountability

Eurodad had been registered in the Transparency Register since October 2009.⁵⁹

Eurodad is not a member of Accountable Now⁶⁰ (formerly the INGO Accountability Charter) because it does not consider itself to be an INGO (international non-governmental organisation). However, it did help to develop the International Framework for CSO Development Effectiveness,⁶¹ which it notes it is currently following. In general, Eurodad aims to publish all of its outputs. Eurodad produces a publicly available annual report. It **also produces reports to fulfil donor requirements, including the EC, but these are not publicly available. Eurodad indicated that it is unable to disclose reports relating to EC-funded projects, as it is uncertain if this would be permitted by DG DEVCO. Substantive analysis, if it exists, of the outcomes and effectiveness of Eurodad's EC-funded work is therefore not publicly available.**

Eurodad does indeed make many publications available on its website.⁶² However, **there seems to be no way to identify which outputs are funded by the EU, other than opening each publication, and even then it is not possible to correlate specific reports with specific EC-funded actions.** For

⁵⁸ 'Financial Transparency System (FTS) - European Commission'.

⁵⁹ 'Transparency Register -Eurodad'.

⁶⁰ Accountable Now, 'Accountable Now Members & Reports', accessed 7 November 2016, <http://www.ingoaccountabilitycharter.org/charter-members/>.

⁶¹ 'International Framework - Open Forum for CSO Development Effectiveness', accessed 13 October 2016, <http://cso-effectiveness.org/-InternationalFramework-.html>.

⁶² 'Eurodad.org', accessed 8 November 2016, <http://www.eurodad.org/reports/index>.

example, the logos on the second and last pages of the report 'Fifty Shades of Tax Dodging'⁶³ indicates that it was funded by the EU and NORAD, but it is unclear if this is one of the outputs of the EUR 5 million grant allocated by DG DEVCO in 2015 (grant commitment position SCR.CTR.338179.01.1), or some other source of EU funding. Several of the contributing organisations are also listed as joint beneficiaries of EUR 5 million grant, while others are Eurodad members that are not listed as beneficiaries of the grant. Eurodad's website provides much information about other activities and events, but again, there appears to be no way of correlating these to the DG DEVCO EUR 5 million grant, or other specific donor funded projects.

Eurodad's 2015 annual report⁶⁴ includes information on its tax justice activities, but it is not possible to link these to the EUR 5 million DG DEVCO grant or other specific sources of funding, and there appear to be no references to the action title 'Mobilising European Citizens To Place Inequality And Tax Justice At The Heart Of The European Development Agenda During Eyd2015 And Beyond', or to the title 'Tax Justice Together', which appears to be used on some websites to refer to this action.^{65 66 67}

When searching for Eurodad in the FTS, the results in the 'Recipients' tab on the FTS web interface indicates that Eurodad was the sole beneficiary of the five actions funded by the EC between 2008 and 2012 (Table 7). However, Eurodad itself confirms that other beneficiaries were involved in the two 2012 grants. Moreover, the results in the 'Details' tab of the FTS web interface indicates that Eurodad was in all five cases the project co-ordinator, implying that other organisations were also involved, but the **FTS does not indicate which other organisations, or how many were involved in these actions besides Eurodad. This information also does not appear to be readily available on Eurodad's website or in its annual reports.** Indeed, a search for the three most recent action titles (funded in 2012 and 2015) on Eurodad's website and in its 2015 and 2014 annual reports yielded no results. Eurodad notes that its annual reports include grant amounts that it has transferred to other beneficiaries, which amounted to 409,672 in 2015. However, **EC grant funding transferred to other organisations by Eurodad are not shown separately in its annual reports, although it plans to do this in future.**

The FTS lists Eurodad as one of 23 beneficiaries of a EUR 5 million DG DEVCO grant commitment in 2015 for an action entitled 'Mobilising European Citizens To Place Inequality And Tax Justice At The Heart Of The European Development Agenda During Eyd2015 And Beyond'.⁶⁸ The **FTS does not indicate how this EUR 5 million is distributed between the 23 beneficiaries. Eurodad notes that its share is EUR 124,203,⁶⁹ although this information does not appear to be available on its website or in its 2015 annual report.**

⁶³ Eurodad European Network on Debt and Development et al., 'Fifty Shades of Tax Dodging - The EU's Role in Supporting an Unjust Global Tax System - a Report Coordinated by Eurodad', 2015, <http://www.eurodad.org/files/pdf/1546494-fifty-shades-of-tax-dodging-the-eu-s-role-in-supporting-an-unjust-global-tax-system.pdf>.

⁶⁴ Eurodad European Network on Debt and Development, 'Annual Report 2015', p.10-11.

⁶⁵ 'Tax Justice Together Project | European Year for Development', accessed 7 November 2016, <https://europa.eu/eyd2015/en/tax-justice-together>.

⁶⁶ 'Tax Justice Together', *Glopolis*, accessed 5 September 2016, <http://glopolis.org/cs/projekty/tax-justice-together/>.

⁶⁷ 'Tax Justice Together', *LAPAS.lv*, accessed 5 September 2016, <http://lapas.lv/en/our-works/tax-justice-together/>.

⁶⁸ FTS Commitment Position SCR.CTR.338179.01.1 'Mobilising European Citizens To Place Inequality And Tax Justice At The Heart Of The European Development Agenda During Eyd2015 And Beyond'

⁶⁹ Eurodad European Network on Debt and Development, 'Written Feedback from Eurodad'.

5.1.5 Data Protection

Eurodad does not hold information about members of the public, except for email addresses that are provided when they sign up to newsletters. It does not have a specific data protection policy but follows Belgian law.

5.1.6 Further observations on grant commitment position SCR.CTR.338179.01.1

This section considers in more detail the grant commitment position SCR.CTR.338179.01.1 'Mobilising European Citizens To Place Inequality And Tax Justice At The Heart Of The European Development Agenda During Eyd2015 And Beyond', which was introduced in the Eurodad case study above (section 5.1).

There is no suggestion in the following discussion of any failure by any organisation to fulfil legal or contractual obligations. Rather, the analysis illustrates the general difficulty in developing an understanding of a single EC-funded action on the basis of publicly available information.

The 23 beneficiary organisations (including Eurodad) of grant commitment position SCR.CTR.338179.01.1 are shown in Table 8 below. **The co-ordinator is listed in the FTS as ActionAid, which is a member of the Eurodad network. Besides Eurodad itself, eight of the listed beneficiaries are Eurodad members. Although none of the six listed ActionAid beneficiaries are direct members of Eurodad, they are linked to Eurodad through ActionAid International, which is a member of Eurodad.**

The entry in the 'Action Location' field in the FTS **uses a mixture of standard and non-standard EU country abbreviations, as well as the full name of one country (Latvia):** 'EU MSs - BE/BG/CZ/DK/FR/DE/HU/IRL/IT/LATVIA/PL/NL/SV/SL/SP/U'. The 'U' presumably refers to the UK, and IRL is understood to refer to Ireland (IE) and SV and SP presumably refer to Sweden (SE) and Spain (ES) respectively. Nigeria and Peru are not included in this list, although organisations from these countries are included in the list of beneficiaries.

Table 8: Beneficiaries of EUR 5 million grant commitment position SCR.CTR.338179.01.1

BENEFICIARY	COUNTRY	GRANT ALLOCATION	EURODAD MEMBER
ACTIONAID INTERNATIONAL FOUNDATION NIGERIA LTD/GTE ACTIONAID NIGERIA AAN	Nigeria	Not indicated	
ACTIONAID INTERNATIONAL SWEDEN	Sweden	Not indicated	
ACTIONAID IRELAND	Ireland	Not indicated	
ACTIONAID LBG (co-ordinator)	United Kingdom	Not indicated	
ASSOCIATION PEUPLES SOLIDAIRES PSO	France	Not indicated	
DEMOKRATIKUS JOGOK FEJLESZTESEERT ALAPITVANY*FOUNDATION FOR DEVELOPMENT OF DEMOCRATIC RIGHTS DEMNET HUNGARY	Hungary	Not indicated	Yes
EKOLOGICHO SDRUZHENIE ZA ZEMIATA*ENVIRONMENTAL ASSOCIATION ZA ZEMIATA	Bulgaria	Not indicated	
EKVILIB INSTITUT ZAVOD	Slovenia	Not indicated	Yes
EUROPEAN NETWORK ON DEBT AND DEVELOPMENT VZW EURODAD	Belgium	Not indicated	Yes
FORUM SOLIDARIDAD PERU	Peru	Not indicated	
FUNDACION OXFAM INTERMON OI	Spain	Not indicated	Yes
GLOPOLIS, OPS	Czech Republic	Not indicated	Yes
INSTYTUT GLOBALNEJ ODPOWIEDZIALNOSCI	Poland	Not indicated	Yes
LATVIJAS PLATFORMA ATTISTIBAS SADARBIBAI BIEDRIBA LAPAS LATVIAN PLATFORM FOR DEVELOPMENT COOPERATION	Latvia	Not indicated	
MELLEMFOLKELIGT SAMVIRKE MS ACTIONAID DENMARK FORENING MSAAD	Denmark	Not indicated	
OXFAM DEUTSCHLAND EV OXFAM GERMANY	Germany	Not indicated	
OXFAM FRANCE	France	Not indicated	Yes
OXFAM GB LBG	United Kingdom	Not indicated	Yes
OXFAM ITALIA ONLUS ASSOCIAZIONE	Italy	Not indicated	
OXFAM REPUBLIC OF IRELAND	Ireland	Not indicated	
STICHTING ACTIONAID	Netherlands	Not indicated	
STICHTING OXFAM NOVIB	Netherlands	Not indicated	Yes
VZW OXFAM-SOLIDARITEIT ASBL OXFAM SOLIDARITE	Belgium	Not indicated	

Source: European Commission, Financial Transparency System

A wider online search for the term ‘Mobilising European Citizens To Place Inequality And Tax Justice At The Heart Of The European Development Agenda During Eyd2015 And Beyond’

produces only two results that point to the websites of the Czech⁷⁰ and Latvian⁷¹ beneficiary organisations. The Glopolis website states *'This project sees the joining together of two of the largest and most experienced INGO families, ActionAid and Oxfam, to work with eight other NGOs and to co-create exciting and innovative campaigning in order to help European citizens link their experience of austerity and inequality to the tax justice agenda.'* **It is difficult to reconcile this statement with the information available on the FTS, or indeed with the information on the websites of Eurodad, ActionAid, or Oxfam.**

The European Year for Development web page includes a brief synopsis of the action, which is referred to here as the 'Tax Justice Together Project'.⁷² *'Tax Justice Together is made up of 24 Partners representing ActionAid and Oxfam families as well as 8 other European and Latin-American NGOs all committed to finding exciting and engaging ways to get citizens in Europe and Global South talking about tax, and taking action to demand a fairer system. In addition to national campaigns contributing to our overall objectives, we will also be organising joint activities across four main areas: communication, training, mobilisation and influencing. Some of the most exciting activities include Campaigner's Conferences, Inter-rail tour, Blog Action Day, joint media stunts, training and many events in 19 countries including film screenings, talks, tax tours and street actions.'* This is the most detailed publicly available description of the action that we have been able to locate. **However, there appears to be no publicly available information on co-ordination arrangements between the action partners, how funds are allocated between them, the timing of activities and outputs, the expected or actual results, or any assessment of the action's effectiveness or impact.** It is, of course, possible that more comprehensive information is publicly available, but if so, it does not appear to be readily accessible.

While tax justice features prominently on the ActionAid UK website,⁷³ and in its 2015 annual report,⁷⁴ we are unable to find references to this specific EU-funded action. So far as tax justice is concerned, the only reference we could find to EU funding was on the last page of a four-page campaign guide on ActionAid's 'Make Tax Fair Everywhere' campaign,⁷⁵ and this involved following links on four successive pages to find it.⁷⁶ **Evidence of EU funding is not obvious in general, although the EC made commitments of approximately EUR 13.5 million to ActionAid in 2015, making it the 24th largest NGO beneficiary** (see Table 2). The notes to the financial statements in ActionAid UK's annual reports do include references to EU funding. Its 2015 annual report includes four entries relating to EU grants (see Table 9) but it is unclear which, if any, of the three amounts from DG DEVCO relate to the EUR 5 million DG DEVCO grant of which Eurodad is listed as a joint beneficiary.

⁷⁰ 'Tax Justice Together'.

⁷¹ 'Tax Justice Together'.

⁷² 'Tax Justice Together Project | European Year for Development'.

⁷³ 'Campaign to Make Tax Fair', ActionAid UK, accessed 5 September 2016, <https://www.actionaid.org.uk/campaign/campaign-to-make-tax-fair>.

⁷⁴ ActionAid, 'Trustees' Report and Accounts 2015', no date, https://www.actionaid.org.uk/sites/default/files/actionaid_trustees_report_and_accounts_2015_0.pdf.

⁷⁵ ActionAid, 'Make Tax Fair Everywhere Campaign Guide' (ActionAid, February 2016), p.4, https://www.actionaid.org.uk/sites/default/files/make_tax_fair_everywhere_campaign_guide.pdf.

⁷⁶ What we do >> Campaign >> Campaign to make tax fair >> Take action to make tax fair everywhere >> Campaign Guide.

Table 9: EU grants to ActionAid in 2015

HEADING	SOURCE	GRANT AMOUNTS
CHARITABLE GRANTS TO AAI & FEDERATION MEMBERS	EuropeAid	EUR 1,199,000
EMERGENCY & HUMANITARIAN RESPONSE	DG ECHO	EUR 2,417,000
CAMPAIGNING & POLICY INFLUENCING	EuropeAid	EUR 1,932,000
EDUCATION WORK	EuropeAid	EUR 218,000

Source: ActionAid⁷⁷

The annual report referred to here, appears to relate to the activities of ActionAid UK, but the **distinction between ActionAid UK, ActionAid International, and ActionAid Federation is not always clear**. ActionAid's 2015 annual report provides details of specific programmes/ projects under which grants were received from DFID,⁷⁸ Comic Relief, Big Lottery Fund, and the Dutch Ministry of Foreign Affairs,⁷⁹ but **similar details relating to EU grants appear not to have been provided**. It is not suggested that the report or accounts are inaccurate in any way, but rather that the way in which some information is provided is perhaps not as clear to the average reader as it might be.

Reports relating to tax matters are available on **Oxfam GB's website**, the most recent of which was published in November 2015.⁸⁰ However, we were **unable to find a reference to the above-mentioned DG DEVCO funded action, of which Oxfam GB is a joint beneficiary**, or indeed to tax as a campaign issue in website headings or menus - tax justice is not listed as one of the 10 issues on which Oxfam works.⁸¹ A search on Oxfam's website for '*tax justice together*' (which is not the action title used in the FTS) produces a list of 50 results, which may or may not be relevant to the EC-funded action. The search results are unstructured information that do not in themselves provide a readily accessible, coherent overview or narrative.⁸² Oxfam's 2015/16 Annual Report & Accounts state that it '*launched a new public campaign focused on tax havens, which over 270,000 people signed up to between January and April 2016*',^{83 84} although **it is unclear if this relates to the EC-funded action discussed above**. It also makes several references elsewhere to tax justice under the heading of inequality.⁸⁵

In written feedback to the pre-release version of the study report, Oxfam GB provided links to three websites focusing on EU-funded tax justice activities, where EU funding is acknowledged. However, Oxfam GB itself acknowledges that '*some of these sites are difficult to find if you are starting from Oxfam GB's main site*'. Moreover, none of the three sites provides information about the overall EU-funded action – no information is provided to enable the reader to make the link with the specific action listed

⁷⁷ ActionAid, 'Trustees' Report and Accounts 2015', 61–62.

⁷⁸ UK Department for International Development

⁷⁹ ActionAid, 'Trustees' Report and Accounts 2015', pp.74-75.

⁸⁰ Francis Weyzig, *Still Broken: Governments Must Do More to Fix the International Corporate Tax System* (Oxfam GB for Tax Justice Network, Global Alliance for Tax Justice, PSI and Oxfam International, 2015).

⁸¹ Oxfam GB, 'Issues We Work on | Oxfam GB', accessed 7 November 2016, <http://www.oxfam.org.uk/what-we-do/issues-we-work-on>.

⁸² The phrase 'tax justice together' was suggested as a search term by Oxfam GB in feedback it provided on the pre-release version of the study report.

⁸³ Oxfam, '2015/16 OXFAM ANNUAL REPORT & ACCOUNTS', 2016, p.10, <http://www.oxfam.org.uk/what-we-do/about-us/plans-reports-and-policies/annual-report-and-accounts>.

⁸⁴ Oxfam's 2015/16 Annual Report & Accounts does not appear to have a publication date and it is unclear precisely what period it refers to. The accounts refer to the year ended 31 March 2016, while elsewhere information up to July 2016 is included.

⁸⁵ Oxfam, '2015/16 OXFAM ANNUAL REPORT & ACCOUNTS', p.21 & 25.

in the FTS, nor to the activities of partner organisations funded under the same action. Only one of the three sites includes references to other organisations (in the form of logos), but these do not include all of the organisations listed in the FTS entry, while some not included in the FTS entry are included here (e.g. WeMove.EU – see section 6.1 below).⁸⁶ Two of the sites each appear to consist of a single page inviting the reader to sign up to a petition.⁸⁷ ⁸⁸ The content of the two pages (including the number of signatories) is similar but not identical, and it is not clear if they both relate to the same petition, or to different petitions.⁸⁹ There is no reference on either page to the other page – or indeed to any other website or page, other than Facebook and Twitter. The copyright notice on one of the pages indicates that the author is Oxfam International,⁹⁰ while the other indicates only that Oxfam is responsible for the content of the page, although it is unclear which specific entity this refers to.⁹¹ The third website is *'An entertaining game exploring some of the key issues around extreme economic inequality'*.⁹²

There is also a lack of clarity in ActionAid's entry in the Transparency Register. It gives the name of the organisation as 'ActionAid', but gives the acronym 'AAI' indicating that the entry refers to ActionAid International, an entity closely related to, but distinct from, ActionAid UK.⁹³ The entry in the Register indicates that it has not received any funding from EU institutions in the past financial year, which appears to be correct, but elsewhere the entry describes global activities that are presumably funded by EU institutions, without reference to the ActionAid Federation, or individual members of the Federation associated with some of the activities described in the entry. The entry can be easily misunderstood as indicating that the described global activities do not involve funding from EU institutions.

As indicated in Table 2 above, with EC grant commitments of EUR 33 million in 2015, Oxfam was the fourth largest NGO beneficiary of EC grants. The FTS indicates that in 2014, Oxfam GB was associated with 43 grant commitment positions totalling more than EUR 53 million. However, **it is not readily apparent from Oxfam's website that it is funded by the EU (or any other institution), although its 2015/16 Annual Report & Accounts indicates that the EC is its second largest 'donor partner' after DFID.**⁹⁴ Further details of EC funding to the year ending 31 March 2016 are provided later in this document,⁹⁵ but it is **difficult to correlate this information with data on the FTS or the data provided by DG BUDG** (Table 2 above). The report provides considerable disaggregation of funds received from certain institutions (by contract), including DG DEVCO, but not DG ECHO which provided more than double the funding (EUR 18.635 million) in the year ending March 2016.⁹⁶ **The list of projects funded by DG DEVCO (EuropeAid) does not include any reference to tax justice**, possibly because the funding had not yet been received, or because the funding would have been received via the action co-ordinator, ActionAid, rather than directly from DG DEVCO.

There is no suggestion here of any failure on the part of Oxfam GB or ActionAid UK to fulfil contractual obligations in respect of EC funding or other legal obligations. Rather, this information is provided here

⁸⁶ Oxfam, 'STOP TAX DODGING NOW', accessed 19 December 2016, <https://taxjusticeeurope.eu/>.

⁸⁷ Ibid.

⁸⁸ Oxfam International, 'Even It Up - Oxfam International - End the Era of Tax Havens', accessed 19 December 2016, <https://www.evenitup.org/>.

⁸⁹ As of 20 December 2016, one of the petition pages indicates that 350,592 have signed the petition, while the other petition page indicates 353,533. Both indicate a target of 500,000.

⁹⁰ Oxfam International, 'Even It Up - Oxfam International - End the Era of Tax Havens'.

⁹¹ Oxfam, 'STOP TAX DODGING NOW'.

⁹² Oxfam, 'Oxfam Republic of You', accessed 19 December 2016, <https://republicofyou.org/>.

⁹³ 'Transparency Register - ActionAid', accessed 13 November 2016, <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=85103504511-82>.

⁹⁴ Oxfam, '2015/16 OXFAM ANNUAL REPORT & ACCOUNTS', p.27.

⁹⁵ Ibid., p.54.

⁹⁶ Ibid., p.55.

in order to illustrate how, even when contractual obligations may be fulfilled, it does not automatically follow that this necessarily provides a clear public picture of the use of EU funding. It could be argued that this is the responsibility of the EC. On the other hand, it could be argued that relying on the EC to ensure full clarity through its funding rules could be perceived as an abrogation of responsibility by beneficiary organisations.

5.2 EUROPEAN ENVIRONMENTAL BUREAU

The European Environmental Bureau (EEB) is considered here as an example of an NGO that receives annual operating grants from the EC and is focused primarily on European matters. The EEB engages intensively with EU structures and platforms.

5.2.1 Focus and structure

The European Environmental Bureau (EEB) is registered as an AISBL under Belgian law. It is a network organisation comprising 157 members in 34 countries, including Russia and Turkey.⁹⁷ The EEB's 2015 annual report states '*more than 150 member organisations*'.⁹⁸ Pagesource data from the EEB's website suggests 151 members. Many of EEB's members are themselves networks. The EEB is therefore representing hundreds of grass roots organisations, some of which are themselves networks of smaller organisations. The EEB's website allows members to be searched by country or by name, but **there appears to be no straightforward way of obtaining a full list of the EEB's members**, as members' details are spread across 19 pages, each of which shows eight members.⁹⁹ The EEB's 2015 annual report is also not helpful in this regard as it provides a link to the same web page, but does not include a list.¹⁰⁰

The EEB represents members' interests in Brussels. It does not redistribute EU funding to members for projects, although it does, however, reimburse members' travel expenses for participation in EEB working groups, which usually take place in Brussels and sometimes in Member States.

Article 5.1 of statutes spells out requirements of EEB membership. Full member organisations must comply with the following requirements:¹⁰¹

- They must be NGOs that are legal entities in their own right;
- They must be registered in:
 - An EU Member State
 - A Member State of the European Economic Area (EEA)
 - An EU Candidate Country
- A major part of their membership must originate from such countries;
- Their main objective must be the conservation, promotion and study of the environment, the latter with the explicit aim of advancing environmental protection;
- They must carry out their activities on a continuous basis, independent of any commercial, industrial or party political influence or interest.

A two-member scrutiny committee is appointed to review each application for membership. The scrutiny committee reviews the applicant's documentation and consults other EEB members about the

⁹⁷ 'Transparency Register - European Environmental Bureau', accessed 9 November 2016,

<http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=06798511314-27>.

⁹⁸ European Environmental Bureau, '2015 Annual Report', August 2016, p.20, <http://www.eeb.org/?LinkServID=8CBA3F5D-5056-B741-DB358BA3913C09CF&showMeta=0&aa>.

⁹⁹ European Environmental Bureau, 'Members - EEB', accessed 9 November 2016, <http://www.eeb.org/index.cfm/members/?first=11>.

¹⁰⁰ European Environmental Bureau, '2015 Annual Report', p.20.

¹⁰¹ European Environmental Bureau, *Statutes of the European Environmental Bureau*, 2012.

applicant. At least one member of the committee is from an EEB member in the same country as the applicant.

No member has been suspended or expelled for any kind of violation. However, it is not uncommon to suspend membership because members are unable to maintain their membership fees. The EEB considers that it is unlikely that members' subscriptions are derived from EU funding, as grant contracts likely prohibit the use of EU funds for this purpose.

The EEB is itself a member of other networks but it does not receive funding from them. It cooperates with them on specific issues. These networks may focus on some subjects that are beyond the remit of the EEB, but the EEB's cooperation does not extend into areas in which it does not have competence. According to its entry in the Transparency Register, it is a member of the following organisations:¹⁰²

- Green 10
- European Environmental Citizens' Organisation for Standardisation (ECOS)
- Seas at Risk
- Mediterranean Information Office for Environment, Culture and Sustainable Development
- European Partners for the Environment
- European Habitats Forum
- Green Budget Europe
- Spring Alliance
- European civil society coalition on SDGs
- OECD watch: <http://www.oecdwatch.org>
- Nuclear Transparency Watch
- INGO Accountability Charter

The EEB is also a partner of the NGO Shipbreaking Platform.¹⁰³ This type of relationship is not reflected in the Transparency Register,¹⁰⁴ although it is mentioned in the EEB's 2014 annual report.¹⁰⁵

Main activities, tools, and approaches to influence European policy

The EEB rarely undertakes direct action (e.g. rallies). It works by 'bringing facts and arguments' to the attention of EU institutions through participation in EU expert groups, etc.

Its entry in the Transparency Register indicates that it is on the Advisory Board of the European Parliament Intergroup on Climate Change, Biodiversity and Sustainable Development.¹⁰⁶

The EEB participates in various EC expert groups e.g.¹⁰⁷

- The Industrial Forum under the Industrial Emissions Directive
- The Strategic Coordination Group under the Water Framework Directive
- The Strategic Coordination group on Biodiversity and Nature on the EU Biodiversity Strategy
- Expert groups in relation to Eco-design and Energy and Ecolabel

¹⁰² 'Transparency Register - European Environmental Bureau'.

¹⁰³ NGO Shipbreaking Platform, 'NGO Shipbreaking Platform » Members and Partners', accessed 9 November 2016, <http://www.shipbreakingplatform.org/members-and-partners/>.

¹⁰⁴ The Financial Transparency System indicates that the NGO Shipbreaking Platform was awarded two LIFE operating grants by the Executive Agency for Competitiveness and Innovation in 2015.

¹⁰⁵ European Environmental Bureau, '2014 Annual Report', September 2015, p.19, <http://www.eeb.org/index.cfm/library/annual-report-2014/>.

¹⁰⁶ 'INTERGROUP - EB CD', accessed 9 November 2016, <http://ebcd.org/intergroup/>.

¹⁰⁷ 'Transparency Register - European Environmental Bureau'.

5.2.2 EU grants

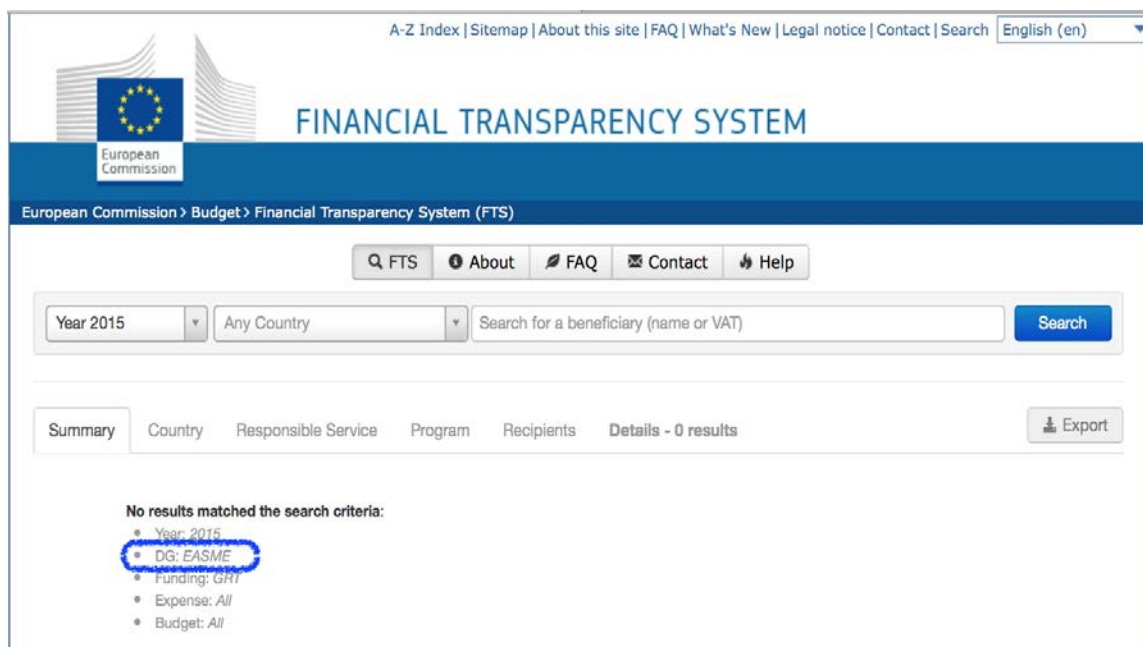
According to its 2015 annual report, the EEB received EUR 1,113,765 from the EC in 2015, which represented 34.1% of its total income for the year (EUR 3.2 million).¹⁰⁸

The FTS shows that, in 2015, the EEB was awarded the following five EU grants amounting to EUR 947,750:

- EUR 700,000 LIFE NGO Operating Grant - Executive Agency for Competitiveness and Innovation (see Figure 6);
- EUR 200,000 LIFE NGO Operating Grant - Executive Agency for Competitiveness and Innovation;
- EUR 47,750 Horizon 2020 - Executive Agency for Competitiveness and Innovation.

It is unclear if the FTS is currently showing the correct 'Responsible department' for these grants, namely the Executive Agency for Competitiveness and Innovation (EACI), as it became the Executive Agency for Small and Medium-sized Enterprises almost three years ago, on 01 January 2014.¹⁰⁹ The LIFE website indicates that *'The European Commission (DG Environment and DG Climate Action) manages the LIFE programme. The Commission has delegated the implementation of many components of the LIFE programme to the **Executive Agency for Small and Medium-sized Enterprises (EASME)**'*.¹¹⁰ **A search in the FTS for EASME yields no results at all at the time of writing** (see Figure 5).

Figure 5: FTS screenshot showing zero search results for EASME



Source: European Commission, Financial Transparency System, 09 November 2016

Regarding the last of the three grants listed above, the EEB was one of multiple beneficiaries and the **FTS shows the distribution of the overall commitment between the multiple beneficiaries** (see

¹⁰⁸ European Environmental Bureau, '2015 Annual Report', p.23.

¹⁰⁹ 'EACI - Facing Tomorrow', accessed 10 November 2016, <http://ec.europa.eu/eaci/>.

¹¹⁰ European Commission, 'Environment - LIFE: About LIFE', accessed 9 November 2016, <http://ec.europa.eu/environment/life/about/index.htm#life2014>.

Figure 7), in contrast to the EUR 5 million DG DEVCO commitment discussed in the Eurodad case study above, where the FTS does not provide this information (see Figure 2).

Figure 6: FTS screenshot of grant SI2.703921.1 (BGUE)

The screenshot shows the Financial Transparency System (FTS) interface. At the top, there is a header with the European Commission logo and navigation links. Below the header, there is a search bar and a table of grant details. The table includes the following information:

Subject of grant or contract	OPERATING GRANT LIFE NGO - EUROPEAN ENVIRONMENTAL BUREAU
Total amount	700,000 €
Year	2015
Responsible department of the Commission	Executive Agency for Competitiveness and Innovation
Reference (Budget)	SI2.703921.1 (BGUE)
Budget line and number	Supporting better environmental governance and information at all levels (07.02.03)
Action Type	Environment and Climate Action (LIFE)
Funding Type	Grants
Expense Type	Operational
Action Location	N/A
Geographical Location	N/A

Below the table, there is a section for the beneficiary details, including the Name of the beneficiary, VAT Number, Amount, Address/Locality, Postal Code, and Country.

#	Name of the beneficiary	VAT Number	Amount
1	BUREAU EUROPEEN DE L'ENVIRONNEMENT EUROPEAN ENVIRONMENTAL BUREAU* (Coordinator)	BE0415814848	N/A

Source: European Commission, Financial Transparency System, 09 November 2016

The EEB was also awarded two grants by European Commission Directorate General for Environment (DG ENV) in 2014:¹¹¹

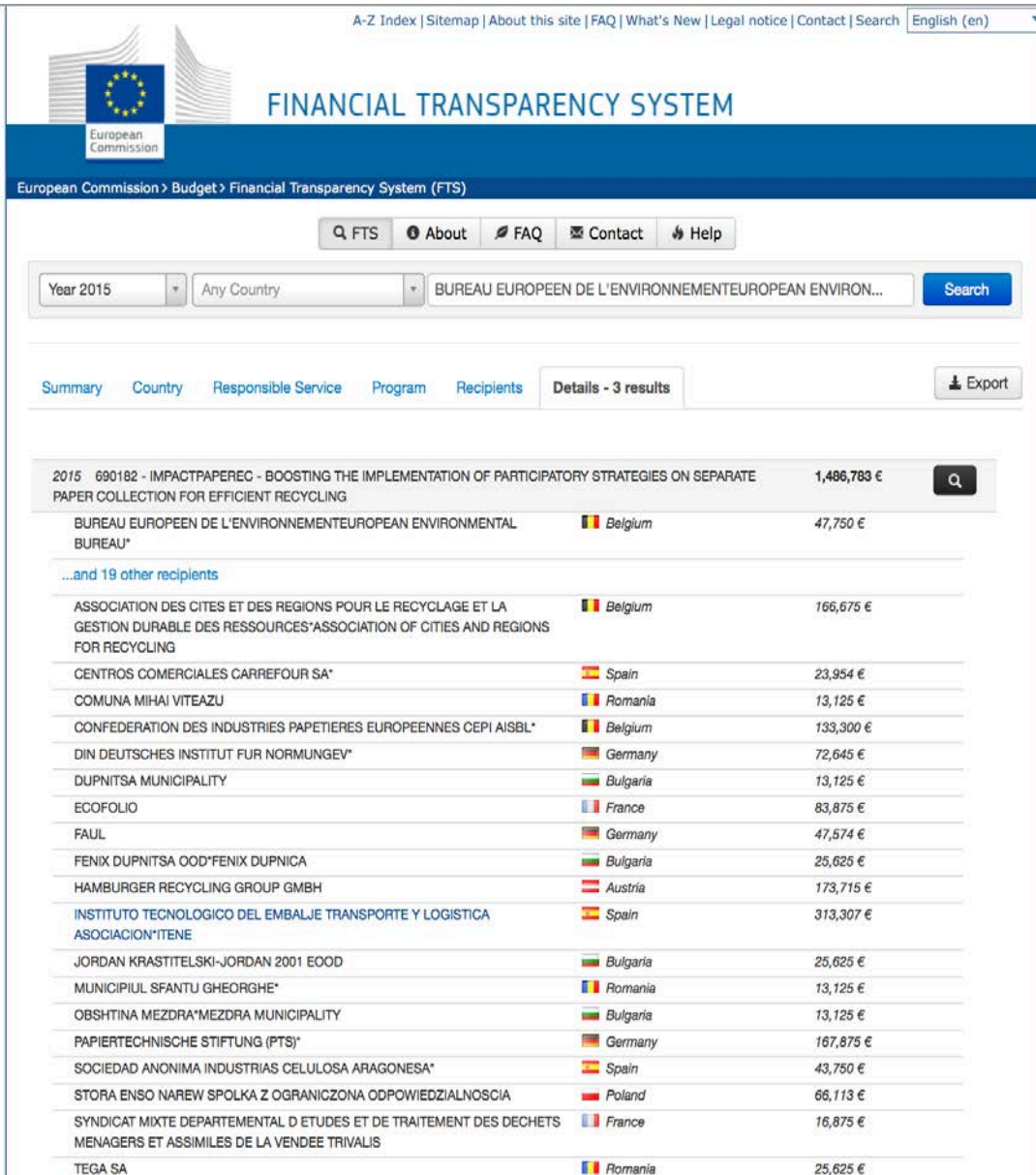
- EUR 300,000 LIFE+
- EUR 844,200 Completion of LIFE

In the same year it was one of 25 beneficiaries of a EUR 4,389,300 DG DEVCO grant, although the **FTS does not show the distribution of the grant between the 25 organisations.**

It is difficult to reconcile the FTS information about the four LIFE grants with information provided by DG ENV to the European Parliament in mid-2016, in part because DG ENV and the FTS indicate two different sources of operating grants: DG ENV, and EACI (renamed EASME in 2014). The information from DG ENV indicates:

- EUR 700,000 under the heading of 'LIFE NGO Operating Grants Framework Contract (resulting out of Call 2015): 28 NGOs funded in 2016 and 2017';
- EUR 900,000 under the heading of 'LIFE NGO Operating Grants: 24 NGOs funded in 2015 (resulting out of call 2014)'.

¹¹¹ 'Financial Transparency System (FTS) - European Commission'.

Figure 7: FTS screenshot showing distribution of grant JAG.45009.1 (BGUE)


The screenshot shows the Financial Transparency System (FTS) interface. At the top, there is a navigation bar with links: A-Z Index, Sitemap, About this site, FAQ, What's New, Legal notice, Contact, Search, and a language dropdown set to English (en). Below this is the European Commission logo and the title 'FINANCIAL TRANSPARENCY SYSTEM'. A breadcrumb trail reads: European Commission > Budget > Financial Transparency System (FTS). Below the breadcrumb is a search bar with filters for 'Year 2015', 'Any Country', and a search term 'BUREAU EUROPEEN DE L'ENVIRONNEMENTEUROPEAN ENVIRON...'. There are buttons for 'Search', 'About', 'FAQ', 'Contact', and 'Help'. Below the search bar is a tabbed interface with tabs: Summary, Country, Responsible Service, Program, Recipients, and Details - 3 results. An 'Export' button is also present. The main content area displays a table of recipients for the year 2015, with a total grant amount of 1,486,783 €. The table lists various organizations and their respective grant amounts in Euros.

Year	Country	Responsible Service	Program	Recipients	Details - 3 results	Export
2015	690182	- IMPACTPAPEREC - BOOSTING THE IMPLEMENTATION OF PARTICIPATORY STRATEGIES ON SEPARATE PAPER COLLECTION FOR EFFICIENT RECYCLING			1,486,783 €	
		BUREAU EUROPEEN DE L'ENVIRONNEMENTEUROPEAN ENVIRONMENTAL BUREAU*	Belgium		47,750 €	
		...and 19 other recipients				
		ASSOCIATION DES CITES ET DES REGIONS POUR LE RECYCLAGE ET LA GESTION DURABLE DES RESSOURCES*ASSOCIATION OF CITIES AND REGIONS FOR RECYCLING	Belgium		166,675 €	
		CENTROS COMERCIALES CARREFOUR SA*	Spain		23,954 €	
		COMUNA MIHAI VITEAZU	Romania		13,125 €	
		CONFEDERATION DES INDUSTRIES PAPETIERES EUROPEENNES CEPI AISBL*	Belgium		133,300 €	
		DIN DEUTSCHES INSTITUT FUR NORMUNGEV*	Germany		72,645 €	
		DUPNITSA MUNICIPALITY	Bulgaria		13,125 €	
		ECOFOLIO	France		83,875 €	
		FAUL	Germany		47,574 €	
		FENIX DUPNITSA OOD*FENIX DUPNICA	Bulgaria		25,625 €	
		HAMBURGER RECYCLING GROUP GMBH	Austria		173,715 €	
		INSTITUTO TECNOLOGICO DEL EMBALJE TRANSPORTE Y LOGISTICA ASOCIACION*ITENE	Spain		313,307 €	
		JORDAN KRASTITELSKI-JORDAN 2001 EOOD	Bulgaria		25,625 €	
		MUNICIPIUL SFANTU GHEORGHE*	Romania		13,125 €	
		OBSTINA MEZDRA*MEZDRA MUNICIPALITY	Bulgaria		13,125 €	
		PAPIERTECHNISCHE STIFTUNG (PTS)*	Germany		167,875 €	
		SOCIEDAD ANONIMA INDUSTRIAS CELULOSA ARAGONESA*	Spain		43,750 €	
		STORA ENSO NAREW SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Poland		66,113 €	
		SYNDICAT MIXTE DEPARTEMENTAL D ETUDES ET DE TRAITEMENT DES DECHETS MENAGERS ET ASSIMILES DE LA VENDEE TRIVALIS	France		16,875 €	
		TEGA SA	Romania		25,625 €	

Source: European Commission, Financial Transparency System, 09 November 2016

DG ENV operating grants cover core activities. The EEB must avoid using these for projects where it is receiving project-specific funding from the EU.

The EEB has never been required to repay EC funds for any reason.

5.2.3 Transparency and accountability

The EEB first registered in the Transparency Register on March 2009. According to its entry,¹¹² in 2015 the EEB spent between EUR 3,250,000 and EUR 3,499,999 on activities covered by the Transparency Register. Of this EUR 1,313,579 was publicly funded, of which 85% was provided by DG ENV (EUR 1,113,765).

¹¹² 'Transparency Register - European Environmental Bureau'.

The EEB has been **member of Accountable Now (formerly the International NGO Accountability Charter) since 2007**.¹¹³ The EEB's website states '*We have signed the 10 Accountability Commitments, following these principles as far as they are applicable to our organisation [sic] and our work.*'¹¹⁴ The two links on the EEB's website relating to this lead to password protected pages and the information here can not be accessed. The EEB's most recent accountability report is dated June 2016, while the period it covers is the calendar year 2014.¹¹⁵ The report will be assessed in November 2016.¹¹⁶ **The delay between the period covered and the date of publication must surely limit the accountability value of the document.**

The EEB notes that EU visibility is mentioned in the grant contract and that the EU logo must be in documents such as the annual reports. **An EU logo and acknowledgement of EU funding are displayed at the bottom of the home page on the EEB's website, although not on other pages.**¹¹⁷ In contrast, one of the EEB's partners (the NGO Shipbreaking Platform mentioned above) includes an EU logo and acknowledgement of EU funding at the bottom of all pages on its website.¹¹⁸ **The EEB website has a page listing all sources of funding, with four EC sources funding listed first.**¹¹⁹ **Significantly, the EEB indicates indirect sources of funding as well e.g. 'DG International Cooperation and Development through Christliche Initiative Romero'.** However, there is **no information here about the amounts allocated or received from different sources, or which years the listing covers.**

The EEB's Funders, including the European Commission, are acknowledged on the third page of its 2014 and 2015 annual reports, and there is a European Commission logo. The 2013 annual report acknowledges funders on the second page, although there is **no EU or EC logo**. The information here gives **no indication of the relative financial importance of different funders**. This can be found elsewhere in the reports in the form of charts. The EEB's 2013 annual report, for example, includes a chart with this information.¹²⁰ **However, the information is inconclusive - the way in which it is presented in the chart suggests that foundations were by some margin the most significant source of income in 2013, whereas the chart labels indicate that the EC was the largest source of income.** The 2014 and 2015 annual reports present this information more clearly, in the form of stacked bar charts.¹²¹ However, **none of three annual reports provide more detailed information, and there is no indication of where more detailed accounts can be found** – a search for 'annual accounts' on the EEB's website produces eight results, including the 2014 and 2015 annual reports referred to here, and six less relevant results. **It is therefore not possible to conclude, for example, whether or not the EC was the EEB's largest source of income in 2013.**

¹¹³ 'Accountable Now - European Environmental Bureau Accountable', accessed 10 November 2016, <http://www.ingoaccountabilitycharter.org/charter-members/european-environmental-bureau/>.

¹¹⁴ European Environmental Bureau, 'About the EEB - How the EEB Works', accessed 10 November 2016, <http://www.eeb.org/index.cfm/about-eeb/how-the-eeb-works/>.

¹¹⁵ European Environmental Bureau, 'ACCOUNTABILITY REPORT OF THE EUROPEAN ENVIRONMENTAL BUREAU 2014', June 2016, p.10, http://www.ingoaccountabilitycharter.org/wpcms/wp-content/uploads/EEB-2014-Accountability-report_Submitted-30062016.pdf.

¹¹⁶ 'Accountable Now - European Environmental Bureau Accountable'.

¹¹⁷ European Environmental Bureau, 'Welcome to the European Environmental Bureau - EEB', accessed 10 November 2016, <http://www.eeb.org/>.

¹¹⁸ According to the FTS, the NGO Shipbreaking Platform was awarded two LIFE NGO operating grants by EACI in 2015 amounting to EUR 180,000. Data provided by DG ENV to the European Parliament in mid-2016 indicates that DG ENV awarded it one grant of EUR 180,000 in 2015 (contract No. LIFE14 NGO/BE/000018) and one grant of EUR 164,000 in 2016 (contract No. LIFE15 NGO/BE/000001).

¹¹⁹ European Environmental Bureau, 'Our Donors - EEB', accessed 10 November 2016, <http://www.eeb.org/index.cfm/about-eeb/our-donors/>.

¹²⁰ European Environmental Bureau, 'Annual Report 2013', September 2014, p.30, <http://www.eeb.org/EEB/LinkServID=5CB28CB5-5056-B741-DBF934A519D00261>.

¹²¹ European Environmental Bureau, '2015 Annual Report', p.23.

Inspection of a small random selection of documents downloaded from the EEB's website shows that some include an EU or EC logo but others do not. For example, one document dealing with the Birds and Habitats Directives that was published in September 2016 jointly by the EEB, BirdLife International, Friends of the Earth Europe, and WWF, makes no reference to EU funding, although all four organisations are funded by the EU and were between them allocated more than EUR 4 million by EC in 2015 (according to the FTS). Feedback provided by Civil Society Europe on the pre-release version of this study report points out that *'publication costs were not funded by the EU, but solely through private donor funding (on which all four organisations relied to publish the report). The publication costs are therefore not charged to the operating grant which the four organisations benefit from'*. While not suggesting that the organisations have not complied with contractual obligations, the fact that they benefit from long-term EU financial support raises a hypothetical question as to whether such activities do not benefit, at least indirectly, from EC funding. On this basis, a case for broader recognition of EU funding could be argued. **Identifying the amounts awarded to these organisations presented some difficulty due to name variations and the existence of multiple similar entries in the FTS** - only the EEB and Friends of the Earth Europe are unambiguously identified on the front cover, while the WWF referred to here is in fact the WWF European Policy Office (identified at the end of the document).¹²² A logo on the front cover refers to BirdLife International Europe and Central Asia, while at the end of the document the name is given as BirdLife Europe.

It is unclear, therefore, which of the entities identified in the FTS, the BirdLife in this document refers to – Stichting BirdLife Europe (a Dutch entity, according to the FTS), or BirdLife International (a British entity according to the FTS). BirdLife's website identifies BirdLife Global Office in the United Kingdom, and BirdLife Europe in Belgium, but not a Stichting BirdLife in the Netherlands or a BirdLife International in the United Kingdom as indicated in the FTS.¹²³ The EC's publication on 2015 LIFE NGO operating grants has an entry on Stichting BirdLife Europe, but with an address in Belgium.¹²⁴ **This document indicates that the EC contributed EUR 382,999, accounting for 27.5% of Stichting BirdLife's budget in 2015, but this does not include an additional EUR 150,350 that is shown in the FTS and it is unclear whether or not this last amount is included in the calculation of BirdLife's total annual budget.**¹²⁵

Another EEB document published in October 2016 does include an EU logo at the bottom of the second page and a written acknowledgement of EU funding, although **the EU logo is rather small in comparison to the logos immediately above it**, of the five organisations that published the document.¹²⁶ These logos are repeated on the last page, together with information about the work of

¹²² Feedback provided by Civil Society Europe on the pre-release version of the study report states: *'The manner in which WWF's logo was referenced in this September 2016 publication is in fact consistent with all of WWF its other publications. WWF is a global organisation which has only one logo, in which we do not refer explicitly to the national/regional WWF office responsible for the publication, as WWF speaks with one voice all over the world. We do however still indicate on every publication the responsible office and contact details, but simply not on the front page. In this particular instance the details were placed at the last page of the publication, as observed by the authors of this study. Contact details are typically placed on either the first or last pages, to make it easy for observant readers to find further info.'*

¹²³ BirdLife International, 'Contact Us | BirdLife', accessed 10 November 2016, <http://www.birdlife.org/contact-us>.

¹²⁴ European Commission, 'European Environmental and Climate NGOs - LIFE Operating Grants 2015', 2015, p.22, http://ec.europa.eu/environment/life/publications/lifepublications/ngos/documents/ngo_compi15.pdf.

¹²⁵ Feedback provided by Civil Society Europe on the pre-release version of the study report states: *'Birdlife Europe and Central Asia (sometime referred to as BirdLife Europe for simplicity) is the regional division of BirdLife International which is a global network of grassroots national NGOs present all over the world. The Global secretariat of BirdLife International operates as a British registered charity under UK law - BirdLife International. The Europe and Central Asia secretariat operates under a Dutch registered charity - Stichting BirdLife Europe. The legal entity was registered originally in the Netherlands but over time the main office has been moved to Brussels, given the intensive engagement with EU institutions and convenient logistical location.'*

¹²⁶ European Environmental Bureau et al., 'Lifting Europe's Dark Cloud - How Cutting Coal Saves Lives', n.d.

the five organisations, but EU logo does not appear here and there is **no information about the programme(s) through which EU funding has been provided, nor any link.**

A self-evaluation of the EEB's work is covered in the annual technical reports that it has to submit to the EC. It has to report against multiple indicators specified by the EC. The EEB notes that these indicators, together with reporting templates, were introduced by the EC to address limited reporting on effectiveness. **The EEB is not aware if these self-evaluations are published by the EC.**

The EEB has to provide its members with extensive evaluation reporting (e.g. three times per year to its Board). However, these reports are internal and are not for the public.

The EEB's **annual reports provide a useful, although brief, overview of its activities and achievements. However, these are not evaluative documents**, and its 2015 annual report unsurprisingly presents a rather positive assessment of its activities. The EC's LIFE website provides links to downloadable documents summarising LIFE operating grants awarded in 2014¹²⁷ and 2015.¹²⁸ These provide useful one-page summaries for each operating grant awarded, including description and contact details of the organisation, work programme, and expected outcomes. However, these do not present results or any kind of evaluative assessment. Details of LIFE operating grant beneficiaries are available back to 1997, although information for grants prior to 2013 is limited to name, address, amount awarded, and the EU's contribution as a percentage of the organisation's funding.¹²⁹ A search for the EEB in the LIFE project database (see below) yielded no results, suggesting that it does not cover NGO operating grants.

5.2.4 Data protection

The EEB notes that it generally does not deal with public personal data, as it does not engage directly with the public - its members are organisations rather than individuals. The EEB has on one occasion participated in a campaign in which its members engaged with the public, and in that case the data has been securely held by the EEB until the end of the campaign. The EEB's data protection policy does not appear to be readily available on its website, if it has such a policy.

5.2.5 DG ENV's LIFE project database

This section briefly introduces the LIFE project database, which holds details on LIFE action projects.¹³⁰

In contrast to the general lack of readily available information on DG DEVCO's EUR 5 million grant commitment position SCR.CTR.338179.01.1, **DG ENV maintains a publicly accessible database of 4,480 LIFE-funded actions dating back to 1992. The database is a useful source of information on action grants**, including:¹³¹

- Contact details
- Project description (background, objectives, results)
- Environmental issues addressed, including target EU legislation
- Beneficiaries/ partners

¹²⁷ European Commission, 'European Environmental NGOs - LIFE Operating Grants 2014', 2014, <http://ec.europa.eu/environment/life/publications/lifepublications/ngos/documents/ngos2014.pdf>.

¹²⁸ European Commission, 'European Environmental and Climate NGOs - LIFE Operating Grants 2015'.

¹²⁹ European Commission, 'Environment - LIFE : Funding : LIFE - List of NGOs 1997 - 2013', accessed 10 November 2016, http://ec.europa.eu/environment/life/funding/ngos/list_ngos.htm.

¹³⁰ European Commission, 'Environment - LIFE by Theme'.

¹³¹ 'EC-SQUARE - Eradication and Control of Grey Squirrel: Actions for Preservation of Biodiversity in Forest Ecosystems LIFE09 NAT/IT/000095', n.d., http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=3805.

- Administrative data (project reference number, start and end dates, budget, EU contribution, and project locations).
- Links to project websites and Facebook and Twitter pages, and documentation, including project outputs, etc.¹³²

Nevertheless, this **information appears to be less complete for more recent projects**. For example, there are **no results for a EUR 1.4 million, four-year project that started in October 2014,**¹³³ **and no results or project website link for a EUR 2.7 million, four-year project that started in November 2015.**¹³⁴ ¹³⁵ EASME notes that action grants should have a project website that includes a reference to LIFE, and the model grant agreement indicates that the website should be '*online at the latest six months after the starting date...*'.

Data can be downloaded in Excel format, although this does not appear to include financial information.

5.3 THE EUROPEAN CONSUMER ORGANISATION (BEUC)

This section introduces the BEUC. The official name of the BEUC is 'Bureau Européen des Unions des Consommateurs.' However, its website states that 'we tend to introduce ourselves as "BEUC, The European Consumer Organisation".'¹³⁶ It scores high on all influence indicators (see *Annex 1: Ranking of NGOs by intensity of lobbying activities*), it receives EU operating grants, and it receives EU funding through procurement.

5.3.1 Focus and structure

According to its website, '*BEUC acts as the umbrella group in Brussels for its members and our main task is to represent them at European level and defend the interests of all Europe's consumers*'.¹³⁷ Its members are 42 independent national consumer organisations from 31 European countries (EU, European Economic Area (EEA), and applicant countries).

The BEUC is registered in Belgium as an AISBL. As a non-profit organisation, the BEUC has a tax exemption status according to Belgian law. However, it does not have 'public utility' status. The donations it receives are not exempted from taxes.

¹³² 'ROSSOSCOIATTOLO LAYMAN'S REPORT', n.d.,

http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=home.showFile&rep=file&fil=LIFE09_NAT_IT_000095_LAYMAN.pdf.

¹³³ 'LIFE U-SAVEREDS - Management of Grey Squirrel in Umbria: Conservation of Red Squirrel and Preventing Loss of Biodiversity in Apennines LIFE13 BIO/IT/000204', n.d.,

http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=4901.

¹³⁴ 'SciuriosusLIFE - Sciuriosity - Evolving IAS Grey Squirrel Management Techniques in the UK. LIFE14 NAT/UK/000467', accessed 10 November 2016,

http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=5344.

¹³⁵ After some searching we were able to find a single page on the co-ordinator's website with a LIFE logo and a reference to the action under a different name, but there appears to be no link to a dedicated project website. Using the alternative project title (not used in the LIFE project database), it was possible to find references to the project on some partner organisations' websites, as well as on another funder's website. One of the listed partners' websites the page describing the project refers only to another funder. It is not suggested that this project is not complying with grant rules, but rather that it is not so easy to find information about the project, beyond what is available in the LIFE project database.

¹³⁶ 'BEUC - Who We Are', *Www.beuc.eu*, accessed 27 September 2016, <http://www.beuc.eu/about-beuc/who-we-are>.

¹³⁷ *Ibid*.

The BEUC focuses on:

- Financial Services
- Food
- Digital Rights
- Consumer Rights & Enforcement
- Sustainability

It also has activities in the following areas: energy, health, safety, and trade.

BEUC has experts that work with the other experts at the member level. Decision is made by consensus to determine the BEUC's position. When one member does not agree, it can choose to opt out of the position paper of the BEUC and have its own advocacy work on the side. This happens because consumers' interests can be very different from one member state to another.

Its members are consumer organisations. The main criterion to become a member is to be independent of any other interest apart from consumer's interests. This means that it **is not mandatory for the members to be registered as NGOs in their country of origin.**

BEUC is a member of Consumer International, *'the world federation of consumer groups that, working together with its Members, serves as the only independent and authoritative global voice for consumers'*.¹³⁸ It also contributes to the Better Regulation Watchdog.

5.3.2 Main activities, tools, and approaches to influence European policy

The BEUC's mission is *'to bring together consumer organisations of the European Union and other European countries in order to promote, defend and represent the interests of European consumers in the elaboration and implementation of European Union policies with the European Union institutions and with other bodies'*.¹³⁹

The approach of the BEUC was described by its Director General as respectful, constructive and firm. The objective of the BEUC is not to compromise on consumer's interests but to highlight the impact of policies on consumers, and influence European policy-making so that it follows the best interest for European consumers. The tools that BEUC uses are mainly public relations tools and it focuses on reaching a maximum number of people through public events, conferences and formal and informal meetings with policy-makers. Feedback on the pre-release version of the study report provided by Civil Society Europe states that *'BEUC is working hard with its members to collect evidence, to make their case, to analyse problems and to prepare policy positions, with constructive solutions for policy makers. Public relations (whatever the definition of that concept) are only a very tiny part of our relationship building with key EU policy makers'*.

5.3.3 EU grants

The BEUC receives an operating grant from the EU's consumer programmes of EUR 1.4 million. The operating grant is administrated by the European Commission Directorate General Justice and Consumers (DG JUST) but managed by Chafea. The BEUC reports to DG JUST on the work programme and to Chafea on both the work programme and accounting. Interview feedback suggests that it is **not entirely clear to the BEUC how responsibilities regarding the management of the operating**

¹³⁸ 'Consumers International - About Us', accessed 27 September 2016, <http://www.consumersinternational.org/who-we-are/about-us/>.

¹³⁹ 'Mission', www.beuc.eu, accessed 27 September 2016, <http://www.beuc.eu/about-beuc/mission>.

grant are split between Chafea and DG JUST, even though the BEUC acknowledges that the reporting requirements have been simplified over the past years. The operating grant finances the secretariat and the management expenses of the BEUC. It is not directed at any specific project and is not redistributed. The BEUC also receives EU grant funding for project activities.

The FTS indicates that **in 2015 the BEUC was the beneficiary of two commitments from Chafea, of EUR 1.4 million each (i.e. EUR 2.8 million in total).**¹⁴⁰ ¹⁴¹ **A further EUR 820,000 (approximately) was awarded to the BEUC through procurement by four EC departments**, with Chafea accounting for approximately EUR 780,000.

5.3.4 Transparency and accountability

The BEUC is accountable to its own members and reports every two months in a progress report. Financial reporting takes place every six months. According to BEUC feedback, the BEUC is audited on a regular basis by an independent audit firm in order to assess the impact of its actions to learn lessons from previous activities. In parallel, DG JUST evaluates BEUC's activity and financial reports which are submitted to Chafea.

5.3.5 Data protection

The BEUC notes that data protection is one of its advocacy areas. As a consumer organisation, it applies what it advocates for and does not share data. The BEUC follows relevant European regulations.

¹⁴⁰ Reference numbers GSP.17799.1 and JAG.45775.1

¹⁴¹ 'Financial Transparency System (FTS) - European Commission'.

6 CASE STUDIES - NGOS THAT INFLUENCE POLICY IN THE EU BUT DO NOT ENGAGE WITH EU INSTITUTIONS

KEY FINDINGS

- Reliance on individual/ private donors as opposed to institutional donors enables Attac and Wemove.eu to use funding without the need to comply with major accountability and transparency requirements, which would be required by institutional donors.
- Attac is a loose network while Wemove.eu has consciously opted for the status of a European social cooperative. Although the two forms (bottom-up and centralised) are very different, they both allow the two NGOs to operate across Europe.
- Wemove.eu has a clearly stated data protection policy. However, the decentralised (and uncoordinated) approach of Attac makes it difficult to get a clear view of the extent to which the national affiliations comply with data protection rules applicable where they operate.
- Attac's status as a charitable organisation was withdrawn by the Tax Office in Frankfurt in April 2014 on the basis that it was engaged in political activities in contravention of relevant German tax law. Attac challenged the ruling, which has recently been overturned in Attac's favour.

This chapter considers two NGOs that have been included as examples of organisations that do not necessarily receive funding directly from the EU, but can be considered as exerting significant influence on EU policy. Given the extent and complexity of relationships between NGOs, it is difficult to conclude that these two NGOs do not affect, or are not affected by, the EU's budget in some way. For example, the logo of WeMove.EU is included on a page relating to an EU-funded action, suggesting, at the least, some synergy with the EU-funded action, if not some benefit through association.¹⁴² Two members of the Attac network are also members of the Eurodad network, which has received EU funding in recent years, and another Attac member was allocated EU funds in 2014 (see Table 11).

6.1 WEMOVE.EU

Focus and structure

WeMove.EU is a citizens' movement, active in the social and economic justice, environmental sustainability and citizen-led democracy policy areas. On its multi-language website, the online network describes its vision and mission as '*We push for the Europe we want and challenge unacceptable European policy decisions, thereby strengthening European democracy*'. Specifically, WeMove.EU addresses the following policy issues:

- Democracy;
- Social Justice;
- Environmental Protection;
- Civil Liberties and Rights;
- Discriminations;
- Corruption and political responsibility.¹⁴³

¹⁴² Oxfam, 'STOP TAX DODGING NOW'.

¹⁴³ 'WeMove.EU', *WeMove.EU*, 18 May 2015, <https://www.wemove.eu/mission?q=/mission>.

Motivated in building an engaged members' community that can work to influence EU decision making and improve policy outcomes, WeMove.EU aims to develop an effective and efficient campaigning for better Europe. Below is a list of the most recent campaigns led by WeMove.EU:

- **EU Revolving Doors**¹⁴⁴

Following the recent appointment of Jose Manuel Barroso, the former EU commission president, to the chairman position at Goldman Sachs, the petition called for retaining European Commission public officials from using their professional contacts and influence in other jobs that may cause a conflict of interest, including all direct and indirect EU lobbying.

- **Turkey**¹⁴⁵

Following the failed coup d'état in Turkey, this petition demanded that the European Union suspend all accession negotiation with the Turkish administration, as well as acting to ensure that human rights and regulations are respected in Turkey.

- **Criminalizing Humanity**¹⁴⁶

This petition called for a revision of the current legislation on human smuggling by the European Commission. Following the recent arrest of three EU citizens, volunteering in support of the NGO PROEMAID to assist refugees attempting to reach Greece, WeMove.EU called for a stop to *'punishment of those who are willing to offer dignity and respect human rights to the most vulnerable'*.

- **Nuclear Subsidies**¹⁴⁷

This campaign concerned EU commission and Energy Ministers plans to support the nuclear power industry *'in their expensive gambles with our tax money'*. The petition aimed to empower public opinion voice with regard to future EU energy strategy debate, and to effectively stop the EU commission and energy ministers from developing energy strategy subsidizing the nuclear power industry.

- **Stop Glyphosate**¹⁴⁸

This campaign is addressed at the European Commission, the Food Safety Commissioner Vytenis Andriukaitis, and responsible Ministers in all Member States, and calls for not renewing the license of Glyphosate, a common herbicide used by big producers of weed killers like Monsanto. Recent independent research by the World Health Organisation (WHO) has classified Glyphosate as a possible cause for cancer.

Jurisdiction, structure and activities appear to be done both at European and national level, although, to an extent activities are coordinated or at least encouraged by the network (WeMove.EU), which is based in Germany.

Regarding its internal structure, WeMove.EU is formed by a team of 14 people, including: directors, campaign officers, project managers, assistants and an intern. However, they claim that only seven members of staff run all operations. In addition, WeMove.EU has a board composed of between five and seven people. Each senior campaign officer is based and in charge of a different EU country, namely: Italy, Poland, France, Spain, and Germany. Activities are mainly described on the individual campaign web pages and under the profile of each team member.

¹⁴⁴ 'Barroso, Don't Sell Our Public Interest to Goldman Sachs', accessed 30 August 2016, <https://act.wemove.eu/campaigns/eu-revolving-doors>.

¹⁴⁵ 'EU: Tell Erdoğan, Enough Is Enough!', accessed 30 August 2016, <https://act.wemove.eu/campaigns/turkey>.

¹⁴⁶ 'Criminalising Humanity', accessed 30 August 2016, <https://act.wemove.eu/campaigns/criminalising-humanity>.

¹⁴⁷ 'Nuclear? Not with My Tax Money!', accessed 30 August 2016, <https://act.wemove.eu/campaigns/nuclear-subsidies>.

¹⁴⁸ 'Stop Glyphosate', accessed 30 August 2016, <https://act.wemove.eu/campaigns/stop-glyphosate>.

Main activities, tools, and approaches to influence European policy

WeMove.EU is a non-governmental organisation operating European-level campaigns by adopting the model of online organising which, as described on the website, *'is a powerful tool to leverage mass activism in campaigning'*. WeMove.EU uses online tools to empower European citizens to campaign and take part in direct democracy processes. To support this, their website is translated to six European languages in order to reach out to a pan-European community. Thus far, they have a community of 414,425 members joining their movements and supporting them with their campaigns and petitions.

Similar to other NGOs in Europe, WeMove.EU adopts an online approach to implement and roll out its campaign activities. Indeed, according to the 2016 Global NGO Online Technology Report¹⁴⁹, NGOs in Europe, especially in Germany, the UK and the Netherlands, are considered quite advanced in their use of online technology. According to the 2016 global survey,¹⁵⁰ the most common examples of online campaigning activities in Europe are having both Twitter and Facebook profiles active, regularly publishing a blog, and, with regard to fundraising, accepting online payments and donations. WeMove.EU uses all these online tools; specifically, they are active on Facebook, Twitter and YouTube.

WeMove.EU's mission is to empower and build civil action capacity among European citizens regarding values and principles such as social justice, environmental sustainability and citizen-led democracy. To achieve this, WeMove.EU has a brand new petitions platform, which can be used by any member committed to running their own campaigns on relevant issues. Thanks to this self-help platform, each member can start a petition, spread the word on social media, email supporters, and ask for help from the WeMove.EU campaign team.

WeMove.EU's petitions are directly addressed to organisations' representatives, such as the President and Members of the European Council, the European Commission and key stakeholders involved in campaigns matters. However, **as an online-based NGO, WeMove.EU's influence is largely indirect in terms of addressing European policymakers, as the main activity of the NGO is harnessing online participation to facilitate grassroots action, both online and offline.**

Legal status: public utility and tax-free status

According to the German Federal Ministry of Economic Cooperation and Development, non-governmental organizations are defined as: *'all associations or groups which are independent of government or state bodies and have a common interest, without themselves pursuing commercial interest – from trade unions to churches to sport clubs. The term is, however generally used to mean organizations, associations, and groups working to achieve socio-political goals'*.¹⁵¹

WeMove.EU is based in Germany, and it explicitly presents itself as a non-governmental organisation adopting the model of online organising to carry out their European level campaigning work committed to social and economic justice, environmental sustainability and citizen-led democracy. **Its website clearly describes their model of online organising, thanks to which they are able to engage with a wide range of actors and citizens and to facilitate grassroots action. Their**

¹⁴⁹ Public Interest Registry and Nonprofit Tech for Good, 2016 Global NGO Online Technology Report, 2016.

<http://www.nptechforgood.com/wp-content/uploads/2016/01/2016-Global-NGO-Online-Technology-Report.pdf>

¹⁵⁰ Public Interest Registry and Nonprofit Tech for Good, 2016 Global NGO Online Technology Report, 2016.

<http://www.nptechforgood.com/wp-content/uploads/2016/01/2016-Global-NGO-Online-Technology-Report.pdf>

¹⁵¹ Federal Ministry for Economic Cooperation and Development BMZ, 'NGOs', *Federal Ministry for Economic Cooperation and Development*, accessed 30 August 2016,

http://www.bmz.de/en/what_we_do/approaches/bilateral_development_cooperation/players/ngos/index.html.

campaign model is based on partnership, which allows WeMove.EU to work with existing organisations that bring know-how and political experience.

WeMove.EU's website provides details regarding partnerships formed for each specific campaign. Moreover, on the EU Transparency Register, they claim that they have more than 300,000 members - that are natural persons – spread across France, Germany, Italy, Poland, Spain, and United Kingdom.

The NGO's entry in the EU Transparency Register states that its legal status is of a European Cooperative. According to the Status for European Cooperative Society (SCE),¹⁵² SCE is an *'optional legal form of a cooperative, which aims to facilitate cooperatives' cross-border and trans-national activities'*. In addition, it enables five or more European citizens from more than one country to create a European Cooperative Society.

Based on this legal status, WeMove.EU adopts the model of online organising. As it is stated on the organisation website: *'Online organising has emerged as a powerful tool to leverage mass activism from all over Europe together to jointly voice their opinions on European issues'*. They claim that online organising is underutilised at EU level and they recognise its potential in running effective online campaigning across Europe.¹⁵³

WeMove.EU is registered as a European Cooperative Society. According its statute, *'SCE has the same tax status as any multi-national company and must therefore pay tax in those countries in which it is permanently established'*.¹⁵⁴ Being WeMove.EU based in Germany, German civil law recognises three primary forms of non-governmental, not-for-profit organizations (NPOs):

- Associations (*Verein*);
- Foundations (*Stiftung*);
- Limited liability companies (*Gesellschaft mit beschränkter Haftung*, or *GmbH*)

Generally, only those not for profit organisations (NPO) that exclusively and directly pursue public benefit, benevolent, and church-related purposes are exempted from Germany's corporation tax (*Körperschaftsteuer*), commercial tax (*Gewerbesteuer*), and gift and inheritance tax (*Erbschaft-und Schenkungsteuer*).¹⁵⁵

Transparency and accountability

WeMove.EU has been listed in the EU Transparency Register since May 2016. Being a newly formed entity, they have not disclosed any financial data as they have not yet reached the end of their first financial year. In addition, WeMove.EU claims that they have not received any funding from any EU institution.¹⁵⁶

WeMove.EU dedicates an entire section of its website on information concerning the way they are funded. They declare that for the current start-up phase they are relying on funding received from the German online campaigning group Campact.de and individual donors. However, they intend to

¹⁵² 'Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE)', accessed 30 August 2016, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32003R1435>.

¹⁵³ 'WeMove.EU- How We Work', *WeMove.EU*, 13 January 2016, <https://www.wemove.eu/how-we-work?q=/how-we-work>.

¹⁵⁴ 'Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE)'.

¹⁵⁵ 'Germany | Council on Foundations', accessed 30 August 2016, <http://www.cof.org/content/germany>.

¹⁵⁶ 'Transparency Register - WeMove Europe', accessed 30 August 2016, <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=091419321810-34>.

become fully independent from external funding and become sustainable through funds coming from their European community (i.e. private donors).

With regard to transparency, the WeMove.EU website includes a page on their donation policy and a description of how they are funded. They state *'WeMove.EU's Board (which is still in its early phases) has complete oversight of all things financial. The board monitors the expenses of the organisation and ensures a responsible spending of finances to run the organisation. Furthermore, accounts will be audited yearly and WeMove.EU will publish a breakdown of their expenses yearly, to ensure the utmost transparency'*. However, this information is not yet available on their website.¹⁵⁷

Data protection

The WeMove.EU website has an entire section dedicated to privacy policy.¹⁵⁸ There they describe in detail how they manage personal information. For example, they state that personal data are used exclusively for the work of WeMove Europe SCE, and that personal information are only collected via email and the various donation and action forms on the website. The reason for storing personal information is made explicit, which is to administer donations and membership, and to contact members with campaign information and updates, and for research and analysis.

In addition, they specify how they comply with requirements relating to cookies, as tested while browsing website.

Compliance with rules and regulations

WeMove.EU is registered as a European Cooperative Society in Germany. It is obliged to comply with German law and regulations regarding NGOs. In Germany, there are some 12 regulations that need to be adhered to by NGOs, including the German Constitution, the German Federal Civil Code, the Law on Association (Vereinsgesetz of 1964), the Fiscal Code, and the Corporate Income Tax Law¹⁵⁹.

The extent to which WeMove.EU complies with rules and regulations is hard to assess on the basis of the available information. However, **considering the relatively recent nature of the organisation, and the fact that they are largely funded by supporters, it seems they enjoy relative freedom from compliance and rules as the NGO is not obliged by public funders to comply to grant giving rules or monitoring systems.**

6.2 ATTAC INTERNATIONAL

Focus and structure

Attac International is active in the *'alter-globalisation movement'*. On its English website, the network describes itself as opposing *'neo-liberal globalisation'* and developing *'social, ecological, and democratic alternatives so as to guarantee fundamental rights for all'*. Specifically, Attac supports:

- the regulation of financial markets
- the closure of tax havens
- the introduction of global taxes to finance global public goods
- the cancellation of the debt of developing countries

¹⁵⁷ 'WeMove.EU - How We Are Funded', *WeMove.EU*, 13 January 2016, <https://www.wemove.eu/how-we-are-funded?q=/how-we-are-funded>.

¹⁵⁸ 'WeMove.EU - Privacy Policy', *WeMove.EU*, 3 September 2015, <https://www.wemove.eu/privacy-policy?q=/privacy-policy>.

¹⁵⁹ <http://www.cof.org/content/germany#Types>

- fair trade
- the implementation of limits to free trade and capital flows.¹⁶⁰

The French Attac International website lists 12 ‘Commissions’ created by the network, and which members can join. The commissions are organised per thematic activities, including globalisation issues, migration, environmental and gender issues.¹⁶¹

Attac has chapters set up globally and does not exclusively lobby the European Union institutions. There is no record on the EU Transparency Register to suggest that Attac International has been in receipt of EU funding, however three German-based organisations affiliated to Attac have (see Table 11). Attac appears most active around EU policy areas through the following campaigns:

- **For a Europe-wide coordinated levy on wealth:** This campaign is concerned with ‘*accelerated accumulation of private assets and the associated rise in wealth inequality*’, as Attac considers these developments to be major determinants, and continuing factors, of the global crisis. Attac is arguing for the implementation of a ‘*strong one-off wealth levy which is followed by permanent wealth taxation*’ to tackle wealth inequalities. The campaign encourages members to speak up but there is no specific guidance as to – or indication of – lobbying of the EU institutions.¹⁶²
- **Close down the casino economy!** Attac is working towards several goals under this campaign heading which is opposing the neoliberalism approach to the regulation of financial markets and the campaign aims to ‘*to put an end to the influence that the financial economy has on society*’. There is no specific guidance as to lobbying of the EU institutions.¹⁶³
- **Say no to the attack on social and democratic rights in Europe!** Attac argues that the financial crisis has ‘*caused a substantial increase in public debt*’, and that the impact of the crisis is being paid by citizens rather than the financial industry. Attac is campaigning for an introduction of a financial transaction tax, or the regulation of financial markets.¹⁶⁴
- **Fiscal and Economic Union.** This campaign focuses directly on the European Union. Attac is campaigning for ‘*a repeal of the austerity measures of the last years, the abolition of illegal and illegitimate debts, strict regulation and control of financial markets as well as a European coordinated capital levy*’. This campaign is also advocating for ‘*a thorough democratisation of the EU and the comprehensive participation of the European Parliament in all legislative processes of the EU*’.¹⁶⁵

Attac International is not a formal organisation but a network. It was set up in France in 1999 but does not have an office, nor does it appear to have any other ‘official structures’. Its chief operating mode is through national chapters in individual European countries. It also has national chapters in other countries around the world – in Africa (Benin, Burkina, Gabon, Ivory Coast, Morocco, Togo and Tunisia), the Americas (Argentina, Ontario, Peru, Quebec, and Uruguay) and Asia (Japan and Lebanon). Table 10 shows the countries in which Attac’s national chapters are located.

¹⁶⁰ ‘Overview | The International Attac Network’, accessed 30 August 2016, <https://www.attac.org/en/overview>.

¹⁶¹ ‘Attac - Les Commissions’, *Attac France*, accessed 30 August 2016, <https://france.attac.org/attac/les-commissions/>.

¹⁶² ‘The International Campaigns of the Attac Network | The International Attac Network’, accessed 30 August 2016, <https://www.attac.org/en/international-campaigns-attac-network>.

¹⁶³ Ibid.

¹⁶⁴ Ibid.

¹⁶⁵ Ibid.

Table 10: Country locations of Attac's national chapters

National chapter	Location
Austria (Charitable foundation)	Belgium
Denmark	Finland
France	Germany
Greece	Hungary
Iceland	Ireland
Italy	Jersey (UK)
Luxembourg	Norway
Poland	Portugal
Spain	Sweden
Switzerland	UK

The Belgian, Danish, Portuguese, Swedish and Swiss websites do not appear to be active. All national chapters except for the UK, is a 'branded' Attac chapter. In the UK, the national partner is the NGO, Global Justice Now. Attac's website describes it as '*a campaigning and international solidarity organisation with thousands of members and local activist groups around the UK. It is a leading organiser of the resistance to neoliberal trade deals, and campaigns for people's alternatives to corporate power, including energy democracy and food sovereignty. Global Justice Now believes that resources, and decisions about how they're used, should be in the hands of the many, not the few*'.

In addition to the national Attac cells listed by the main website, there is also an 'Attac UK' facebook page which appears reasonably active. It describes itself as being '*the newly created Attac UK*.'¹⁶⁶

Although the national chapters work through a bottom up approach, it does appear that the jurisdictions are largely similar across the Attac chapters (largely due to the fact that Globalisation is the main theme).

Main activities, tools, and approaches to influence European policy

Attac activities tend to predominantly take place at local level, with the French, German and Austrian affiliations being particularly active.

At a European level there is coordination between the national Attac affiliations in the following ways:

- **Sharing of information on European policy and on key economic literature.** Attac works with volunteer translators through Coorditrad¹⁶⁷, which houses a network of translators and interpreters who can volunteer on an ad hoc basis.

¹⁶⁶ <https://www.facebook.com/Attac-UK-191025280954641/>

¹⁶⁷ <http://www.coorditrad.attac.org/>

- Any individual or organisation that wishes to **found a national Attac chapter** should discuss this with the main Attac contact (i.e. via www.attac.org). However, individuals who wish to become members should contact their local affiliation.
- **Organisation of European events.** In 2014, the European Attac Network recently organised the European Summer University for Social Movements (ESU) in Paris at the University Paris-VII Diderot. This apparently attracted over 1,000 participants who discussed ‘ways and strategies to exit from the world-wide crises as well as to further empower the social movements at local and international level.’ This included ‘mobilisation’ against the European Central Bank, but equally action on climate change and climate justice.¹⁶⁸

However most of the day-to-day campaigning is done at national or local level. Each Attac affiliation lists events on their websites and invites members to regular meetings. In Germany, for example, there are at least 18 regional Attac affiliations, covering most of the Länder.¹⁶⁹

With regards to influencing and communicating with the European institutions, there is little evidence that Attac is engaging with direct contact with the EU. Rather EU (as well as national) policy is regularly debated and criticised at local level.¹⁷⁰

Legal status: public utility and tax-free status

Attac International is not a formal organisation, but a network. Neither the French nor English website provides a concrete description of the network. Attac was established in France in 1999 however it is not clear if the organisation adheres to French laws established for NGOs. **There is no online information describing the legal status of Attac International (only describing it as a ‘network’).** It appears it is the national chapters that have an established status as an NGO or membership association in their respective home country. However, this is **not generally explicitly stated on the national websites.** Some national chapters provide information such as organisation number (Norway), while other countries merely describe their status and/or provide contact details (although not always including a physical address).

Attac International’s national chapters may have a public utility and tax-free status depending on the national laws of each individual country. With a few exceptions (e.g. Austria, Germany, Norway), the **national chapters’ websites are not fully transparent regarding the organisation’s status,** however they largely appear to be registered as charities and/or membership associations.

Transparency and accountability

The EU Transparency Register does not list Attac International as being or having been in receipt of EU funding. However, it does list eight organisations that are either national chapters of, or NGOs associated with, Attac (see Table 11).

¹⁶⁸ <http://www.altersummit.eu/accueil/article/european-summer-university-for>

¹⁶⁹ <http://www.attac.de/was-ist-attac/strukturen/attac-netzwerk/regionalgruppen/termine/>

¹⁷⁰ There are a number of examples of events – including this upcoming conference organised by Austrian Attac, see <http://www.attac.at/events/1811-konferenz-sackgasse-eu.html>

Table 11: Funding of Attac chapters according to the Transparency Register (2014 data)

COUNTRY	ORGANISATION NAME	COMMENTS
Austria	Attac Austria	Total funding of the organisation: EUR 411,000, of which EUR 5,000 of public funding. Donations and contributions from members make up the majority of funding. No funding received from the EU institutions during the last closed financial year.
Germany	Attac Trägerverein e.V	Total funding of the organisation: EUR 2,005,000, of which none from public funding. Donations and contributions from members make up the majority of funding. No funding received from the EU institutions during the last closed financial year.
France	Association Internationale des Techniciens Experts et Chercheurs	AITEC is a member of Attac. Total funding of the organisation: EUR 150,528, of which EUR 49,349 of public funding. No funding received from the EU institutions during the last closed financial year.
Germany	Germanwatch	Germanwatch is a member of Attac. Total funding of the organisation: EUR 3,118,658 of which EUR 1,187,450 of public funding. In 2014, the organisation received an EU institution grant of EUR 64,440.
United Kingdom	Global Justice Now	Global Justice Now is a member of Attac. Total funding of the organisation: EUR 1,579,218, of which no public funding. Contributions from members make up just under 50% of funds, with non-EU grants being the second largest financial source. No funding received from the EU institutions during the last closed financial year. However, Global Justice Now is a member of the EURDOAD network, which has received EU funding in recent years and is listed in the FTS as one of 23 beneficiaries awarded a grant of EUR 5,000,000 by DG DEVCO in 2015.
Germany	PowerShift	PowerShift is a member of Attac. Total funding of the organisation: EUR 265,911 of which EUR 189,703 is public funding. In 2014, the organisation received a EuropeAid grant of EUR 96,598. The FTS does not indicate how much PowerShift received. It indicates only that PowerShift was one of 13 beneficiaries that were allocated a total of EUR 2,274,778 in 2014. ¹⁷¹
Germany	Share e.V.	Share e.V. is a member of Attac. Total funding of the organisation: EUR 50,000, all contributions from members. No funding received from the EU institutions during the last closed financial year.
Germany	WEED	WEED is a member of Attac Deutschland. Total funding of the organisation: EUR 314,216, of which EUR 151,216 is public funding. In 2014, the organisation received a grant worth EUR 61,616 from EuropeAid (Development Education and Awareness Raising, DEAR). WEED is a member of the EURDOAD network, which has received EU funding in recent years and is listed in the FTS as one of 23 beneficiaries awarded a grant of EUR 5,000,000 by DG DEVCO in 2015.

Source: EU Transparency Register

¹⁷¹ 'Financial Transparency System (FTS) - European Commission'.

Attac International is based in France. It is led by a number of key figures. **Attac International communicates with members (at national level) using mailing lists or telephone. This makes it difficult to define transparency standards for the network as a whole.** Transparency standards are instead applied at the level of the national chapters. However, the **websites of the national chapters do not present information consistently (content and presentation), making it difficult to understand i) the structure of the national chapters, ii) how the national chapters are governed, and iii) how membership works, and how donations are organised.** In summary, these aspects differ from country to country and largely depend on the sophistication of the individual chapter.

Jurisdiction, structure and activities are done at national level, although activities are, to some extent, coordinated or at least encouraged by the network (Attac International). **Not all national chapters provide concrete information on their structure and activities.** Some examples of where this information is available are provided in Table 12.

Table 12: Attac national chapter structure and activities (self-reported)

COUNTRY	STRUCTURE/ACTIVITIES
Austria	Attac Austria is mainly funded by private donations and membership fees. The major part of the work of Attac Austria is done by volunteers organised in more the 40 regional or content groups, supported by a small office team of five people. ¹⁷²
Germany	<p>Attac works through local Attac groups. The regional groups organise events, provide information activities to promote Attac's causes. In addition, there are a number of Attac university groups as Attac Campu that deal mainly with higher education and training policy.</p> <p>Work at the federal level is organised through thematic working groups (Committees).</p> <p>The federal office in Frankfurt is the organisational and logistical headquarters of the Attac network. It serves as a first point of contact for inquiries and support of stakeholders, provides professional expertise for the press and public relations and campaign work and manages the finances and membership data of Attac.</p> <p>Attac Germany also has a Scientific Advisory Board, which includes numerous critical scientists from different disciplines.¹⁷³</p>
UK	The Global Justice Now network brings together regional groups that campaign on economic justice and solidarity issues. The website lists around 50 local affiliations around England, Scotland and Wales.

Source: Attac national chapter websites

Data protection

At a European level, Attac appears not to have a central policy on data protection and there is no publically available information which provides any inkling to Attac's data protection standards. As individuals sign up to be members of national Attac affiliations, data protection at local level is arguably more important. We have generally found that the national websites are fairly opaque concerning their data protection policy. There is no uniform information and there are no indications to what extent the

¹⁷² 'Attac Austria | The International Attac Network', accessed 30 August 2016, <https://www.attac.org/en/whatisattac/attac-austria>.

¹⁷³ 'Strukturen - Attac Deutschland - Www.attac.de', accessed 30 August 2016, <http://www.attac.de/was-ist-attac/strukturen/>.

national affiliations comply with national regulation (or best practice) in terms of the protection of personal data.

However, the **national affiliations also differ in what information they ask of members who sign up**. For example, **Finland's Attac website asks for a name, address, telephone number and email address along with a note stating their financial contribution**, which the member is then invoiced for. In contrast, **in Germany, individuals who sign up as members are asked to submit their bank details through an online form**.

Compliance with rules and regulations

The Attac network is obliged to comply with the rules and regulation in place in each country in which an affiliated operates. However, several Attac affiliations appear very fluid (Attac UK's and Attac Ireland's only presence appear to be Facebook pages which do not clarify the status of the organisation nor compliance of rules) **or are simply absent** (Attac Denmark).

The central Attac network office does not appear to offer guidance or rules for the national affiliations in terms of following national/European rules. However, the literature search provides one example of issues with compliance and which concerns Attac's German affiliation, which we describe below.

According to Attac Germany, they finance activities largely from donations and membership fees, but also seek external funding from public and private funding organisations under the name Attac Trägerverein e.V. Attac Germany accounts are published online.¹⁷⁴

Attac status as a charitable organisation was withdrawn by the Tax Office in Frankfurt in April 2014, a decision which Attac appealed. The withdrawal of Attac's status, according to the Tax Office, was based on **German legislation which prevents charities from supporting political parties. Attac subsequently lost the appeal decision** (January 2016). **However, the NGO launched a lawsuit against the Frankfurt Tax Office, and subsequently, in November 2016, the Financial Court of Kassel ruled in Attac's favour.**¹⁷⁵ According to Attac, German law only prevents charities from supporting political parties, but they should nevertheless be able to engage in political activities. However, apparently finance offices/ authorities in Germany had in practice interpreted the law in a narrower way. Attac argues that certain charitable aims cannot be pursued without political activity and this lies at the core of their lawsuit. The tax authority had argued that Attac does pursue activities beyond those that are charitable, including activities covering taxation, economic and social policies (regulation of financial markets, introduction of a financial transaction tax, basic income) which cannot be considered charitable aims. Attac had expected the lawsuit to take years to conclude.¹⁷⁶

¹⁷⁴ <http://www.attac.de/was-ist-attac/strukturen/finanzen/>

¹⁷⁵ Frankfurter Allgemeine Rhein-Main, 'Finanzgericht Bescheinigt Attac Gemeinnützigkeit', 10 November 2016, <http://www.faz.net/aktuell/rhein-main/finanzgericht-bescheinigt-attac-gemeinnuetzigkeit-14521919.html>.

¹⁷⁶ <http://www.attac.de/kampagnen/jetzt-erst-recht/worum-geht-es/>

7 REGULATORY FRAMEWORKS OF DIFFERENT JURISDICTIONS APPLICABLE TO NGOS OPERATING IN THE EU

KEY FINDINGS

- A cross-country analysis of the legal framework of NGOs in six European and non-European jurisdictions indicates diverse understandings and designations of 'NGO' between countries. This suggests that harmonisation of the concept is problematic.
- Organisations considered as NGOs often benefit from a special tax status that differs in each country under review. In some countries, the recognition of a public utility purpose provides big advantages to the organisations.
- The criteria to identify 'public utility' are often vague and differ between countries. A review of the public utility status in Germany shows that this status, while benefitting organisations, is not always clear and creates uncertainty for some NGOs.
- The analysis shows that the not-for-profit character of the objective pursued, and independence from government (though not necessarily explicitly stated) are common denominators.
- The EU itself does not have rules on NGOs themselves. It does, however, apply additional rules in respect of EU funding for NGOs (and other) recipients of EU funding. The main rule is that they must not be in a situation specified in Article 106(1) of the EU Financial Regulation – the exclusion criteria. Understanding and application of the exclusion criteria is not clear cut and requires legal expertise in some cases.
- Other rules common to EU funding relate to EU visibility, sub-contracting, reporting, auditing, etc. However, rules vary between financial instruments and there are multiple source of information and guidance on, for example, EU visibility.
- In order to understand relevant rules and obligations relating to EU funding, applicants generally need to consult multiple documents, some of which partly repeat themselves. Some EC departments make this information more accessible than others through clearer presentation on their websites. Obstacles to locating and understanding rules are likely to make it harder for NGOs to comply with rules, and it undermines public accountability as it is harder for the public to understand the obligations to which NGOs have committed themselves.

7.1 COMPARISON BETWEEN JURISDICTIONS IN EU AND NON-EU STATES

This section reviews the main differences between the various jurisdictions and considers what implications this may have regarding democratic accountability of NGOs at the European level.

The review in this chapter covers the following jurisdictions:

- France: several NGOs operating around the EU are based in France;
- Belgium: most NGOs operating around the EU institutions have a head office in Belgium;
- Switzerland: several NGOs operating in the EU and/or with EU funding have their head office in Switzerland, which is outside of the EU;
- Germany: Germany has already revoked the status of public utility of organisations that are still active in other EU countries and at the EU level;
- UK: many European NGOs are based in the UK.;

- USA: several NGOs operating in the EU originate in the US e.g. The Pew Charitable Trusts, which is active in policy making in the area of fisheries.¹⁷⁷

None of the countries used as case studies here have a precise definition of what an NGO is in its legislative framework. However, all the countries do have **relatively similar legal frameworks for associations and foundations** (that are often the two main types of NGOs). The main differences are summarised in Table 13.

Table 13: Summary of the NGO legal framework in six countries

COUNTRY	LAW	NGO CATEGORIES	SPECIAL TAX STATUS
Belgium	Loi de 1921 sur les associations sans but lucratif (ASBL), les associations internationales sans but lucratif (AISBL) et les fondations	5: De facto association, ASBL, AISBL, Foundation, Foundation of public utility	YES
France	Loi du 1er juillet 1901 relative au contrat d'association.	4: Undeclared association, declared association, association of public utility, foundation	YES
Switzerland	Article 60 to 79 of the Swiss Civil code for non-profit associations and article 80 to 89a regarding foundations. 1907	2: association and foundation	YES
Germany	German Constitution; German Federal Civil Code (<i>BGB</i>), First Book, First Subsection, Second Title: Chapters I (Associations, Sections 21-79), II (Foundations, Sections 80-88), & III (Public Law Juridical Entities, Section 89); Law on Associations (<i>Vereinsgesetz</i>) of 1964; Laws on Foundations of the 16 German states; Limited liability company law, and tax laws.	4: Association (<i>Verein</i>), foundation (<i>Stiftung</i>), Limited liability company (<i>Gesellschaft mit beschränkter Haftung</i> , or <i>GmbH</i>)	YES
UK	2011 Charities Act (England and Wales), Charities Act (Northern Ireland) 2008, Charities and Trustee Investment (Scotland) Act 2005.	5: company limited by guarantee, unincorporated association (membership organisation), trust, registered society (formerly industrial and provident society), charitable incorporated organisation (membership organisation)	YES
USA	Individual states have their own laws governing NGOs.	NGOs are more commonly known as Non-Profit organisations (NPOs) in the US, while NGOs are more commonly seen as organisations working at international level.	YES

Source: Author

As there is no definition of NGO, there are many types of organisations that could be considered as NGOs. In most of the countries under review, there is **more than one law regulating NGOs in their different forms**. For example, in the UK, specific laws apply to some of those organisations categories listed, e.g. Companies Act 2006 applies to companies limited by guarantee; a Trust is regulated by the Trustees Acts 1925 and 2000; a registered society is governed by the Provident Societies Act 1965; unincorporated associations are governed by case law. In the USA, different laws apply depending on

¹⁷⁷ 'Transparency Register - The Pew Charitable Trusts', accessed 12 November 2016, <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=46834536998-79>.

the state. U.S. regulations that impact civil society organizations are designed to facilitate and support—not to discourage—the formation of non-governmental organizations (NGOs). Generally, non-profits must comply with all of the laws which apply to for-profit businesses. Churches and religious organisations are a special case, with less legal restriction at both state and federal levels.

7.1.1 NGO categories

In most countries, a foundation designates a legal entity that is formed by pooling capital such as property or assets to achieve a specific objective, and an association - a group of legal or natural persons that pursue common objectives.

Each NGO category has its own characteristics and its own registration requirements. In some countries, such as France and Belgium, it is admitted that there are unregistered associations, that have no legal personality. Those associations necessarily remain small and limited.

In Belgium, a distinction is made between associations that pursue national objectives, and international objectives. This distinction has to do with the registration requirements. An ASBL requires at least three founders, while there is no minimum number for an AISBL (even though it is understood that forming an association requires two persons). An ASBL can be registered at the local court administration, while a notary deed is required to form an AISBL. The statutes need to be authenticated by a notary, who will submit the purpose of the association to the Ministry of Justice for approval. The AISBL obtain legal personality by royal decree. In general, AISBL are less constrained by legal rules and their incorporation requirements are simpler, although these can be more time-consuming and expensive than those for ASBL. A foundation also needs to be created by a notary deed and the statutes are filed to the local court administrative service. Foundations of public utility can only pursue objective of a philanthropic, philosophic, religious, scientific, artistic, educational or cultural nature.¹⁷⁸

In France, the main form of NGOs is associations. Foundations only represent about 2% of NGOs, and are not regulated by the same law.¹⁷⁹ To obtain legal personality, an association needs to file its statutes to the prefecture. This is not mandatory but then the association is undeclared. Two people minimum are needed to create an association; the objective of the association is free. Recognition of public utility can only be done after the association has been registered for three years. Association of public utility can receive donations and inheritance (while other associations can only receive gifts or contributions).

In Switzerland, there are only two main forms and it is generally simpler than in other countries. An association must have a non-economic objective and can be created by a minimum of two persons. Legal personality is obtained after the statutes are adopted by the general assembly. For associations, registration in the trade registry is not required, unless the organisation undertakes commercial activities. Registration is mandatory for foundations to get a legal personality.¹⁸⁰¹⁸¹

In Germany, as highlighted by the table, there are three main forms of NGOs: associations, foundations and GmbH, which is increasingly used to create not-for-profit entities. Other forms not included in the table include public institutions (*Anstalten des öffentlichen Rechts*); foundations established under church law and public law; cooperatives (*Genossenschaften*, which are formed and regulated under the

¹⁷⁸ 'Associations et Fondations | Service Public Federal Justice', accessed 8 November 2016, http://justice.belgium.be/fr/themes_et_dossiers/associations_et_fondations.

¹⁷⁹ Blandine Poidevin, 'ONG et ASSOCIATIONS', Avocat Lille, 29 September 2011, <https://www.jurixexpert.net/ong-et-associations/>.

¹⁸⁰ 'Home - CAGI', accessed 8 November 2016, <http://www.cagi.ch/en/home.php>.

¹⁸¹ 'RS 210 Code Civil Suisse Du 10 Décembre 1907', accessed 7 November 2016, <https://www.admin.ch/opc/fr/classified-compilation/19070042/index.html>.

Genossenschaftsgesetz); and joint stock companies (*Aktiengesellschaften*, which are formed and regulated under the *Aktiengesetz* Law). Informal foundations do not acquire legal personality but enjoy the same tax benefits as formal foundations, therefore the informal foundation may be an adequate tool for smaller initiatives, because there are fewer mandatory requirements and no specific state supervision. In Germany, there is no clear legal definition of foundations, and those are more defined by their characteristics.¹⁸² *Eingetragener Verein* (e.V) is the legal status for registered associations in Germany, giving them the status of juristic person. Registration takes place at the local Court (*Amtsgericht*). Seven persons are needed to create such an association. Non-economic associations have to register at the local court. Associations are formally established by notary deed. There is relatively little state supervision of associations after it has been established.¹⁸³

In the UK, charities require to register with the appropriate body – the Charity Commission – unless their annual income is less than £5000. There are a few exemptions to this, such as churches and political parties. The regulatory regimes of Scotland and Northern Ireland are similar to those in England and Wales.

In the USA, NGOs have to register with the Secretary of State's office in the state in which they are based, and also in any other states in which they plan to operate. It is usually the Attorney General who regulates charitable organisations and charitable solicitation. A Unified Registration Statement was developed in an attempt to cover the registration requirements of all states, but some states don't accept it. The registration process typically involves providing a short description of the organization, its mission, name, the address of an agent within the state, and paying a modest fee. In several states, NGOs formed for religious, educational and other charitable purposes must also register with a state charity official charged with protecting charitable assets and regulating the charitable solicitation of funds from the public.

7.1.2 Restrictions

In all countries considered here, there are **different types of restrictions**. The main restriction is that the **organisations cannot have a for-profit objective**. In most of the countries, **organisations can engage in economic activities, if that activity is in line with their not-for-profit objective**. In Germany, associations can engage in economic activities as long as they do not have the purpose of a trading business. However, the interpretation of the rule is not totally clear. Association can conduct business activities through a subsidiary business company that is owned entirely by the association.¹⁸⁴

In most of the countries, there are restrictions on the objective of the organisation. In France and Switzerland for example it is explicitly stated that an association will be dissolved if it alters public order, pursue objectives that are illicit or contrary to the mores. Restrictions on political activities also apply, such as in the UK where the political activity must relate to the charity's specific purposes and not be the main reason for its existence. A charity's political activities are subject to additional constraints during the one-year period prior to a general election. In the USA, restrictions also concern working with governments or individuals that are under US sanctions.

¹⁸² Germany | Council on Foundations', 30 August 2016, <http://www.cof.org/content/germany>.

¹⁸³ Germany | Council on Foundations', 30 August 2016, <http://www.cof.org/content/germany>.

¹⁸⁴ Ibid.

7.1.3 Special status

The status of public utility does not exist in all of the countries under review. However, they all have a special tax status for organisations.

In Belgium, if its activities are non-profit making, the ASBL is only subject to the income tax on legal entities. Non-profit associations are not subject to corporation tax. They will not be taxed on subsidies, gifts, membership fees or any other income from their activities if they are of a non-profit making nature. The Belgian income tax code provides for a possible deduction of 45% from taxes of all donations made by individuals of at least EUR 40 made to recognized NPO's (with certain maximum limits applying). For companies, the donations must be of at least EUR 40 with a maximum of 5% of the taxable income and EUR 500,000. This recognition is only available to NPO's active in certain sectors: cultural, scientific or in the charity sector. A non-profit organisation is not considered to be a Belgian VAT taxpayer unless it carries out economic activities in Belgium. If a non-profit organisation supplies goods or renders services for a price within the meaning of the VAT laws, it is ordinarily liable to VAT. Therefore, it is important to verify how an organisation obtains its income. Non-profit organisations are subject in Belgium to a wealth tax called a duty in lieu of inheritance tax. Organisations whose assets do not exceed EUR 25,000 are exempt from this duty.

In the UK, charities are exempt from income tax on grants, donations, subscriptions and certain commercial activities, provided they are being used for charitable purposes. VAT is payable by organisations whose VAT taxable turnover exceeds £83,000 pa. Charities are entitled to a reduction in business rates (property tax). Charities are exempt from paying stamp duty, inheritance tax and capital gains tax. Charities can claim back tax that has been deducted on interest and charitable donations (Gift Aid). All exemptions are dependent on the income in question being used for the charity's primary purpose.¹⁸⁵

In the USA, the Internal Revenue Code provides tax exemption for organisations classed as 501(c)(3) (charitable organisations)¹⁸⁶ and 501(c)(4) (local association of employees)¹⁸⁷. Contributions to 501(c)(3) organisations are tax deductible, while those to 501(c)(4) organisations are not tax deductible. Some state tax exemptions may also be available. In general, NGOs organised exclusively for educational, religious, charitable, scientific, testing for public safety, literary purposes, and promoting certain sports, that are non-profit and do not play a partisan political role can apply to receive exemption from federal income taxation on all income related to these purposes. Tax-exempt organisations classed 501(c)(3) are prohibited from participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate for elective public office; those classed 501(c)(4) can engage in lobbying of public officials and work with trade unions.¹⁸⁸

Not for profit organisations in France are not subjected to VAT and other taxes on commercial activities. In France, the main advantage of being recognised as a public utility association is that the organisation can receive donations and bequests exempted of taxation. Few associations are recognized of public utility in France because the process is quite long and the requirements quite high. The requirements include among others three years of existence, a minimum number of members, and minimum own

¹⁸⁵ 'The Charity Commission - GOV.UK', accessed 8 November 2016, <https://www.gov.uk/government/organisations/charity-commission>

¹⁸⁶ Internal Revenue Service, 'Exemption Requirements - 501(c)(3) Organizations', accessed 17 November 2016, <https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-section-501-c-3-organizations>.

¹⁸⁷ Internal Revenue Service, 'Local Association of Employees: 501(c)(4)', accessed 17 November 2016, <https://www.irs.gov/charities-non-profits/other-non-profits/local-association-of-employees-501-c-4?ga=1.4375667.116576864.1479385642>.

¹⁸⁸ 'Exemption Requirements - 501(c)(3) Organizations', accessed 8 November 2016, <https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-section-501-c-3-organizations>.

resources. Donors (moral or natural persons) to public utility organisations have the possibility to deduct 66% of the donation from its tax declaration, if it does not exceed 20% of the taxable revenue. This public utility status does not apply to Alsace-Moselle. A slightly different status applies in this case.¹⁸⁹

In Switzerland, associations or foundations can be declared of public utility by the fiscal administration. As a result, they may be exempted from paying direct federal tax on profit, the cantonal and local tax on profit and capital. Another advantage is similar to the one in France: natural or legal persons who donate to the association/foundation can deduct this donation from the tax declaration, up until 20% of their net revenue (for natural person) and 20% of the net taxable profit (for moral person). Finally, organisations can be exempted from tax on inheritance. In Switzerland, the requirements to become a public utility organisation are based on the not-for-profit objective of the organisation: The status of the organisation must include a clause of non-return, meaning that the capital cannot be returned to founding members in any case. Status must also include two clauses on remuneration stating that committee members do not receive a salary and that the employees of the organisations can only have an advisory status at the committee. Finally, at least one member of the committee must have Swiss nationality.

In Germany, criteria for the recognition of the public utility status to an association are described in paragraphs 52 and following of the German Fiscal Code (AO).¹⁹⁰ They are verified by the local tax authority. The three main criteria are: (a) disinterested support to the general public in a material, spiritual or moral area, (b) exclusive promotion of the goals set in the articles of the association, (c) direct pursuit of the tax exempted goals. Paragraph 52 AO contains a list of goals accepted as 'disinterested support to the general public'. This list comprises only 25 of such purposes, without wider objectives such as 'promotion of human rights' or 'fight against discrimination'.

In § 52 AO, the concept of 'non-political activity' as a criterion of public utility is not defined. Rather, the enumeration of possible goals for such an organisation shows that the kind of political activity plays an important role. As a 1984 German Federal Fiscal Court decision stated, political goals such as influencing the public's opinion or financing political parties, do not belong to the category of '*support to general public*' as described in paragraph 52 AO. However, a certain influence on the public's opinion does not always exclude the public utility status. What matters is that the day-to-day politics don't become the centre of their activity.¹⁹¹

Due to this ambiguous legal situation, tax authorities have significant room for interpretation. Organisations cannot predict whether and when their political activities may jeopardize their status.¹⁹² They depend on the interpretation of their local tax office, which may be very different in practice. This uncertainty is exacerbated because the decisions taken by tax offices are subject to later verification. According to the all-or-nothing principle applicable in Germany, even small mistakes can lead to withdrawal of public utility status. For example, the association 'Zusammen e.V' ('Together'), lost its public utility status withdrawn in 2011 because the Frankfurt tax office declared that the goal of the organisation, '*support to unemployed and moral help in administrative procedures*' didn't correspond to any of the goals described in paragraph 52 AO.¹⁹³ In the event of serious violations, tax authorities may

¹⁸⁹ 'Associations.gouv.fr | Créer, Gérer et Développer Votre Association', accessed 8 November 2016, <http://www.associations.gouv.fr/>.

¹⁹⁰ 'AO - Einzelnorm', accessed 8 November 2016, https://www.gesetze-im-internet.de/ao_1977/_52.html.

¹⁹¹ 'Voraussetzungen Für Die Anerkennung Der Gemeinnützigkeit Un Folgen Der Aberkennung', 2016, <https://www.bundestag.de/blob/422946/86eac0f8b8c40f62c892e8bf26090bc7/wd-4-026-16-pdf-data.pdf>.

¹⁹² 'Zivilgesellschaft Ist Gemeinnützig', Allianz Rechtssicherheit Für Politische Willensbildung, accessed 8 November 2016, <http://www.zivilgesellschaft-ist-gemeinnuetzig.de/das-problem/>.

¹⁹³ 'Finanzamt Frankfurt Entzieht Zusammen e.V. Gemeinnützigkeit', accessed 8 November 2016, <http://www.zusammen-ev.de/index.php/ueberuns/180-finanzamt-frankfurt-entzieht-zusammen-e-v-gemeinnuetzigkeit>.

withdraw public utility status for 10 years retroactively. This in turn may lead to retrospective levying of tax on donations. The withdrawal of public utility status results in the loss of tax advantages.¹⁹⁴

7.1.4 Regulation and control

NGO regulation and control is done in most countries through the various anti-fraud institutions and normal justice system, as in many countries organisations register at the local court administration. In the UK, there is the Charity Commission, which is a non-governmental department. It has strong legal powers to investigate and deal with fraud/dishonesty in charities. The same type of Commission exists in Scotland (Office of the Scottish Charity Regulator), and in Northern Ireland (Charity Commission for Northern Ireland). Similar commissions exist in other countries, such as the Haut Conseil à la Vie Associative in France. The latter does not have investigation powers, but acts as an expert commission and advises policy-makers regarding law projects that concern associations.

7.2 OTHER RULES APPLYING TO NGOS FUNDED FROM THE EU BUDGET

This section considers specific rules applicable to grants awarded by following EC departments/agencies:

- DG DEVCO
- DG ECHO
- Chafea
- EASME

The provisions of the EU Financial Regulation are the same for all policy areas, but each EC department (directorate general or executive agency) has its own restrictions. The main overarching additional requirement placed on recipients of EU grant (and other funding) is that they must not be in a situation covered by the exclusion criteria, which are specified in Article 106 (1) of the Financial Regulation¹⁹⁵ and can be summarised as:

- Bankrupt, subject to insolvency or winding-up procedures;
- In breach of its obligations relating to the payment of taxes or social security contributions;
- Guilty of grave professional misconduct;
- Guilty of fraud, corruption, involvement in a criminal organisation, money laundering or terrorist financing, terrorist-related offences or offences linked to terrorist activities, or child labour or other forms of trafficking in human beings;
- Has shown significant deficiencies in complying with main obligations in the performance of a contract financed by the budget;
- Has committed an irregularity.

Article 106 'Exclusion criteria and administrative sanctions' runs to more than seven pages, suggesting that **understanding and applying the exclusion criteria is not a simple matter**. This is confirmed by feedback from the EC, which indicates that legal expertise is required when assessing individual cases, for example a breach of an industry code of practice where the regulator is a non-statutory, self-regulating body, that is however part of a regulatory system enshrined in law.

¹⁹⁴ 'Aberkennung Der Gemeinnützigkeit Droht? Erfahrener Anwalt Hilft', accessed 8 November 2016, <http://www.winheller.com/gemeinnuetzigkeitsrecht/aberkennung-gemeinnuetzigkeit.html>.

¹⁹⁵ European Parliament and Council of the European Union, 'REGULATION (EU, EURATOM) No 966/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 October 2012 on the Financial Rules Applicable to the General Budget of the Union and Repealing Council Regulation (EC, Euratom) No 1605/2002', 1 January 2016, <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02012R0966-20160101&from=EN> Article 106 Exclusion criteria and administrative sanctions.

Another common rule relates to the visibility of EU funding. There appear to be **multiple sources of guidance on this, with variations**.

Different sources of EC funding have different rules and guidance on issues such as sub-contracting and redistribution of grants, reporting, grant size, eligible costs, etc.

7.2.1 External action – DG DEVCO and DG ECHO

DG DEVCO's general rules regarding funding are described in the Practical Guide on Procurement and Grants for European Union External Actions (PRAG),¹⁹⁶ which is based on the EU Financial Regulation.¹⁹⁷ **The PRAG sets the general rules regarding funding for external action and each call for proposal has its own specifications, depending on the programme, the type of funding and the local context.** The eligibility rules are different for each category of contract. The main specific rules in external action is the nationality rule. It means that the beneficiary organisation has to have origins in an EU country or a partner country. The nationality rule does not apply to human rights funding, that can be given to organisations from all origin. DEVCO funds EU and non-EU NGOs. The contracts may be different but there are no major differences in terms of regulation on funding. No difference is made either between NGOs operating within or outside the EU. **Each DG DEVCO call for proposals has its own specifications depending on the objective of the financing. However, compliance with the non-exclusion criteria is a requirement of all funding.** The non-exclusion criteria are specified in the EU Financial Regulation.

DG ECHO partners mainly with European NGOs. **The rules concerning ECHO funding to NGOs are explained in the Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid¹⁹⁸, and the rules are detailed on the partners' website of DG ECHO.**¹⁹⁹ The functioning of DG ECHO is quite different because it does not work on the basis of call for proposals when it comes to humanitarian aid. DG ECHO signs Framework Partnership Agreements (FPA) with NGOs who then propose projects whenever a humanitarian situation arises. The conclusion of an FPA does not guarantee funding from ECHO. Funding is awarded on the basis of project proposals through specific grant agreements. To be eligible to become a partner of DG ECHO, the organisation must be:²⁰⁰

- Not-for-profit, autonomous from the state, and registered as such in its country of origin; and
- Have their main headquarters in a member state or in a third country receiving aid.

Besides these FPA eligibility requirements, the basis for eligibility and exclusion for DG ECHO grants is as stated in the Financial Regulation. Specific requirements concern the humanitarian action and principles that the organisations have to fulfil, but there are no other financial requirements than contained in the financial regulation. Specific requirement in terms of humanitarian aid are displayed in Article 7 of the humanitarian aid regulation of the EU.²⁰¹ These include:

- Administrative and financial management capacities;
- Technical and logistical capacity;

¹⁹⁶ 'PRAG - European Commission - DG International Cooperation and Development', 16 March 2016, <http://ec.europa.eu/europeaid/prag/document.do?nodeNumber=2&id=>.

¹⁹⁷ European Parliament and Council of the European Union, 'REGULATION (EU, EURATOM) No 966/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 October 2012 on the Financial Rules Applicable to the General Budget of the Union and Repealing Council Regulation (EC, Euratom) No 1605/2002', 1 January 2016, <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02012R0966-20160101&from=EN>.

¹⁹⁸ Publications Office of the European Union, 'Council Regulation (EC) No 1257/96 of 20 June 1996 Concerning Humanitarian Aid', Website, (20 June 1996), <http://publications.europa.eu/en/publication-detail/-/publication/f9cfbf71-f3a8-434f-b310-4d2e8b15bf65/language-en>.

¹⁹⁹ 'DG Echo Partners' Website', accessed 3 October 2016, http://dgecho-partners-helpdesk.eu/become_a_partner/start.

²⁰⁰ Union, 'Council Regulation (EC) No 1257/96 of 20 June 1996 Concerning Humanitarian Aid'.

²⁰¹ Ibid.

- Experience in the field of humanitarian aid;
- Results of previous operations carried out;
- Readiness to take part if need be in the coordination system set up for a humanitarian operation;
- Ability to work with humanitarian agencies and basic communities in third countries; and
- Impartiality in the implementation of humanitarian aid.

DG ECHO provided a document explaining how it awards funding (see Annex 4).

DG ECHO's Partners' Website is perhaps the most user-friendly EC website we have encountered during the course of this study and provides a clear pathway, written explanations, links to numerous references and other documentation (in right context), as well as explanatory videos.²⁰² Nevertheless, it is still necessary to review multiple external documents, for example to find the exclusion criteria, which as noted above, are far from straightforward. DG DEVCO also has an 'ECHO Visibility Website' with rules and guidance regarding EU visibility.²⁰³

As noted previously, grants often have multiple beneficiaries, and it appears to be common practice that the lead beneficiary redistributes the grant to other co-beneficiaries or affiliate entities. The PRAG (funding rules for external action instruments) as well as the regulation on humanitarian aid state that the lead beneficiary may not be the main/sole beneficiary of the grant. It acknowledges the existence of affiliated entities that can participate in the project funded by the grant.

DG ECHO and DG DEVCO have similar rules regarding implementing partners. Redistribution of grants in external action is quite common. In both departments, the main partner has to indicate who are the implementing partners, what their roles will be in the project, and the share they will get from the grant. **However, as noted above this information about the distribution of funding between partners is often not reflected in the FTS** (see Figure 2: FTS screenshot showing DG DEVCO grant SCR.CTR.338179.01.1 (BGUE)). The main partner is fully responsible for all activities implemented and shall ensure effective management and control of all the activities financed by the grant. All the rules that apply to the main partners are meant to apply to the implementing partners as well. For that reason, ECHO recommends that a memorandum of understanding be signed between the main partners and the implementing partners. Organisations have the obligation to declare to the grant-giving body which organisation will be doing what in the implementation phase. In the case that what actually happens is different, the costs incurred become non eligible to the grant and will not be covered, or funds might be recovered. If the lead beneficiary decides to change partner, it has to be justified and the grant contract amended in agreement with DEVCO for the cost to become eligible and be covered by the grant.

²⁰² The URL of this website, and other information on the site, suggests that it is not strictly speaking an EC website, but may be published by a contractor on behalf of DG ECHO.

²⁰³ 'ECHO VISIBILITY WEBSITE | HUMANITARIAN AID AND CIVIL PROTECTION', accessed 12 November 2016, <http://www.echo-visibility.eu/>.

7.2.2 Executive Agency for Small and Medium-sized Enterprises - EASME

EASME manages two main types of grant under the LIFE programme: LIFE NGO operating grants²⁰⁴ (e.g. as in the EEB case study above), and LIFE action grants for projects.²⁰⁵ The main differences between the two types of grants are that NGO operating grants are open only to NGOs, and funding covers core annual operating costs. Action grants are open to a wide range of organisation and funding relates to a specific project, which may last several years.

Much information is available on the LIFE website. However, it is **not always easy to find relevant information, or to understand what information is actually available. Rules relating to action grants are spread across multiple documents.**

7.2.2.1 LIFE NGO operating grants

In order to apply for an operating grant, NGOs must first respond to a call for proposals (CFP) for a framework partnership agreement (FPA).²⁰⁶ The CFP *'aims at identifying framework partners to which the EASME may at a later stage award specific operating grants (see section 10). Those specific operating grants shall foresee co-financing of the operating costs of NGO's related to the eligible activities provided for in the framework partners' 2016 and 2017 Work Programme.'*²⁰⁷ The FPA regulates a longer-term partnership between the applicant and EASME. Applicants must submit a two-year strategic plan.

Section 6 of the 2015 CFP provides a list of eligibility requirements. This includes an implicit definition of what is meant by NGO. The key points in this regard are that applicants must be **non-profit legal persons** that are **independent** from government, other public authorities and from political or commercial interests, and their objectives must be aimed at, among other things, the **public good**.²⁰⁸

The CFP lists six criteria, any of which are grounds for excluding an applicant from LIFE funding (the **exclusion criteria**).²⁰⁹ These are based on the exclusion criteria specified in Article 106 of the Financial Regulation²¹⁰ and introduced above. One of the exclusion criteria **refers to Article 109, which has since been deleted from the Financial Regulation**.²¹¹

Applicants will not be awarded funding if, during the course of the grant award, they find themselves in one of the above-mentioned situations.

With regard to the criterion relating to grave professional misconduct, EASME notes that it has never been confronted with such a case when considering applications. EASME would need to take legal

²⁰⁴ European Commission, 'Environment - LIFE : Funding : NGOs', accessed 11 November 2016, <http://ec.europa.eu/environment/life/funding/ngos/index.htm>.

²⁰⁵ European Commission, 'Environment - LIFE : Funding : LIFE+', accessed 11 November 2016, <http://ec.europa.eu/environment/life/funding/life.htm>.

²⁰⁶ European Commission Executive Agency for Small and Medium-sized Enterprises (EASME), 'CALL FOR PROPOSALS – FRAMEWORK PARTNERSHIP AGREEMENT FOR NON-GOVERNMENTAL ORGANISATIONS - Call Identifier: LIFE-NGO-FPA-EASME-2015'.

²⁰⁷ Ibid., p.3.

²⁰⁸ Ibid., p.6.

²⁰⁹ Ibid., pp.7-8.

²¹⁰ European Parliament and Council of the European Union, 'REGULATION (EU, EURATOM) No 966/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 October 2012 on the Financial Rules Applicable to the General Budget of the Union and Repealing Council Regulation (EC, Euratom) No 1605/2002' Article 106 Exclusion criteria and administrative sanctions.

²¹¹ European Parliament and Council of the European Union, 'REGULATION (EU, EURATOM) 2015/1929 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 28 October 2015 Amending Regulation (EU, Euratom) No 966/2012 on the Financial Rules Applicable to the General Budget of the Union' (Official Journal of the European Union, 28 October 2015), p.21, <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R1929&rid=1>.

advice on this because refusal to provide funding on this basis implies criticism of an applicant that could have legal consequences, and EASME is under an obligation not to create legal liabilities for the EC. This suggests a risk averse approach to the application of this criterion.

Applicants with whom FPAs are concluded are later invited to submit an annual work programme for funding under a specific grant agreement (SGA) covering a specific operating year. Thus the 2016 and 2017 operating years are covered by separate SGAs, each of which is the subject of its own separate procedure. When applying for funding under an SGA, **the applicant must state if there has been any change in its situation with regard to the exclusion criteria.**²¹²

Section 11.1 of the CFP deals with **publicity requirements**. It states:²¹³

*'Beneficiaries must **clearly acknowledge the European Union's contribution** in all publications or in conjunction with activities for which the grant is used.'*

*'In this respect, beneficiaries are required to **give prominence to the name and emblem of the European Commission** on all their publications, posters, programmes and other products realised under the co-financed project.'*

The invitation to submit proposals to conclude SGAs notes that **if publicity requirements are 'not fully complied with, the beneficiary's grant may be reduced.'**²¹⁴

Section 12 of the CFP deals with data protection, but this refers only to how applicants' data will be handled by the EC and EASME. This includes a reference to the EC's Early Warning System.

Section 14 provides general principles relating to the funding of specific operating grants and these include:

- Non-cumulative award (i.e. no double-funding by the EU);
- Non-retroactivity;
- Co-financing sources;
- Balanced budget (i.e. the work programme must show a balanced budget);
- Sub-contracting;
- Financial support to third parties (not permitted)

The maximum annual grant is EUR 700,000 but the grant may not exceed 60% of eligible costs, which are also specified here.

²¹² European Commission Executive Agency for Small and Medium-sized Enterprises (EASME), 'INVITATION TO SUBMIT PROPOSALS to Conclude Specific Grant Agreements for Non-Governmental Organisations Primarily Active in the Field of Environment And/Or Climate Action - Call Identifier: LIFE-NGO-SGA-EASME-2015', n.d., p.6.

²¹³ European Commission Executive Agency for Small and Medium-sized Enterprises (EASME), 'CALL FOR PROPOSALS – FRAMEWORK PARTNERSHIP AGREEMENT FOR NON-GOVERNMENTAL ORGANISATIONS - Call Identifier: LIFE-NGO-FPA-EASME-2015', p.15.

²¹⁴ European Commission Executive Agency for Small and Medium-sized Enterprises (EASME), 'INVITATION TO SUBMIT PROPOSALS to Conclude Specific Grant Agreements for Non-Governmental Organisations Primarily Active in the Field of Environment And/Or Climate Action - Call Identifier: LIFE-NGO-SGA-EASME-2015', p.12.

7.2.2.2 LIFE action grants

This section focuses on guidelines for ‘traditional’ LIFE Nature and Biodiversity projects under the 2016 call for proposals. There are different application packages addressing multiple themes and types of actions grants.²¹⁵

LIFE action grants are open to public bodies, private commercial organisations, and private non-commercial organisations (including NGOs).²¹⁶ The EC will fund up to a maximum of 60% of eligible costs.²¹⁷ The guidelines note that several projects with budgets in excess of EUR 5 million have been funded in the past, they do **not appear to indicate a maximum absolute grant size**, although it is implied that this is the ‘total indicative national allocation for the applicant’s Member State’.²¹⁸ On the other hand, it is suggested that projects with a budget of under EUR 500,000 have seldom succeeded in the past.

Project durations are not specified. Rather, the guidelines indicated that most projects last between two and five years.²¹⁹ Subcontracting (‘external assistance’) should not account for more than 35% of the budget.²²⁰ Grants cannot be used to fund activities that started before the start of the project.

Significantly, ***‘The improved performances/advantages introduced by the proposed solution must be quantified in terms of the expected environmental benefits. This must be done by clearly indicating what the chosen baseline is.’***²²¹

The guidelines make one **passing reference to the exclusion criteria but do not indicate what they are**. None of the seven documents included in the downloadable LIFE Nature & Biodiversity application package 2016 appeared to provide this information.²²² However, one of the documents²²³ does refer to Articles 106 and 107 of the Financial Regulation.

Rules on visibility are covered in some detail in the grant agreement:²²⁴

- ‘...any communication or publication related to the project, made by the beneficiaries jointly or individually, including at conferences, seminars or in any information or promotional materials (such as brochures, leaflets, posters, presentations, websites, noticeboards, etc.), shall indicate that the project has received funding from the Union and shall display the LIFE Programme logo...’;
- All durable goods acquired in the framework of the project shall bear the LIFE logo unless otherwise specified by the Agency/Commission.
- When displayed in association with another logo, the LIFE Programme logo must have appropriate prominence.
- The coordinating beneficiary shall create a project website or use an existing website in at least one official language of the European Union for the dissemination of project activities, progress and

²¹⁵ European Commission, ‘Environment - LIFE : Funding : 2016 Call for Proposals for LIFE Grants’, accessed 11 November 2016, <http://ec.europa.eu/environment/life/funding/life2016/index.htm#nat>.

²¹⁶ ‘Guidelines for Applicants 2016 - LIFE Nature and Biodiversity’, n.d., p.10, <http://ec.europa.eu/environment/life/funding/life2016/documents/2016naturebiodiversity.zip>.

²¹⁷ Ibid., p.13.

²¹⁸ Ibid., p.12.

²¹⁹ Ibid., p.14.

²²⁰ Ibid., p.15.

²²¹ Ibid., p.18.

²²² <http://ec.europa.eu/environment/life/funding/life2016/documents/2016naturebiodiversity.zip>

²²³ ‘Guide for the Evaluation of Sub-Programme Environment LIFE Project Proposals 2016’, n.d., p.10, <http://ec.europa.eu/environment/life/funding/life2016/documents/2016naturebiodiversity.zip>.

²²⁴ European Commission Executive Agency for Small and Medium-sized Enterprises (EASME), ‘Model Grant Agreement’, n.d., pp.17-18, <http://ec.europa.eu/environment/life/funding/life2016/documents/2016naturebiodiversity.zip>.

results. The web address where the main results of the project are available to the public shall be indicated in the reports. This website shall be online at the latest six months after the starting date as specified in Article I.2.2, shall be regularly updated and shall be kept for at least five years after the end of the project.

- *The beneficiaries shall erect and maintain notice boards describing the project at the locations where it is implemented, at strategic places accessible and visible to the public.*

The model grant agreement makes numerous references to different reports, and model technical reports are available on the LIFE website,²²⁵ but **it is unclear exactly what the reporting requirements are, or where this information can be found.**

Numerous other rules are spread across multiple documents.

7.2.3 Consumers, Health, Agriculture and Food Executive Agency - Chafea

The Consumers, Health, Agriculture and Food Executive Agency (Chafea) was created in January 2005.²²⁶ In 2013, the Agency's mandate was extended to 2024 and expanded to include actions in the field of health, consumer protection and food safety. In 2016 its remit was enlarged again to manage the reformed EU agricultural products information and promotion.

Chafea's tasks include:

- Managing financial support to fund activities in health and consumer affairs
- Training experts in food safety
- Disseminating knowledge and best practices, fostering networks among European experts
- Providing feedback to the European Commission (DG for Health and Consumers) for policy-making.

Currently, Chafea implements the EU Health Programme, the Consumer Programme, Better Training for Safer Food initiative (BTSF) and the Promotion of Agriculture Products Programme.²²⁷

Chafea and Consumer NGOs

The regulation establishing the New Consumer Programme emphasises the importance of improving consumer protection and calls for the cementing of specific objectives as regards '*safety, consumer information and education and support for consumer organisations at Union level, rights and redress as well as enforcement in respect of consumer rights*'.²²⁸ Moreover, the Regulation emphasises that '*the value and impact of the measures taken under the Programme should regularly be monitored and evaluated to facilitate smarter policy design in the interest of consumers*'.²²⁹

The Regulation stipulates for the participation of NGOs, and states that grants may be awarded to European consumer organisations which comply with all of the following conditions:

- (a) they are non-governmental, non-profit-making, independent of industry, commercial and business or other conflicting interests, and have as their primary objectives and activities the

²²⁵ European Commission, 'Model Technical Reports (Annex V to the Model LIFE Grant Agreement)', accessed 11 November 2016, http://ec.europa.eu/environment/life/toolkit/pmttools/life2014_2020/tech_report.htm.

²²⁶ It was formerly named PHEA between 2005 and 2008 and EAHC between 2008 and 2014.

²²⁷ 'Chafea - About Chafea - European Commission', accessed 30 August 2016, <http://ec.europa.eu/chafea/about/about.html>.

²²⁸ 'Regulation (EU) No 254/2014 of the European Parliament and of the Council of 26 February 2014 on a Multiannual Consumer Programme for the Years 2014-20 and Repealing Decision No 1926/2006/EC', accessed 30 August 2016, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014R0254>.

²²⁹ Ibid.

promotion and protection of the health, safety, economic and legal interests of consumers in the Union;

- (b) they are mandated to represent the interests of consumers at Union level by organisations in at least half of the Member States that are representative, in accordance with national rules or practice, of consumers, and that are active at regional or national level.

There is **no published list of beneficiaries** under the New Consumer Programme. There is a project database freely available on the Chafea website, but this covers the Health programmes only.

More generally, Chafea indicates that through its grant programmes, it works with several hundred partners, generally through specific projects.

Chafea has developed procedures that need to be applied by project partners who receive funding, however it is **unclear if these apply to the Health programme only, or can be used more broadly**.

The guidance covers:

- Fact sheets for the preparation and management of projects
- Guides for applicants
- Managing grants for action (projects)
- Managing procurement contracts
- Managing 2013 Operating grants
- Managing 2014 ECC-Net²³⁰ grants – templates of final reporting

²³⁰ European Consumer Centres Network

8 MONITORING AND CONTROL OF EU-FUNDED NGOS

KEY FINDINGS

- The EC has extensive processes and systems in place to screen, monitor, and control grants awarded to NGOs (and all other types of organisation). This includes a centralised system, accessible to all relevant departments, for flagging organisations of concern. Checks are carried out in this system, automatically, before any payments are made.
- A high profile example suggests that the ECs grant monitoring and control processes may not be functioning as envisaged, in particular where it relies on grant beneficiaries notify it of certain developments.
- Feedback from two EC departments suggests that there may be differences between departments regarding their approach to the exclusion criteria.
- OLAF is not able to provide information on misuse of funds by NGOs as it does not analyse investigations by type of organisation.
- No examples were encountered during the course of this study, of NGOs having been excluded from funding or having to repay funds on account of coming into conflict with the exclusion criteria e.g. for misusing funds, etc.

8.1 MONITORING AND CONTROL MECHANISMS OF THE COMMISSION

8.1.1 The Early Detection and Exclusion System (EDES) and the Early Warning System (EWS)²³¹

The Early Detection and Exclusion System (EDES) is the continuation of the Early Warning System (EWS) and the Central Exclusion database. It was launched on 01 January 2016. **The EDES does not differentiate between organisations, and there is no data specific to NGOs.** The EDES is intended to ensure:²³²

- *'the early detection of an economic operator representing risks threatening the Union's financial interests';*
- *'the exclusion of an economic operator from receiving Union's funds', 'the imposition of a financial penalty on an economic operator';*
- *'the publication in most severe cases on the Commission's internet site of information related to the exclusion and where applicable the financial penalty, in order to reinforce their deterrent effect'.*

The grounds for exclusion are listed in Article 106(1) of the Financial Regulation. As discussed above (see section 7.2) they concern bankruptcy and insolvency situations; non-payment of taxes or social security contributions; grave professional misconduct; fraud, corruption, participation in a criminal organisation etc.; serious breach of contract; irregularity.

The system was modified for two main reasons: transparency and efficiency. The previous Early Warning System (EWS) was criticised by the Court of Justice of the European Union because the affected entity was not notified before being registered in the database. There is also now the possibility for the name of the entity to be published in the gravest cases. All the entities registered in the EDES have to be notified and given the possibility to reply. The new system also harmonises the exclusion procedures because all the institutions and agencies can use this system. The procedure is now harmonised with a consultative panel and the authorising officer taking the initiative and making

²³¹ Data provided by DG BUDG.

²³² 'The Budget Explained - Protecting EU Interests - Budget', accessed 7 November 2016, http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm.

the end decision, following or not the advice of the panel. The panel is independent and composed of a chair, two representatives of the Commission and one representative of the requester within the Commission or institution. The process to register an entity is quite simple and must not exceed 45 days.

Data on early detection and exclusion remains in the EDES for a limited period of time. **For early detection, the entity is registered for a period of one year, and for exclusion for about three years. After this period, there is a retention period during which only OLAF and DG BUDG can have access to the information.** In case of repeated suspicion of misuse, this information can be used by the panel to make recommendations.

The EDES data has three components registering all the administrative sanction cases:

- The internal database that displays all the content of the EDES, available to EU institutions and agencies;
- The exclusion database that is available to Member States and managing entities in indirect management;
- The public website with the very serious cases.

The EDES data on exclusion is available to Member States, but Member States also provide information to feed into the EDES. Member States have the obligation under the EU financial rules to notify information on misuse of funds and suspected fraud cases. Member States enter the information in the Irregularity Management System (IMS) for cases of irregularity above EUR 15,000. From January 2017, authorising officers will be able to access the IMS, in addition to searching the EDES. However, this system appears to concern EU funds only, and it is **unclear if the EC would be notified of an organisation that was found to have misused funding from a Member State, in the event that the organisation were to apply for EU funding.**

When awarding grant contracts, authorising officers must verify whether the organisation is listed in the EDES. If the organisation is included in the exclusion list, it cannot be contracted. If it is included at other levels, it can be contracted provided that **special monitoring and control measures** are put in place. However, it is **unclear what those measure might be.**

Information was requested from the European Anti-Fraud office (OLAF) concerning misuse of EU funds by NGOs. However, **OLAF notes that there is no data available regarding NGOs, because it does not analyse investigations by type of beneficiary.**²³³

EASME notes that no LIFE NGO grantees have been included in the EWS or EDES. Some grantees have been included, but these were mainly private companies that were included due to bankruptcy. Feedback from DG ENV indicates that no NGOs have ever been excluded from EU funding for breaking rules, misusing funds, or malpractice, etc. NGO applicants are often excluded from funding for technical reasons, for example because they do not meet the eligibility criteria (e.g. wrong sector), but this is unrelated to the Financial Regulation's exclusion criteria. Small amounts of funding are often recovered during the end-of-project auditing process due to administrative errors. However, feedback from DG ENV indicates that there are no cases of NGOs been required to repay significant sums due to misuse of funds, or failure to comply with rules, etc. EASME notes that no LIFE NGO grantees have been included in the EWS or EDES. Some grantees have been included but these were mainly private companies that were included due to bankruptcy.

²³³ Data requested from OLAF on 05/08/2016 and reply received on 19/08/2016.

8.1.2 Monitoring and control by selected EC grant-awarding bodies

8.1.2.1 DG ECHO and DG DEVCO

One of the specificities of DG ECHO is that it has a wide field network of ECHO officers and experts. They are the first point of contact for organisations wishing to apply for project grant funding. This is understood by ECHO as ex-ante monitoring. If the project gets funded, it is then followed up and monitored by the same ECHO field officer. Once the project is finished, it is checked by an operational officer at headquarters level and the final payment for the project is made. There are also ex-post controls. ECHO has framework contracts with audit companies that audit the various projects funded by ECHO during their implementation in the field and after.

The monitoring and control mechanisms of DG DEVCO are generally similar to those of other EC grant giving bodies.²³⁴ Verification of data provided by applicants for funding is made at the evaluation phase by the evaluation committee when selecting proposals. Regarding the exclusion criteria, organisations have to sign a declaration and be in possession of the relevant documentation. DG DEVCO relies solely on this declaration, although it reserves itself the right to verify the information indicated and to request the relevant documentation in case of doubt. There is however no systematic verification. In the case of affiliate entities, the PRAG states that *'Affiliated entities must satisfy the same eligibility criteria as the lead applicant and the co-applicant(s)'*, but it remains unclear how and to what extent this is verified, since the lead applicant is anyway responsible for the contract.

Both DG ECHO and DG DEVCO note that they **rely on grant beneficiaries to inform them of any change in their situation with regard to the exclusion criteria**, and it is understood that they are contractually required to do so. However, during discussions carried out during the course of this study, there appeared to be differences between the two EC departments as to how they interpret and apply this rule. This is reviewed further in the following case study.

UK fundraising case study

This case study does not make any judgement on whether or not Oxfam GB should have informed the EC about the developments described below. Nor does it make any judgement as to whether or not the exclusion criteria apply to this situation. Rather, the purpose of this discussion is to illustrate apparent **differences in perceptions between EC departments regarding interpretation and application of funding rules**, which in turn may be due to a lack of clarity in the relevant rules.

Analysis of data from DG BUDG indicates that **Oxfam GB was the fourth largest NGO recipient of EC grants in 2015, with commitments of more EUR 33 million, mainly from DG ECHO and DG DEVCO** (see **Table 2** and Annex 2: DG BUDG NGO funding data – 2015 commitments to most-funded NGOs, October 2016).

The Fundraising Standards Board (FRSB) was an industry self-regulating body that regulated charity fundraising in the UK from 2006 to 2016.²³⁵ In 2016, it was replaced by a new body, the Fundraising Regulator. An article (dated 18 December 2015) on the new Fundraising Regulator's website, indicates that **the FRSB had 'ruled that one of Oxfam's fundraising campaigns breached industry standards'**.²³⁶ The article goes on to state that *'the regulator determined that several clauses of the UK's Code of Fundraising Practice had been breached'* and it later describes three specific breaches of the

²³⁴ Information provided by DG DEVCO.

²³⁵ Fundraising Standards Board, 'Fundraising Standards Board', accessed 13 November 2016, <http://www.frsb.org.uk/>.

²³⁶ Fundraising Standards Board, 'FRSB Investigation on Oxfam & Listen Ltd. | Fundraising Regulator', accessed 13 November 2016, <https://www.fundraisingregulator.org.uk/investigations/frsb-investigation-oxfam-listen-ltd/>.

code, including **'failing to make sufficient efforts to check and ensure the ongoing compliance of third parties with the Code and their legal requirements.'**²³⁷ Although critical of a headline in the newspaper that broke the story, the FRSB nevertheless stated that the newspaper *'was to be commended for uncovering poor fundraising practice'*.²³⁸

A report on charity fundraising, published by a UK parliamentary committee, notes that, as a member of the FRSB, Oxfam was *'bound to follow the code'*.²³⁹ The report, which also covers other charities goes on to state that the **'behaviour of some charities has damaged the reputation of the sector as a whole'**.²⁴⁰

Elsewhere, the report states:

*'Last summer's controversies were evidence of a failure of governance by trustees. The evidence reported here suggests that there is still some reluctance on the part of many trustees to accept that this was not just a failure of process or an excusable oversight, but a failure of trustees to understand that their primary role is governance, which means their overriding responsibility is to sustain the mission and values of their charitable organisation. Managing reputational risk is central to this role, for without good reputation, no organisation can be effective. In this role they failed. Trustees are as responsible for the activities of any sub-contractors, as for any part of a charity's operations. All the chief executives of the charities that gave oral evidence to us admitted that they did not scrutinise fundraising sub-contractors enough.'*²⁴¹ **The only possible conclusion is that, by failing in this responsibility, trustees were either negligent, or wilfully blind to what was being done in their names.**²⁴²

New legislation on charity fundraising has since been enacted.²⁴³

Oxfam's website includes an apology from its Chair, for fundraising practices carried out by agencies on its behalf.²⁴⁴ The statement refers to 'criticism' and 'allegations', but does not mention the FRSB's ruling.

When this was discussed with DG ECHO during the course of this study, **DG ECHO indicated that it was not aware of these developments, and suggested that this was unlikely to be actionable in the context of the exclusion criteria since the FRSB was an industry self-regulating body without statutory powers.** It suggested that had such a ruling come from a statutory body, such as the Charity Commission, it might have been necessary to consider this in the context of the exclusion criteria. However, at that time, the Charity Commission had *'no formal regulatory role with respect to fundraising'*.²⁴⁵ On the other hand, the FRSB was part of a regulatory system established by the Charities

²³⁷ Ibid.

²³⁸ Fundraising Standards Board, 'FRSB- Final Adjudication Report- Oxfam GB', 20 November 2015, p.2, https://www.fundraisingregulator.org.uk/wp-content/uploads/2016/09/FRSB_Oxfam-Adjudication-Report_December-2015.pdf.

²³⁹ House of Commons and Public Administration and Constitutional Affairs Committee, 'The 2015 Charity Fundraising Controversy: Lessons for Trustees, the Charity Commission, and Regulators', 25 January 2016, p.8, <http://www.publications.parliament.uk/pa/cm201516/cmselect/cmpubadm/431/431.pdf>.

²⁴⁰ Ibid., p.10.

²⁴¹ Page 42 of the report indicates that both the Chair and Chief Executive of Oxfam, among others, gave evidence to the committee.

²⁴² House of Commons and Public Administration and Constitutional Affairs Committee, 'The 2015 Charity Fundraising Controversy: Lessons for Trustees, the Charity Commission, and Regulators', p.26.

²⁴³ The Charity Commission, 'Charities Act 2016: New Fundraising Rules - News Stories - GOV.UK', accessed 13 November 2016, <https://www.gov.uk/government/news/charities-act-2016-new-fundraising-rules>.

²⁴⁴ Oxfam, 'Fundraising Promise | Oxfam GB', accessed 13 November 2016, <http://www.oxfam.org.uk/donate/oxfam-supporter-charter/oxfam-response>.

²⁴⁵ House of Commons and Public Administration and Constitutional Affairs Committee, 'The 2015 Charity Fundraising Controversy: Lessons for Trustees, the Charity Commission, and Regulators', p.26.

Act 2006.²⁴⁶ DG ECHO suggested that, if Oxfam had indeed not informed it of these developments it had presumably concluded that it was not necessary to do so, on the basis that the FRSB was not a statutory body.²⁴⁷

Feedback from a legal affairs unit at **DG DEVCO also indicated that it had not been informed of these developments**. DG DEVCO confirmed that, regardless of whether or not these developments were actionable in the context of the exclusion criteria, it **would have expected to be informed about them by Oxfam so that DG DEVCO could review the situation**. It indicated that it would be looking into this further.

In feedback on the pre-release version of the study report, Oxfam GB stated that *'In the event that Oxfam needs to report an incident under rule 106(1) we will of course do so, but a breach of a fundraising self-regulatory code is not a reportable incident under 106(1) and should not be referenced in the report as a reportable incident.'* However, the feedback from DG DEVCO suggests that interpretation of the rules is not so clear cut.

Given the high profile of the organisation involved, this case study suggests that the EC's monitoring and control processes may not be functioning as envisaged.

8.1.2.2 Executive Agency for Small and Medium-sized Enterprises – EASME

EASME evaluates the credibility of the partnership ex-ante and checks to see if the proposed activities are in line with the applicants' experience, expertise, mandate, etc. There is a 'revision' phase to clear up any doubts before the grant contract is signed.

Monitoring starts immediately after the contract signature. A monitoring consortium provides financial and technical monitors. The contractor visits each project once per year and they pre-evaluate all reports, and carry out one visit with EASME to every project during its lifetime. Grantees report monthly to the monitoring contractor. EASME notes that it can detect problems quickly through this process e.g. if one consortium member is not carrying its share of the project. However, **it is understood that EASME does not record the final distribution of funds between project partners and it is therefore unclear how it is possible to assess if a partner has implemented its share of the project**.

Grantees must submit a final report. The monitoring contractor carries out an ex post financial audit and an ex post technical audit.

As noted above, project reports and other information are published in the LIFE project database (see section 5.2.5).

EDES does not allow EASME to obtain statistics from the system, although it may be possible to obtain these from DG BUDG. EDES allows EASME to check individual entities in the system using a name search. EDES checks grantee flagging automatically before awarding a grant, and before each payment.

Regarding LIFE NGO operating grants, one beneficiary - the EEB - confirms that, at the time of application for a grant, EASME checks:

- Legal entity form
- Company number
- Tribunal de Commerce registration number
- Bylaws published in Monitor Belge

²⁴⁶ Ibid., p.18.

²⁴⁷ In an email, DG ECHO noted that "there are still enquiries between ECHO and OXFAM to clarify this point". (January 2017)

- VAT number, if they have one
- Work programme - the operating grant application covers two years. The EEB has to provide a work programme for the two years and this is updated annually.

EASME is responsible for ongoing monitoring of the EEB's NGO LIFE operating grant. The EEB must provide a detailed final report each year, and this has to be reviewed by auditors. Rules for grants over EUR 100,000, require that auditors to look in detail. The EEB also has to prepare a detailed technical report at the end of each year. Feedback from the EEB indicates that EASME monitors a sample of grantees each year. According to the EEB, this sample includes some long-standing beneficiaries, but focuses mainly on 'new' NGOs and is largely of a 'supportive' nature to help new NGOs comply with grant requirements.

8.1.2.3 Consumers, Health, Agriculture and Food Executive Agency - Chafea

Although **very little information is available for the current Consumer programme**, there is a 2011 study, which evaluated (ex post and mid-term) EU Consumer policy.²⁴⁸ Unfortunately, this did not address in-depth the participation of NGOs in EU consumer programmes, **nor did it provide any analysis on the monitoring of beneficiaries.**²⁴⁹

Chafea has also been the subject of an evaluation, which was published in 2010.²⁵⁰ Although now somewhat out of date, there is some anecdotal feedback on NGO beneficiaries in this study, chiefly drawing attention to the limited resources of NGOs in relation to grant funding and management.²⁵¹

²⁴⁸ This study was concerned with consumer policy and undertook three linked evaluations: PART 1: Ex-post evaluation of the Programme of Community Action in the field of consumer policy 2004-2007 (PoCA 2004-07); PART 2: Mid-term evaluation of the Consumer Policy Strategy 2007-2013 (CPS 2007-13); and PART 3: Mid-term evaluation of the Programme of Community Action in the field of consumer policy 2007-2013 (PoCA 2007-13).

²⁴⁹ RPA, NERA, 'Consumer Policy: Ex-Post and Mid-Term Evaluations - Final Report', March 2011, http://ec.europa.eu/smart-regulation/evaluation/search/download.do;jsessionid=yynqQLnziUjdBXEOX86lulPeWhLLwY7vn_JY3xRjOOQA7RZ-TR2v!-639955766?documentId=4544.

²⁵⁰ The 'Executive Agency for Health and consumers' was previously named 'Public Health Executive Agency' (PHEA) (<http://ec.europa.eu/chafea/about/about.html>). The change took place in 2008, before the referenced report was issued. However, the title of that document is '1st interim evaluation of the Public Health Executive Agency (Executive Agency) (EAHC since July 2008)'.

²⁵¹ COWI, '1st Interim Evaluation of the Public Health Executive Agency (Executive Agency) (EAHC since July 2008) - Final Report', December 2010, http://ec.europa.eu/health/programme/docs/eahc_eval_dec2010_en.pdf.

9 TRANSPARENCY STANDARDS APPLICABLE TO NGOS

KEY FINDINGS

- The Transparency Register is the main tool available to identify NGOs gravitating around EU institutions. However, it is not a reliable source of information. Registration in the register is voluntary and there are many errors in the entries.
- Information provided by all types of entity in the Transparency Register is not verified.
- Transparency International filed more than 4,000 official complaints on data inaccuracy with the Transparency Register's secretariat in late 2015 but doubts that the secretariat will be able to address them all before 2018 because it is understaffed.
- Data downloaded from the Transparency Register requires significant processing in order to carry out different types of analysis.
- The EU does not impose specific transparency requirements on NGOs, except for contractually required reporting, monitoring, and control data linked to individual grants. However, there appears to be no obligation on NGOs to make this information publicly available, and it is unclear if disclosure of this information is permitted by the EC.
- There appear to be gaps between NGO aspirations regarding accountability and transparency and actual practice.
- Several organisations mentioned in this report are members of an accountability organisation that requires them to submit regular (annual or biennial) reports using a well-established international standard. These reports provide important strategic information. However, the preparation and publication of these reports cannot on its own ensure transparency and accountability on a day to day basis.

It is generally understood that NGOs tend to combine three level of transparency in their operations:²⁵²

- The legal requirements
- The requirements described in a grant contract (financial reporting for example)
- The voluntary standards to which an organisation decides to adhere

9.1 THE TRANSPARENCY REGISTER

The Transparency Register was established in 2011. It is best described as **'a voluntary system of registration for entities seeking to directly or indirectly influence EU decision-making'**.²⁵³ Registration in the register is voluntary, even though there are strong **incentives for organisations to register, such as being automatically invited to public consultations, or access to some institutions, especially the European Parliament.**

Many NGOs (including Transparency International) advocate for a mandatory register and a public consultation on a related proposal took place from March to June 2016.²⁵⁴ A solution that is currently being envisaged by the institutions is to make the registration mandatory *de facto*. This would mean that **officials from the EU institutions would only meet with representatives of organisations**

²⁵² Interview with C. Dolan, Director of the Transparency International EU office

²⁵³ Marie Thiel and Elisabeth Bauer, 'Briefing EU Transparency Register - [EPRS BRI\(2016\)581950 EN.pdf](#)'.

²⁵⁴ 'Analysis of Responses to the Open Public Consultation on the Proposal for a Mandatory Transparency Register', July 2016, http://ec.europa.eu/transparency/civil_society/docs/summary_report.pdf.

registered in the Transparency Register. The discussions on the future of the Transparency Register are currently ongoing.

Transparency International has examined a number of entries in the Transparency Register and considered about half of them to be not credible.²⁵⁵ Transparency International has identified three main reasons: *'organisations fail to report any activities covered by the register'*, *'organisations declare lobbying expenditure of less than a minimum wage'*, and *'organisations declare more than EUR 1,000,000 expenditure per lobbyist'*.²⁵⁶ This does not necessarily indicate a wish on the part of the organisation to hide information. It is generally simply an error. Because of the voluntary character of the Transparency Register, **it is not a priority for most organisations and they do not necessarily pay attention to preciseness of data.** Many organisations report their total budget in the field *'estimate of the annual costs related to activities covered by the register'*. The **budget figure is therefore often incorrect** and needs to be verified. The vague formulation is also unlikely to help organisations identifying the relevant budget. The **Transparency Register cannot be considered a reliable tool.** It is however the **main tool available to identify NGOs gravitating around EU institutions.**

Transparency International suggests that another problem with the Transparency Register is that the **information provided by all types of entity is not verified, mainly because the Transparency Register Secretariat is understaffed.** Transparency International has filed more than 4,000 official complaints on data inaccuracy to the Secretariat at the end of 2015, and claims the secretariat as it is would not be able to address all the complaints before 2018. Besides, entering wrong information is not effectively sanctioned. Organisation can be removed from the Transparency Register but they can easily register again. The analysis of the answers to the public consultation on the proposal for a mandatory transparency register also suggests that *'While there is general support for the existing code of conduct and procedure for dealing with alerts and complaints, there is strong support for publishing names of suspended organisations (particularly amongst individual respondents).'*²⁵⁷ Some opposition to his measure has been observed from some organisations, with the least opposition coming from the NGO sector.

Transparency International considers that *'NGOs are already subject to higher standards than other organisations. The Commission's proposal for an Inter-institutional agreement on the Transparency Register in 2017 contains the proposal that NGO should provide more detailed information than any other type of registrant – providing information on any funding source above 10% of total income. Similar rules do not exist and are not suggested for companies, industry associations or think tanks for example.'*

The utility of the Transparency Register is limited because its data cannot be easily analysed. Data can be easily downloaded in several formats, but it requires significant processing in order to carry out analysis. For example, data on multiple 'Fields of interest' is combined in a single cell. As a result, **looking for precise information in the Transparency Register can be time-consuming process.**

Some EC feedback during the course of this study suggests that the Transparency Register may not be universally well-understood within the EC.

²⁵⁵ Transparency International EU Office, 'Press Release: More than Half the Entries on the Brussels Lobby Register Are Inaccurate, Incomplete or Meaningless', 7 September 2015, <http://www.transparencyinternational.eu/2015/09/press-release-more-than-half-the-entries-on-the-brussels-lobby-register-are-inaccurate-incomplete-or-meaningless-2/>.

²⁵⁶ Ibid.

²⁵⁷ 'Analysis of Responses to the Open Public Consultation on the Proposal for a Mandatory Transparency Register'.

9.2 SPECIFIC EU TRANSPARENCY REQUIREMENTS

Interview feedback from EC grant-giving bodies suggest that the **EU does not impose specific transparency on NGOs, besides the requirements towards the grant-giving entity in terms of reporting, monitoring and control** explained elsewhere in this study. However, feedback also indicates that is **doubtful that the EC would permit disclosure of contractually required documentation, such as self-evaluations.**

9.3 NGO TRANSPARENCY AND ACCOUNTABILITY FRAMEWORKS

During the course of this study, we have been referred to two NGO transparency and accountability frameworks, the Open Forum for CSO Development Effectiveness,²⁵⁸ and Accountable Now (formerly the INGO Accountability Charter).²⁵⁹

9.3.1 Open Forum for CSO Development Effectiveness

The Open Forum for CSO Development Effectiveness is led by a Global Facilitation Group consisting of 29 member organisations, including European NGO Confederation for Relief and Development (CONCORD),²⁶⁰ which in turn is comprised of multiple European national NGO platforms and international networks.²⁶¹ This suggests that many European and international NGOs subscribe to the forum's eight 'Istanbul CSO Development Effectiveness Principles', which include transparency and accountability:²⁶²

- 1. Respect and promote human rights and social justice
- 2. Embody gender equality and equity while promoting women and girls' rights
- 3. Focus on people's empowerment, democratic ownership and participation
- 4. Promote Environmental Sustainability
- **5. Practice transparency and accountability**
- 6. Pursue equitable partnerships and solidarity
- 7. Create and share knowledge and commit to mutual learning
- 8. Commit to realizing positive sustainable change

As indicated by their name, these principles do not present a set of prescriptive procedures or reporting requirements, but rather provide a broad framework to be used reflectively by civil society organisations to develop their own contextualised approaches to the eight areas covered.

As far as transparency and accountability are concerned, the document 'Putting the Istanbul Principles into Practice' notes the following points, among many others:

- *'Transparency and accountability create public trust, while enhancing CSO credibility and legitimacy. Democratizing information, increasing and improving its flow among all stakeholders,*

²⁵⁸ Open Forum for CSO Development Effectiveness, 'Home - Open Forum for CSO Development Effectiveness', accessed 13 November 2016, <http://cso-effectiveness.org/-home,091-.html>.

²⁵⁹ 'INGO Accountability Charter', accessed 13 October 2016, <http://www.ingoaccountabilitycharter.org/>.

²⁶⁰ Open Forum for CSO Development Effectiveness, 'Open Forum Bodies and Partners - Open Forum for CSO Development Effectiveness', accessed 13 November 2016, <http://cso-effectiveness.org/-open-forum-bodies-and-partners,014-.html>.

²⁶¹ CONCORD European confederation for relief and development, 'Members - CONCORD', accessed 13 November 2016, <https://concordeurope.org/who-we-are/our-members/>.

²⁶² Open Forum for CSO Development Effectiveness, 'Istanbul CSO Development Effectiveness Principles', 29 September 2010, http://cso-effectiveness.org/IMG/pdf/final_istanbul_cso_development_effectiveness_principles_footnote_december_2010-2.pdf.

*including political actors, strengthens both civil society and democratic culture. Transparency is an essential pre-condition for CSO accountability.*²⁶³

- *'Accountability is not limited to financial reporting...'*²⁶⁴

Elsewhere in this document, attention is drawn to some of the 'dimensions' included by some civil society organisations under accountability and transparency. These include:²⁶⁵

- *'Access to information about developmental and economic policies, budgets and interest groups';*
- *'Easy public access to all constitutive organizational policies and documents, including funding criteria, audited financial reports, programmatic reports, and evaluations';*

The analysis in Chapter 5 above suggests that, despite good intentions, there may be some **gaps between the aspirations expressed here, and actual practice.**

9.3.2 Accountable Now

Accountable Now (formerly the INGO Accountability Charter) is *'a cross-sector platform of globally acting civil society organisations'*.²⁶⁶ Members sign up to 10 commitments:²⁶⁷

- Respect for human rights
- Independence
- **Transparency**
- **Good governance**
- Responsible advocacy
- Participation
- Diversity/ inclusion
- Environmental responsibility
- **Ethical fundraising**
- Professional management

While these are all important in the context of EU funding, the three highlighted commitments are perhaps the most relevant in the context of this study.

Accountable Now currently has 19 full members and six affiliate members.²⁶⁸ Full membership is granted once an organisation has submitted its first report and this has been approved by the Independent Review Panel.²⁶⁹ Full members include, directly or indirectly, several of the organisations mentioned elsewhere in this study:

- Directly
 - The EEB

²⁶³ Christina Bermann-Harms and Nora Lester Murad, 'Putting the Istanbul Principles into Practice: A Companion Toolkit to the Siem Reap Consensus on the International Framework for CSO Development Effectiveness' (Open Forum for CSO Development Effectiveness, not dated), p.46, <http://cso-effectiveness.org/IMG/pdf/230111-implementation-toolkit-en-web.pdf>.

²⁶⁴ Ibid.

²⁶⁵ Ibid., p.50.

²⁶⁶ Accountable Now, 'About Accountable Now', accessed 13 November 2016, <http://www.ingoaccountabilitycharter.org/about-accountable-now/>.

²⁶⁷ Accountable Now, 'Accountability Commitments', accessed 13 November 2016, <http://www.ingoaccountabilitycharter.org/our-accountability-commitments/>.

²⁶⁸ Accountable Now, 'Accountable Now Members & Reports'.

²⁶⁹ International NGO Charter of Accountability Ltd, 'NGO Accountability Charter Reporting Requirements', July 2016, p.1, http://www.ingoaccountabilitycharter.org/wpcms/wp-content/uploads/Charter-Reporting-Requirements_July-2016.pdf.

- Transparency International
- ActionAid International
- Indirectly
 - Oxfam GB, through Oxfam International
 - ActionAid UK, through ActionAid International

Member organisations are required to report annually, within 12 months of the end of their financial year, using the Global Reporting Initiative's (GRI) NGO Sector Supplement.²⁷⁰ Once organisations are judged to have reached a sufficient level of accountability (and after a minimum of three years' reporting), full reports are required only every two years, with brief reports in interim years.²⁷¹

Reports are reviewed by an Independent Review Panel, and later published on the Accountable Now website, together with Review Panel feedback, within three to four months of the original reporting deadline.²⁷²

Oxfam International appears to be reporting on a biennial cycle, although its report does not appear to indicate the frequency of reporting – the GRI Content Index in Oxfam's most recent full report²⁷³ indicates that this information can be found in paragraph 1.2,²⁷⁴ however this information does not appear to be presented here or elsewhere in the report. The reporting period is given as the financial year 2013/14 but there appears to be no indication of when this starts and ends.

An interim report submitted by ActionAid International in 2014 states that it has moved onto biennial reporting following a recommendation, in 2013, of the Independent Review Panel.²⁷⁵ The most recent report of the EEB indicates that it is reporting on an annual cycle.²⁷⁶ Transparency International has submitted reports annually since 2007. Its most recent report indicates that it is reporting on an annual cycle.²⁷⁷

Members have to report against multiple strategic indicators in a highly standardised way, thereby making it easier to find specific information across multiple reports and multiple organisations. Nevertheless, there is still scope for qualitative variation between the information provided by different organisations.

Oxfam International's most recent full report states that it *'includes a full set of information from seven affiliates [...], with information from the other affiliates provided only for some sections. We are aiming to present a full picture of accountability efforts by all affiliates in next year's (2014/15) report.'*²⁷⁸

ActionAid's most recent full accountability report states that it *'does not include information on each indicator from all members of the federation. Instead it provides an overall summary of the accountability work carried out across the organisation with some specific examples'*. The report includes 11 references

²⁷⁰ Accountable Now, 'Charter Reporting Requirements', accessed 13 November 2016, <http://www.ingoaccountabilitycharter.org/reporting-requirements/>.

²⁷¹ International NGO Charter of Accountability Ltd, 'NGO Accountability Charter Reporting Requirements', p.2.

²⁷² Accountable Now, 'Review Process', accessed 13 November 2016, <http://www.ingoaccountabilitycharter.org/review-process/>.

²⁷³ Oxfam International, 'Oxfam Accountability Report 2013-2014', n.d., p.43, <http://www.ingoaccountabilitycharter.org/wpcms/wp-content/uploads/Oxfam-INGO-Report-7.pdf>.

²⁷⁴ Ibid.

²⁷⁵ ActionAid International, 'ActionAid Biennial Report 2014 To INGO Accountability Charter', n.d., p.1.

²⁷⁶ European Environmental Bureau, 'ACCOUNTABILITY REPORT OF THE EUROPEAN ENVIRONMENTAL BUREAU 2014', p.10.

²⁷⁷ Transparency International, 'INGO ACCOUNTABILITY CHARTER REPORT 1 JANUARY TO 31 DECEMBER 2014', n.d., http://www.ingoaccountabilitycharter.org/wpcms/wp-content/uploads/2014-TI-GRI-report20160211_CdS.pdf.

²⁷⁸ Oxfam International, 'Oxfam Accountability Report 2013-2014', p.5.

to ActionAid UK, for example. However, it could be argued that a single affiliate with an annual turnover of approximately GBP 63 million (approximately EUR 75 million) in both 2013 and 2014²⁷⁹ might merit fuller treatment in its own right.

The most recent available full reports for the organisations mentioned above relate to 2014 or 2013. As such, they provide a somewhat historical perspective that is possibly of limited utility for external stakeholders seeking greater insight into the organisations' activities today. One report covering 2014, is dated June 2016, and is to be assessed in November 2016.²⁸⁰ While they do provide much important strategic information, they do not address many of the obstacles to transparency described in Chapter 5, which are often of a more specific, detailed, day to day nature. Thus, while they make an important contribution to accountability and transparency, preparation and publication of accountability reports cannot on its own ensure accountability and transparency on a day to day basis.

9.3.3 International Aid Transparency Initiative

The International Aid Transparency Initiative (IATI) *'is a voluntary, multi-stakeholder initiative that seeks to improve the transparency of aid, development, and humanitarian resources in order to increase their effectiveness in tackling poverty. IATI brings together donor and recipient countries, civil society organisations, and other experts in aid information who are committed to working together to increase the transparency and openness of aid.'*²⁸¹

As of December 2016, 500 organisations published data in the framework of this initiative.²⁸² These include 355 NGOs, including several mentioned in this report. For example, ActionAid UK has published 19 datasets.²⁸³

However, data presented through this framework is not particularly 'accessible' in the sense that it requires data processing expertise to extract meaning from it. Moreover, it is not clear that it addresses issues raised in this study, for example, regarding the difficulty in linking specific FTS entries to specific activities published on individual NGO websites, or the apparent lack of publicly available information on the effectiveness of specific EU-funded NGO actions.

²⁷⁹ ActionAid, 'ACTIONAID 2014 ACTION FOR CHANGE Trustees' Report & Accounts for the Year Ending 31 December 2014', n.d., p.27, https://www.actionaid.org.uk/sites/default/files/actionaid_trustees_report_and_accounts_2014.pdf.

²⁸⁰ European Environmental Bureau, 'ACCOUNTABILITY REPORT OF THE EUROPEAN ENVIRONMENTAL BUREAU 2014'.

²⁸¹ International Aid Transparency Initiative, 'About | International Aid Transparency Initiative (IATI)', accessed 19 December 2016, <http://www.aidtransparency.net/about>.

²⁸² International Aid Transparency Initiative, 'Welcome - IATI Registry', accessed 19 December 2016, <https://www.iatiregistry.org/>.

²⁸³ International Aid Transparency Initiative, 'ActionAid UK - Organizations - IATI Registry', accessed 19 December 2016, <https://www.iatiregistry.org/publisher/aaauk>.

10 CONCLUSIONS AND RECOMMENDATIONS

10.1 DEFINITION OF NGO

There is a continuing absence of an EU-wide definition of 'NGO'. Different EC departments apply these terms differently, and in some cases there are differences in definitions used by different programmes managed by the same department. When necessary, definitions of 'NGO' are specified in the eligibility rules covering individual grant programmes, and the EC refers to the national legislation under which an organisation is registered in order to confirm its status. Some EC-funded programmes consider an NGO to be any organisation that is not part of the government, including, for example, private companies, universities, not-for profit organisations. Other programmes are much more restrictive. The term 'not for profit' is sometimes used in preference to 'NGO', but this is also not particularly helpful, as it can cover many types of organisation.

Several EC stakeholders consider that the term 'NGO' is not useful, as it generally does not correspond the eligibility criteria of EU-funded programmes. Feedback from the EC regarding a proposal for an EU-wide status of European Association can best be described as lukewarm. It is unclear what the benefits would be, it might add complexity, and like other organisational typologies might not correspond to the eligibility criteria of specific EC grant programmes.

A cross-country analysis of the legal framework of NGOs in six European and non-European jurisdictions indicates diverse understandings and designations of 'NGO' between countries. This suggests that **harmonisation of the concept may be problematic**.

Organisations considered as **NGOs often benefit from a special tax status that differs between countries**. In some countries, the recognition of a public utility purpose provides big advantages to the organisations. **The criteria to identify 'public utility' are often vague and differ between countries**. A review of the public utility status in Germany shows that this status, while advantageous for NGOs, is not always clear and may create uncertainty. The **not-for-profit character of the objective pursued, and independence from government are common to most regulatory frameworks**.

Recommendations

Instead of seeking a precise definition of the term 'NGO', or other similarly broad concepts, it may, in the context of EC funding, be **more useful to focus on applying precise definitions of the different types of the many different types of organisations that are often included under this term**. In this way, it would be possible to specify, with more precision, which types of organisations are included when the term 'NGO' is used in different contexts. As a minimum, it would greatly facilitate the exclusion of specific organisational types from policy debate and analysis.

If it is considered essential to reach a specific, unique, and universally agreed and applied definition of the term 'NGO', it is suggested that this would require more intensive analysis, for example through a study of the subject on its own account.

10.2 INFLUENTIAL NGOS

It is not possible to identify the 50 top NGO recipients of EC funding using existing, publicly available publically available databases, such as the Financial Transparency System. Analysis of data obtained from DG BUDG data indicates that, in 2015, EC services made commitments of EUR 610 million to 28 NGOs. Almost 100% of these commitments were made by EC departments dealing with external matters.

The three largest beneficiaries of these commitments are the **Danish Refugee Council**, which accounted for 8.4%, **Red Barnet Forening** (Save The Children, Denmark) (7.5%), and the **Norwegian Refugee Council** (7.3%).

Six of the 28 NGOs appear to be registered in the UK and account for 15.9% of the EUR 610 million. NGOs from just two Member States (**Denmark and the UK**) account for almost 40% of these EUR 610 million commitments.

DG ECHO and **DG DEVCO** accounted for 92% of the EUR 610 million commitments in 2015 to the top 28 NGOs, with DG ECHO alone accounting for 68%.

NGOs awarded sizeable EC grants may also receive additional EU funds through procurement.

Geographical location of NGO HQ appears to be an important consideration for NGOs that are active in influencing EU policy-making through lobbying. Access to the European institutions (i.e. having representation in Brussels or being based in a neighbouring country) appears to be one of the key criteria to be able to influence EU policy-making.

The Transparency Register indicates that 'Climate action', 'Development' and 'Environment' are the main fields of interest of the NGOs that are most active around EU policy-making, followed by 'economic and financial affairs', 'energy', and 'justice and fundamental rights'.

The majority of the 40 most active NGOs in terms of influencing policy making are either members of a network or are themselves networks. Networks alone account for 55% of this group. Large NGO recipients of EC grants that are not registered in the Transparency Register in their own right may nevertheless be considered as highly influential through close association with organisations that are registered. Some organisations that are registered in the Transparency Register in their own right exert additional influence through membership of, or association with, other organisations that are registered in the Transparency Register.

10.3 MANAGEMENT AND CONTROL OF EC GRANT FUNDING

The EU itself does not have rules on NGOs themselves. It does, however, apply rules in respect of EU funding for NGOs (and other) recipients of EU funding. The main rule is that they must not be in any of the situations specified in Article 106(1) of the EU Financial Regulation, which specifies the exclusion criteria. **Understanding and application of the exclusion criteria is not clear cut** and requires legal expertise in some cases. Feedback from two EC departments suggests that there may be **differences between EC departments regarding their approach to the exclusion criteria**. Other rules common to EU funding relate to EU visibility, sub-contracting, reporting, auditing, etc. Rules vary between financial.

EC systems to do not allow accurate analysis of funding allocated to individual NGOs, or to NGOs in general. A 2010 European Parliament study identified significant shortcomings in the way that the Commission records grant funding. These shortcomings remain. Firstly, EC systems do not utilise a standard NGO classification, but rather use the term not-for-profit, which includes many types of organisation. Data from some services does not even make this distinction. Secondly, EC data does not reflect redistribution of grant funding between consortium partners.

Different EC services continue to utilise separate grant recording systems. Commitment data from these separate systems is submitted to DG BUDG which transfers the data to central budgeting system that forms the basis of the Financial Transparency System. There are **inconsistencies** in the way that data is entered (e.g. beneficiary names) between and within systems, and this further constrains

analysis. DG BUDG appears to use a legal entity key to identify unique grant beneficiaries, this key does not appear to be available with data downloaded from the Financial Transparency System.

It is possible that apparent differences between data provided to the European Parliament in mid 2016, and data in the FTS may be due to differences in the year in which the grants are 'booked' in the FTS and individual EC departments' own systems.

The EC has extensive processes and systems in place to screen, monitor, and control grants awarded to NGOs (and all other types of organisation). This includes a centralised system, accessible to all relevant departments, for flagging organisations of concern. Checks are carried out in this system, automatically, before all payments are made.

Nevertheless, a high profile example suggests that the EC's grant monitoring and control processes may not always function as envisaged, in particular where it relies on grant beneficiaries to notify it of certain developments.

OLAF is not able to provide information on misuse of funds by NGOs as it does not analyse investigations by type of organisation.

Recommendations

A **single, centralised EC system for recording and managing grant funding** would enhance transparency and analysis by eliminating variations that currently exist between different EC systems. This would ideally record not only forecast commitments, but **actual disbursements**.

In order to analyse how funding is allocated to different types of entity, and to understand variations in the effectiveness of funds allocated to different types of entity, it is necessary for all EC services to agree on **standard entity definitions**, and then to **apply them uniformly**.

In order to understand how much EC funding individual NGOs are receiving, it is necessary to **record how grant funds are actually redistributed between project partners**.

Rather than relying on grant beneficiaries to inform the EC of changes in their situation with regard to the exclusion criteria, it may be advisable for the **EC to proactively review the status of the largest beneficiaries as a matter of course**.

10.4 TRANSPARENCY AND ACCOUNTABILITY

This section summarises the study's findings on transparency and accountability from three perspectives:

- NGOs
- The EC
- The Transparency Register

NGOs

Analysis reveals a complex web of interconnected NGOs linked through membership of numerous overlapping networks that address many different issues. NGOs that do not receive EU grants directly may nevertheless benefit indirectly from EU funding through membership of networks that do receive EU grants. It is often difficult to identify which organisations in a network or consortium are undertaking which activities or how funds flow between them in relation to those activities.

Feedback from the EC suggests that it may inadvertently have contributed to this complexity, for example with requirements that grant applicants must have partners in all Member States.

Reliance on individual/ private donors as opposed to institutional donors enables NGOs to use funding without the need to comply with major accountability and transparency requirements, which would be required by institutional donors, such as detailed aims and objectives of specific actions, relationships between entities, project management arrangements, and objective assessment of the effectiveness of specific actions. The decentralised (and uncoordinated) approach of this type of network makes it difficult to get a clear view of the extent to which the national affiliations comply with rules applicable where they operate.

It is difficult to link published NGO activities and outputs to specific EU-funded actions, because of the way beneficiary organisations present their activities, without reference to specific EU-funded actions. It is impossible to reliably correlate financial information from various sources including the Financial Transparency System, individual EC departments, and NGO annual reports. The level of detail in the financial information provided in NGOs' annual reports is variable and it is not always clear where additional information can be found.

NGOs receiving EU funds provide varying levels of EU visibility. It is unclear if this is due to EC visibility rules or to the way in which NGOs apply the rules. Some NGOs acknowledge EU support on every web page; others provide limited, seemingly haphazard, acknowledgement of EU funding on their websites and in publications. On the websites of some of the largest NGO recipients of EU grant funding it is difficult to find acknowledgement of EU funding.

The EU does not impose specific transparency requirements on NGOs, except for contractually required reporting, monitoring, and control data linked to individual grants. However, there appears to be **no obligation on NGOs to make this information publicly available, and it is unclear if disclosure of this information is permitted by the EC. Substantive, publicly available evaluative information on the performance of EC funded NGOs and/ or actions funded by EU grants seems to be limited.** Two case-study NGOs indicate that they produce this information for their members and the EC, but this information is not publicly disclosed.

There appear to be gaps between NGOs' declared aspirations regarding accountability and transparency and actual practice.

The European Commission

The Financial Transparency System has limited utility as a tool for analysis of grant funding. The underlying system is a tool for tracking commitments for budgeting purposes. It does not indicate actual disbursements. Moreover, there are numerous inconsistencies in the way entity names are entered, which leads to numerous anomalies when attempting to carry out analysis by entity name. Data from DG BUDG indicates that it is using a 'legal entity' key to uniquely identify different entities, but this key does not appear to be present in data downloaded from the system. As noted above, EC systems apparently do not record how funding is redistributed between consortium partners, and this means that there is ultimately no way of knowing how much EC funding different NGOs are actually receiving. As noted elsewhere, information is spread across different EC systems and it is difficult to correlate information from different sources.

DG ENV's LIFE project database systematically provides much useful and important information about grant funded actions dating back to 1992. **It is unclear to what extent other EC services are able to present this level of information to the public.** Nevertheless, information for ongoing multi-year projects that started a year or more ago appears to be limited, and information that can be downloaded

in spreadsheets does not appear to include financial data. This database does not appear to be linked directly to the FTS, requiring users to search manually in both systems to find the same action.

In order to understand relevant rules and obligations relating to EU funding, applicants generally need to consult multiple documents, some of which partly repeat themselves. Some EC departments make this information more accessible than others through clearer presentation on their websites. Rules vary somewhat between funding instruments, for example depending on target group or the objective of the instrument. The same overarching rules (e.g. regarding exclusion criteria and visibility) may be presented differently by different EC services or funding instruments. **Obstacles to locating and understanding rules are likely to make it harder for NGOs to comply with rules, and it undermines public accountability as it is harder for the public to understand the obligations to which NGOs have committed themselves.**

Transparency Register

The Transparency Register is the main tool available to identify NGOs gravitating around EU institutions. However, it is not a reliable source of information. Registration in the register is voluntary, information provided by all types of entity is not verified, and there are many errors.

Transparency International filed more than 4,000 official complaints on data inaccuracy with the Transparency Register's secretariat in late 2015 but it doubts that secretariat will be able to address them all before 2018 because it is understaffed.

Declaration of the fields of interest in the Transparency Register is voluntary and does not involve any verification. There may be discrepancies between reality and what is declared. Some registered NGOs declare all possible fields of interest in the Transparency Register.

Data downloaded from the Transparency Register requires significant processing in order to carry out different types of analysis. This is in itself an obstacle to transparency.

Recommendations

To enhance the visibility of EC grant instruments, it may be desirable to revisit rules on visibility. These might include, for example:

- A requirement to display a **standard, highly recognisable 'EC-funded' logo** in a **prominent position on every web page** of direct and indirect grant beneficiaries (e.g. in the header, footer, or in menus);
- A **webpage linked to the above-mentioned logo showing all EU funding the entity has received** over a five-year period, instruments that the funding came from, and the actions for which the funding was provided;
- **Links to EC-funded project websites;**
- **Links to publicly available information on EC systems relating to the actions listed on the webpage** (e.g. to the LIFE project database, the Financial Transparency System, and other relevant systems).

Besides the requirements on visibility, the EC could also introduce **requirements for grant beneficiaries to present other standard information about EC actions in a uniform manner**, such as action titles, reference numbers, descriptions, partners, results, evaluations, etc.

Transparency would be enhanced if different EC departments and instruments presented **information about grant-funded actions and entities in a more consistent and uniform manner.**

Transparency, as well as compliance with rules, would be greatly facilitated by a **clearer and more consistent presentation of information on the websites of different EC services and instruments**. There is also scope for greater **consistency** in the way that information about overarching rules is presented, and some of this information could benefit from **simplification** (e.g. the exclusion criteria). Redundant **duplication** of information between documents should ideally be **eliminated**.

The complexity of relationships between NGOs funded by the EC, and the complexity of the actions they undertake, pose significant **challenges regarding accountability and transparency, not just to the EC, but to society in general**. There is perhaps a need to review how this is ensured, and to consider new tools and approaches at EU level. In particular, the emergence of new and innovative approaches to NGO funding increasingly releases NGOs from the transparency and accountability requirements imposed by large institutional donors, and this implies that their activities are not subject to such intensive, systematic monitoring. This includes, for example, organisations that are funded primarily through multiple, small public donations, that exist primarily on the internet and operate across multiple jurisdictions. There is a need to engage with such organisations to encourage them to enhance their transparency and accountability. At the same time, there is a need to develop new approaches for society to monitor their activities.

10.4.1 NGO compliance with rules and regulations

This study has encountered **very few examples of NGOs that are considered to have been in breach of rules or regulations**. A ruling against one NGO mentioned in this report was subsequently overturned by a court in the NGOs favour.

This suggests that, either NGOs are all complying with rules and regulations, or that breaches are going undetected, or are not being publicly reported when they are detected. As far as EC funding is concerned, EC systems may be identifying and recording breaches by individual NGOs, but relevant EC systems are not able to generate statistics on NGOs, for example because of difficulties regarding organisational typologies, or because relevant systems do not track breaches by type of organisation.

REFERENCES

- 'Aberkennung Der Gemeinnützigkeit Droht? Erfahrener Anwalt Hilft'. Accessed 8 November 2016.
<http://www.winheller.com/gemeinnuetzigkeitsrecht/aberkennung-gemeinnuetzigkeit.html>.
- Accountable Now. 'About Accountable Now'. Accessed 13 November 2016.
<http://www.ingoaccountabilitycharter.org/about-accountable-now/>.
- 'Accountability Commitments'. Accessed 13 November 2016.
<http://www.ingoaccountabilitycharter.org/our-accountability-commitments/>.
- 'Accountable Now Members & Reports'. Accessed 7 November 2016.
<http://www.ingoaccountabilitycharter.org/charter-members/>.
- 'Charter Reporting Requirements'. Accessed 13 November 2016.
<http://www.ingoaccountabilitycharter.org/reporting-requirements/>.
- 'Review Process'. Accessed 13 November 2016.
<http://www.ingoaccountabilitycharter.org/review-process/>.
- 'Accountable Now - European Environmental Bureau Accountable'. Accessed 10 November 2016. <http://www.ingoaccountabilitycharter.org/charter-members/european-environmental-bureau/>.
- ActionAid. 'ACTIONAID 2014 ACTION FOR CHANGE Trustees' Report & Accounts for the Year Ending 31 December 2014', n.d.
https://www.actionaid.org.uk/sites/default/files/actionaid_trustees_report_and_accounts_2014.pdf.
- 'Make Tax Fair Everywhere Campaign Guide'. ActionAid, February 2016.
https://www.actionaid.org.uk/sites/default/files/make_tax_fair_everywhere_campaign_guide.pdf.
- 'Trustees' Report and Accounts 2015', no date.
https://www.actionaid.org.uk/sites/default/files/actionaid_trustees_report_and_accounts_2015_0.pdf.
- ActionAid International. 'ActonAid Biennial Report 2014 To INGO Accountability Charter', n.d.
- 'Agreement between the European Parliament and the European Commission on the Transparency Register for Organisations and Self-Employed Individuals Engaged in EU Policy-Making and Policy Implementation'. Accessed 30 August 2016. [http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014Q0919\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014Q0919(01)&from=EN).
- 'Analysis of Responses to the Open Public Consultation on the Proposal for a Mandatory Transparency Register', July 2016.
http://ec.europa.eu/transparency/civil_society/docs/summary_report.pdf.
- 'AO - Einzelnorm'. Accessed 8 November 2016. https://www.gesetze-im-internet.de/ao_1977/_52.html.
- 'Associations et Fondations | Service Public Federal Justice'. Accessed 8 November 2016.
http://justice.belgium.be/fr/themes_et_dossiers/associations_et_fondations.
- 'Associations.gouv.fr | Créer, Gérer et Développer Votre Association'. Accessed 8 November 2016. <http://www.associations.gouv.fr/>.
- 'Attac - Les Commissions'. Attac France. Accessed 30 August 2016. <https://france.attac.org/attac/les-commissions/>.
- 'Attac Austria | The International Attac Network'. Accessed 30 August 2016.
<https://www.attac.org/en/whatisattac/attac-austria>.
- 'Attac UK'. The International Attac Network. Accessed 3 September 2016.
<https://www.attac.org/en/whatisattac/attac-uk>.
- 'Barroso, Don't Sell Our Public Interest to Goldman Sachs'. Accessed 30 August 2016.
<https://act.wemove.eu/campaigns/eu-revolving-doors>.

- Bermann-Harms, Christina, and Nora Lester Murad. 'Putting the Istanbul Principles into Practice: A Companion Toolkit to the Siem Reap Consensus on the International Framework for CSO Development Effectiveness'. Open Forum for CSO Development Effectiveness, not dated. <http://cso-effectiveness.org/IMG/pdf/230111-implementation-toolkit-en-web.pdf>.
- 'BEUC - Who We Are'. Wwww.beuc.eu. Accessed 27 September 2016. <http://www.beuc.eu/about-beuc/who-we-are>.
- BirdLife International. 'Contact Us | BirdLife'. Accessed 10 November 2016. <http://www.birdlife.org/contact-us>.
- Blandine Poidevin. 'ONG et ASSOCIATIONS'. Avocat Lille, 29 September 2011. <https://www.jurisexpert.net/ong-et-associations/>.
- Blomyer, Roland, Roderick Ackermann, Michael Hammer, Robert Lloyd, Christina Laybourn, Jack Malan, Filipa Figuera, Michael Richardson, Daniel Beresford, and Lee O'Connor. 'Financing of Non-Governmental Organisations (NGO) from the EU Budget', 2010. [http://www.europarl.europa.eu/RegData/etudes/etudes/join/2010/411285/IPOL-JOIN_ET\(2010\)411285_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2010/411285/IPOL-JOIN_ET(2010)411285_EN.pdf).
- BMZ, Federal Ministry for Economic Cooperation and Development. 'NGOs'. Federal Ministry for Economic Cooperation and Development. Accessed 30 August 2016. http://www.bmz.de/en/what_we_do/approaches/bilateral_development_cooperation/players/ngos/index.html.
- 'Campaign to Make Tax Fair'. ActionAid UK. Accessed 5 September 2016. <https://www.actionaid.org.uk/campaign/campaign-to-make-tax-fair>.
- 'Chafea - About Chafea - European Commission'. Accessed 30 August 2016. <http://ec.europa.eu/chafea/about/about.html>.
- CONCORD European confederation for relief and development. 'Members - CONCORD'. Accessed 13 November 2016. <https://concordeurope.org/who-we-are/our-members/>.
- 'Consumers International - About Us'. Accessed 27 September 2016. <http://www.consumersinternational.org/who-we-are/about-us/>.
- 'Contact Us'. Development Research Center. Accessed 3 September 2016. <http://devresearch.org/contact-us/>.
- 'Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE)'. Accessed 30 August 2016. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32003R1435>.
- COWI. '1st Interim Evaluation of the Public Health Executive Agency (Executive Agency) (EAHC since July 2008) - Final Report', December 2010. http://ec.europa.eu/health/programme/docs/eahc_eval_dec2010_en.pdf.
- 'Criminalising Humanity'. Accessed 30 August 2016. <https://act.wemove.eu/campaigns/criminalising-humanity>.
- DG BUDG. 'Email from DG BUDG to the European Parliament', 25 October 2016.
- 'DG Echo Partners' Website'. Accessed 3 October 2016. http://dgecho-partners-helpdesk.eu/become_a_partner/start.
- 'EACI - Facing Tomorrow'. Accessed 10 November 2016. <http://ec.europa.eu/eaci/>.
- 'ECHO VISIBILITY WEBSITE | HUMANITARIAN AID AND CIVIL PROTECTION'. Accessed 12 November 2016. <http://www.echo-visibility.eu/>.
- 'EC-SQUARE - Eradication and Control of Grey Squirrel: Actions for Preservation of Biodiversity in Forest Ecosystems LIFE09 NAT/IT/000095', n.d. http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=3805.

- 'EU: Tell Erdoğan, Enough Is Enough!' Accessed 30 August 2016. <https://act.wemove.eu/campaigns/turkey>.
- 'EurAssoc'. Accessed 5 October 2016. <http://www.eurassoc.eu/>.
- 'Eurodad - European Network on Debt and Development'. Eurodad. Accessed 3 September 2016. <http://www.eurodad.org/sites/about>.
- Eurodad European Network on Debt and Development. 'Annual Report 2015'. Brussels, Belgium, no date. <http://eurodad.org/files/pdf/57601cc192ceb.pdf>.
- 'Written Feedback from Eurodad', 31 October 2016.
- Eurodad European Network on Debt and Development, 11.11.11, Centre national de coopération au développement (CNCD-11.11.11), Glropolis, IBIS, Demnet, CCFD-Terre Solidaire, et al. 'Fifty Shades of Tax Dodging - The EU's Role in Supporting an Unjust Global Tax System - a Report Coordinated by Eurodad', 2015. <http://www.eurodad.org/files/pdf/1546494-fifty-shades-of-tax-dodging-the-eu-s-role-in-supporting-an-unjust-global-tax-system.pdf>.
- 'Eurodad Members'. Eurodad. Accessed 3 September 2016. <http://www.eurodad.org/sites/members>.
- 'Eurodad.org'. Accessed 8 November 2016. <http://www.eurodad.org/reports/index>.
- European Commission. 'Environment - LIFE: About LIFE'. Accessed 9 November 2016. <http://ec.europa.eu/environment/life/about/index.htm#life2014>.
- 'Environment - LIFE by Theme'. Accessed 10 November 2016. <http://ec.europa.eu/environment/life/project/Projects/index.cfm>.
- 'Environment - LIFE : Funding : 2016 Call for Proposals for LIFE Grants'. Accessed 11 November 2016. <http://ec.europa.eu/environment/life/funding/life2016/index.htm#nat>.
- 'Environment - LIFE : Funding : LIFE+'. Accessed 11 November 2016. <http://ec.europa.eu/environment/life/funding/life.htm>.
- 'Environment - LIFE : Funding : LIFE - List of NGOs 1997 - 2013'. Accessed 10 November 2016. http://ec.europa.eu/environment/life/funding/ngos/list_ngos.htm.
- 'Environment - LIFE : Funding : NGOs'. Accessed 11 November 2016. <http://ec.europa.eu/environment/life/funding/ngos/index.htm>.
- 'European Environmental and Climate NGOs - LIFE Operating Grants 2015', 2015. http://ec.europa.eu/environment/life/publications/lifepublications/ngos/documents/ngo_compi15.pdf.
- 'European Environmental NGOs - LIFE Operating Grants 2014', 2014. <http://ec.europa.eu/environment/life/publications/lifepublications/ngos/documents/ngos2014.pdf>.
- 'Model Technical Reports (Annex V to the Model LIFE Grant Agreement)'. Accessed 11 November 2016. http://ec.europa.eu/environment/life/toolkit/pmttools/life2014_2020/tech_report.htm.
- European Commission Executive Agency for Small and Medium-sized Enterprises (EASME). 'CALL FOR PROPOSALS – FRAMEWORK PARTNERSHIP AGREEMENT FOR NON-GOVERNMENTAL ORGANISATIONS - Call Identifier: LIFE-NGO-FPA-EASME-2015', n.d. http://ec.europa.eu/environment/life/funding/ngos/pdf/2015/ngos_application_pckg2014.zip.
- 'INVITATION TO SUBMIT PROPOSALS to Conclude Specific Grant Agreements for Non-Governmental Organisations Primarily Active in the Field of Environment And/Or Climate Action - Call Identifier: LIFE-NGO-SGA-EASME-2015', n.d.
- 'Model Grant Agreement', n.d. <http://ec.europa.eu/environment/life/funding/life2016/documents/2016naturebiodiversity.zip>.
- European Environmental Bureau. '2014 Annual Report', September 2015. <http://www.eeb.org/index.cfm/library/annual-report-2014/>.

- '2015 Annual Report', August 2016. <http://www.eeb.org/?LinkServID=8CBA3F5D-5056-B741-DB358BA3913C09CF&showMeta=0&aa>.
- 'About the EEB - How the EEB Works'. Accessed 10 November 2016. <http://www.eeb.org/index.cfm/about-eeb/how-the-eeb-works/>.
- 'Accountability report of the European environmental bureau 2014', June 2016. http://www.ingoaccountabilitycharter.org/wpcms/wp-content/uploads/EEB-2014-Accountability-report_Submitted-30062016.pdf.
- 'Annual Report 2013', September 2014. <http://www.eeb.org/EEB/?LinkServID=5CB28CB5-5056-B741-DBF934A519D00261>.
- 'Members - EEB'. Accessed 9 November 2016. <http://www.eeb.org/index.cfm/members/?first=11>.
- 'Our Donors - EEB'. Accessed 10 November 2016. <http://www.eeb.org/index.cfm/about-eeb/our-donors/>.
- Statutes of the European Environmental Bureau, 2012.
- 'Welcome to the European Environmental Bureau - EEB'. Accessed 10 November 2016. <http://www.eeb.org/>.
- European Environmental Bureau, Climate Action Network Europe, HEAL, sandbag, and WWF. 'Lifting Europe's Dark Cloud - How Cutting Coal Saves Lives', n.d.
- European Network on Debt and Development. 'Amendment to Articles of Association and Seat / Adaptation to the Belgian Law', n.d. <http://www.ejustice.just.fgov.be/tsv/tsvf.htm>.
- European Parliament, and Council of the European Union. 'REGULATION (EU, EURATOM) 2015/1929 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 28 October 2015 Amending Regulation (EU, Euratom) No 966/2012 on the Financial Rules Applicable to the General Budget of the Union'. Official Journal of the European Union, 28 October 2015. <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R1929&rid=1>.
- 'REGULATION (EU, EURATOM) No 966/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 October 2012 on the Financial Rules Applicable to the General Budget of the Union and Repealing Council Regulation (EC, Euratom) No 1605/2002', 1 January 2016. <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02012R0966-20160101&from=EN>.
- 'Exemption Requirements - 501(c)(3) Organizations'. Accessed 8 November 2016. <https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-section-501-c-3-organizations>.
- 'Financial Transparency System (FTS) - European Commission'. Accessed 3 September 2016. http://ec.europa.eu/budget/fts/index_en.htm.
- 'Finanzamt Frankfurt Entzieht Zusammen e.V. Gemeinnützigkeit'. Accessed 8 November 2016. <http://www.zusammen-ev.de/index.php/ueberuns/180-finanzamt-frankfurt-entzieht-zusammen-e-v-gemeinnuetzigkeit>.
- Frankfurter Allgemeine Rhein-Main. 'Finanzgericht Bescheinigt Attac Gemeinnützigkeit', 10 November 2016. <http://www.faz.net/aktuell/rhein-main/finanzgericht-bescheinigt-attac-gemeinnuetzigkeit-14521919.html>.
- Fundraising Standards Board. 'FRSB- Final Adjudication Report- Oxfam GB', 20 November 2015. https://www.fundraisingregulator.org.uk/wp-content/uploads/2016/09/FRSB_Oxfam-Adjudication-Report_December-2015.pdf.
- 'FRSB Investigation on Oxfam & Listen Ltd. | Fundraising Regulator'. Accessed 13 November 2016. <https://www.fundraisingregulator.org.uk/investigations/frsb-investigation-oxfam-listen-ltd/>.
- 'Fundraising Standards Board'. Accessed 13 November 2016. <http://www.frsb.org.uk/>.
- 'Germany | Council on Foundations', 30 August 2016. <http://www.cof.org/content/germany>.
- 'Germany | Council on Foundations'. Accessed 30 August 2016. <http://www.cof.org/content/germany>.

- 'Guide for the Evaluation of Sub-Programme Environment LIFE Project Proposals 2016', n.d. <http://ec.europa.eu/environment/life/funding/life2016/documents/2016naturebiodiversity.zip>.
- 'Guidelines for Applicants 2016 - LIFE Nature and Biodiversity', n.d. <http://ec.europa.eu/environment/life/funding/life2016/documents/2016naturebiodiversity.zip>.
- 'Home'. Democracy, Development and Institutions - A Blog Sponsored by the Development Research Center. Accessed 3 September 2016. <https://devresearchcenter.org/>.
- 'Home - CAGI'. Accessed 8 November 2016. <http://www.cagi.ch/en/home.php>.
- House of Commons, and Public Administration and Constitutional Affairs Committee. 'The 2015 Charity Fundraising Controversy: Lessons for Trustees, the Charity Commission, and Regulators', 25 January 2016. <http://www.publications.parliament.uk/pa/cm201516/cmselect/cmpubadm/431/431.pdf>.
- 'INGO Accountability Charter'. Accessed 13 October 2016. <http://www.ingoaccountabilitycharter.org/>.
- 'INTERGROUP - EBCD'. Accessed 9 November 2016. <http://ebcd.org/intergroup/>.
- International Aid Transparency Initiative. 'About | International Aid Transparency Initiative (IATI)'. Accessed 19 December 2016. <http://www.aidtransparency.net/about>.
- International Aid Transparency Initiative. 'ActionAid UK - Organizations - IATI Registry'. Accessed 19 December 2016. <https://www.iatiregistry.org/publisher/aaug>.
- International Aid Transparency Initiative. 'Welcome - IATI Registry'. Accessed 19 December 2016. <https://www.iatiregistry.org/>.
- Internal Revenue Service. 'Exemption Requirements - 501(c)(3) Organizations'. Accessed 17 November 2016. <https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-section-501-c-3-organizations>.
- 'Local Association of Employees: 501(c)(4)'. Accessed 17 November 2016. <https://www.irs.gov/charities-non-profits/other-non-profits/local-association-of-employees-501-c-4?ga=1.4375667.116576864.1479385642>.
- 'International Framework - Open Forum for CSO Development Effectiveness'. Accessed 13 October 2016. <http://cso-effectiveness.org/-InternationalFramework.html>.
- International NGO Charter of Accountability Ltd. 'NGO Accountability Charter Reporting Requirements', July 2016. http://www.ingoaccountabilitycharter.org/wpcms/wp-content/uploads/Charter-Reporting-Requirements_July-2016.pdf.
- 'LIFE AMMONIA TRAPPING - Development of Membrane Devices to Reduce Ammonia Emissions Generated by Manure in Poultry and Pig Farms LIFE15 ENV/ES/000284'. Accessed 12 November 2016. http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=5743.
- 'LIFE U-SAVEREDS - Management of Grey Squirrel in Umbria: Conservation of Red Squirrel and Preventing Loss of Biodiversity in Apennines LIFE13 BIO/IT/000204', n.d. http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=4901.
- 'LobbyFacts.eu'. Accessed 22 July 2016. <http://lobbyfacts.eu/>.
- Marie Thiel, and Elisabeth Bauer. 'Briefing EU Transparency Register - EPRS_BRI(2016)581950_EN.pdf'. European Parliamentary Research Service, May 2016. [http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/581950/EPRS_BRI\(2016\)581950_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/581950/EPRS_BRI(2016)581950_EN.pdf).
- 'Medlemmer'. The Norwegian ForUM for Development and Environment. Accessed 3 September 2016. <http://www.forumfor.no/medlemmer>.
- 'Mission'. Wwv.beuc.eu. Accessed 27 September 2016. <http://www.beuc.eu/about-beuc/mission>.

- 'Mitgliedsorganisationen'. Attac Deutschland. Accessed 3 September 2016. <http://www.attac.de/was-ist-attac/strukturen/attac-netzwerk/mitgliedsorganisationen/>.
- NGO Shipbreaking Platform. 'NGO Shipbreaking Platform » Members and Partners'. Accessed 9 November 2016. <http://www.shipbreakingplatform.org/members-and-partners/>.
- 'Nuclear? Not with My Tax Money!' Accessed 30 August 2016. <https://act.wemove.eu/campaigns/nuclear-subsidies>.
- 'ONG Actives En Coopération'. Cercle de Coopération. Accessed 3 September 2016. <http://cercle.lu/ong-actives-en-cooperation/>.
- Open Forum for CSO Development Effectiveness. 'Home - Open Forum for CSO Development Effectiveness'. Accessed 13 November 2016. <http://cso-effectiveness.org/-home,091-.html>.
- 'Istanbul CSO Development Effectiveness Principles', 29 September 2010. http://cso-effectiveness.org/IMG/pdf/final_istanbul_cso_development_effectiveness_principles_footnote_december_2010-2.pdf.
- 'Open Forum Bodies and Partners - Open Forum for CSO Development Effectiveness'. Accessed 13 November 2016. <http://cso-effectiveness.org/-open-forum-bodies-and-partners,014-.html>.
- 'Overview | The International Attac Network'. Accessed 30 August 2016. <https://www.attac.org/en/overview>.
- Oxfam. '2015/16 OXFAM ANNUAL REPORT & ACCOUNTS', 2016. <http://www.oxfam.org.uk/what-we-do/about-us/plans-reports-and-policies/annual-report-and-accounts>.
- Oxfam. 'Oxfam Republic of You'. Accessed 19 December 2016. <https://republicofyou.org/>.
- Oxfam. 'STOP TAX DODGING NOW'. Accessed 19 December 2016. <https://taxjusticeeurope.eu/>
- 'Fundraising Promise | Oxfam GB'. Accessed 13 November 2016. <http://www.oxfam.org.uk/donate/oxfam-supporter-charter/oxfam-response>.
- Oxfam GB. 'Issues We Work on | Oxfam GB'. Accessed 7 November 2016. <http://www.oxfam.org.uk/what-we-do/issues-we-work-on>.
- Oxfam International. 'Even It Up - Oxfam International - End the Era of Tax Havens'. Accessed 19 December 2016. <https://www.evenitup.org/>.
- Oxfam International. 'Oxfam Accountability Report 2013-2014', n.d. <http://www.ingoaccountabilitycharter.org/wpcms/wp-content/uploads/Oxfam-INGO-Report-7.pdf>.
- 'PRAG - European Commission - DG International Cooperation and Development', 16 March 2016. <http://ec.europa.eu/europeaid/prag/document.do?nodeNumber=2&id=>.
- 'Register of Commission Expert Groups and Other Similar Entities'. Accessed 22 July 2016. <http://ec.europa.eu/transparency/regexpert/>.
- 'Regulation (EU) No 254/2014 of the European Parliament and of the Council of 26 February 2014 on a Multiannual Consumer Programme for the Years 2014-20 and Repealing Decision No 1926/2006/EC'. Accessed 30 August 2016. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014R0254>.
- 'ROSSOSCOIATTOLO LAYMAN'S REPORT', n.d. http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=home.showFile&rep=file&fil=LIFE09_NAT_IT_000095_LAYMAN.pdf.
- RPA, NERA. 'Consumer Policy: Ex-Post and Mid-Term Evaluations - Final Report', March 2011. http://ec.europa.eu/smart-regulation/evaluation/search/download.do?sessionId=yynqQLnziUjdBXEOX86lulPeWhLlwY7vn_JY3xRjOQ0A7RZ-TR2v!-639955766?documentId=4544.
- 'RS 210 Code Civil Suisse Du 10 Décembre 1907'. Accessed 7 November 2016. <https://www.admin.ch/opc/fr/classified-compilation/19070042/index.html>.
- 'S.C. - H.V.' Accessed 7 November 2016. <http://www.ejustice.just.fgov.be/tsv/tsvf.htm>.

- 'SciuriousLIFE - Sciuriosity - Evolving IAS Grey Squirrel Management Techniques in the UK. LIFE14 NAT/UK/000467'. Accessed 10 November 2016. http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=5344.
- Sgueo, Gianluca. 'Financial Accountability of Civil Society Organisations'. EPRS | European Parliamentary Research Service, May 2015. [http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_IDA\(2015\)556992](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_IDA(2015)556992).
- 'Stop Glyphosate'. Accessed 30 August 2016. <https://act.wemove.eu/campaigns/stop-glyphosate>.
- 'Strukturen - Attac Deutschland - Www.attac.de'. Accessed 30 August 2016. <http://www.attac.de/was-ist-attac/strukturen/>.
- 'Tax Justice Together'. Glopolis. Accessed 5 September 2016. <http://glopolis.org/cs/projekty/tax-justice-together/>.
- 'Tax Justice Together'. LAPAS.lv. Accessed 5 September 2016. <http://lapas.lv/en/our-works/tax-justice-together/>.
- 'Tax Justice Together Project | European Year for Development'. Accessed 7 November 2016. <https://europa.eu/eyd2015/en/tax-justice-together>.
- 'The Budget Explained - Protecting EU Interests - Budget'. Accessed 7 November 2016. http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm.
- The Charity Commission. 'Charities Act 2016: New Fundraising Rules - News Stories - GOV.UK'. Accessed 13 November 2016. <https://www.gov.uk/government/news/charities-act-2016-new-fundraising-rules>.
- 'The Charity Commission - GOV.UK'. Accessed 8 November 2016. <https://www.gov.uk/government/organisations/charity-commission>.
- 'The International Campaigns of the Attac Network | The International Attac Network'. Accessed 30 August 2016. <https://www.attac.org/en/international-campaigns-attac-network>.
- Transparency International. 'EU Integrity Watch: Monitor Potential Conflicts of Interests'. Accessed 22 July 2016. <http://www.integritywatch.eu>.
- 'INGO ACCOUNTABILITY CHARTER REPORT 1 JANUARY TO 31 DECEMBER 2014', n.d. http://www.ingoaccountabilitycharter.org/wpcms/wp-content/uploads/2014-TI-GRI-report20160211_CdS.pdf.
- Transparency International EU Office. 'Press Release: More than Half the Entries on the Brussels Lobby Register Are Inaccurate, Incomplete or Meaningless', 7 September 2015. <http://www.transparencyinternational.eu/2015/09/press-release-more-than-half-the-entries-on-the-brussels-lobby-register-are-inaccurate-incomplete-or-meaningless-2/>.
- 'Transparency Register - ActionAid'. Accessed 13 November 2016. <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=85103504511-82>.
- 'Transparency Register - European Environmental Bureau'. Accessed 9 November 2016. <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=06798511314-27>.
- 'Transparency Register - The Pew Charitable Trusts'. Accessed 12 November 2016. <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=46834536998-79>.
- 'Transparency Register - WeMove Europe'. Accessed 30 August 2016. <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=091419321810-34>.
- 'Transparency Register -Eurodad'. Transparency Register. Accessed 5 September 2016. <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=09136982496-09>.
- Union, Publications Office of the European. 'Council Regulation (EC) No 1257/96 of 20 June 1996 Concerning Humanitarian Aid'. Website, 20 June 1996. <http://publications.europa.eu/en/publication-detail/-/publication/f9cfbf71-f3a8-434f-b310-4d2e8b15bf65/language-en>.

- 'Voraussetzungen Für Die Anerkennung Der Gemeinnützigkeit Un Folgen Der Aberkennung', 2016. <https://www.bundestag.de/blob/422946/86eac0f8b8c40f62c892e8bf26090bc7/wd-4-026-16-pdf-data.pdf>.
- 'Welcome to LobbyFacts | LobbyFacts Database'. Accessed 23 September 2016. <https://lobbyfacts.eu/>.
- 'WeMove.EU'. WeMove.EU, 18 May 2015. <https://www.wemove.eu/mission?q=/mission>.
- 'WeMove.EU - How We Are Funded'. WeMove.EU, 13 January 2016. <https://www.wemove.eu/how-we-are-funded?q=/how-we-are-funded>.
- 'WeMove.EU - Privacy Policy'. WeMove.EU, 3 September 2015. <https://www.wemove.eu/privacy-policy?q=/privacy-policy>.
- 'WeMove.EU- How We Work'. WeMove.EU, 13 January 2016. <https://www.wemove.eu/how-we-work?q=/how-we-work>.
- Weyzig, Francis. Still Broken: Governments Must Do More to Fix the International Corporate Tax System. Oxfam GB for Tax Justice Network, Global Alliance for Tax Justice, PSI and Oxfam International, 2015.
- 'Zivilgesellschaft Ist Gemeinnützig'. Allianz Rechtssicherheit Für Politische Willensbildung. Accessed 8 November 2016. <http://www.zivilgesellschaft-ist-gemeinnuetzig.de/das-problem/>.

ANNEX 1: RANKING OF NGOS BY INTENSITY OF LOBBYING ACTIVITIES

The following table displays the list of the 40 most active NGOs identified using data from the Lobby Fact website on 23 September 2016. The numbers in bold indicate where the organisation scored well in each of three different criteria: number of European Parliament Passes, number of high level meetings with the EC, and declared budget allocated to activities covered by the Transparency Register. Where an organisation's name is shown in bold, this indicates that this organisation has scored high in at least two of the criteria, and therefore can be considered as one of the most active NGOs. The NGOs here have been ranked according to their relative aggregated weight in the three indicators.

Acronym	Name	Number of EP passes	Number of high level meetings with the EC	Declared budget allocated to activities covered by the TR
BEUC	Bureau Européen des Unions de Consommateurs	28	75	1,175,000-1,999,999
T&E	Transport and Environment (European Federation for Transport and Environment)	17	58	3,500,000-3,749,999
	EUROCITIES	18	18	4,750,000-4,999,999
WWF EPO	WWF European Policy Programme	13	61	2,000,000-2,249,999
WRAP	The Waste and Resources action programme	0	0	>10,000,000
EEB	European Environmental Bureau	11	41	3,250,000-3,499,999

Acronym	Name	Number of EP passes	Number of high level meetings with the EC	Declared budget allocated to activities covered by the TR
	Greenpeace European Unit	11	56	925,627
AGRICORD	AGRICORD vzw	0	0	8,750,000-8,999,999
	JA Europe	0	4	8,000,000-8,249,999
OSEPI	Open Society European Policy Institute	13	25	2,250,000-2,499,999
CAN Europe	Climate Action Network Europe	10	48	800,000-899,999
	European Youth Forum	13	17	2,750,000-2,999,999
	OXFAM International EU Advocacy Office	9	45	900,000 - 999,999
TI	Transparency International	14	27	1,000,000-1,249,999
ECF	European Climate Foundation	8	42	400,000-499,999

Acronym	Name	Number of EP passes	Number of high level meetings with the EC	Declared budget allocated to activities covered by the TR
FoEE	Friends of the Earth Europe	9	33	830,736
Eurodad	European Network on Debt and Development	10	12	1,750,000-1,999,999
	Bertelsmann Stiftung	0	17	3,750,000-3,999,999
VZBV	Verbraucherzentrale Bundesverband	15	5	900,000-999,999
Pew	The Pew Charitable Trusts	8	17	1,500,000-1,749,000
FFP	Forest Peoples Programme	0	3	4,750,000-4,999,999
AI EIO	Amnesty International European Institutions Office	5	31	800,000-899,999
	ONE	13	13	400,000 - 499,999
EIP	European Institute of Peace	6	2	3,000,000-3,249,999

Acronym	Name	Number of EP passes	Number of high level meetings with the EC	Declared budget allocated to activities covered by the TR
BirdLife Europea	Stichting BirdLife Europe	5	26	1,000,000-1,249,999
	ClientEarth	13	9	200,000-299,999
	Nature Code	11	12	400,000 - 499,999
CRPM	Conference of peripheral maritime regions	3	6	2,750,000-2,999,999
CEEP	European centre of employers and enterprises providing public services and services of general interest	5	18	873,143
IFRC	International Federation of Red Cross and Red Crescent Societies	13	3	100,000-199,999
Social platform	Platform of European Social NGOs	6	18	300,000-399,999
MSF	Médecins Sans Frontières	3	28	100,000-199,999

Acronym	Name	Number of EP passes	Number of high level meetings with the EC	Declared budget allocated to activities covered by the TR
ENAR	European Network Against Racism	8	11	300,000-399,999
EUA	European University association	0	6	2,500,000-2,749,000
	World Economic Forum	0	31	10,000-24,999
	Natagora	0	0	2,750,000-2,999,999
EBS	European Business Summit Network	2	24	<9,999
AGE	AGE Platform Europe	8	6	100,000-199,999
	ADF International	8	0	400,000-499,999
	Green 10	0	19	<9,999

ANNEX 2: DG BUDG NGO FUNDING DATA – 2015 COMMITMENTS TO MOST-FUNDED NGOS, OCTOBER 2016

ROW LABELS	DEVCO	EACEA	ECHO	FPI	JUST	NEAR	PHEA	TOTAL
DANSK FLYGTNINGEHJÆLP FORENING* DANISH REFUGEE COUNCIL DRC	1,303,746		35,321,823	7,517,967		6,882,693		51,026,228
RED BARNET FORENING*	3,076,346		42,575,000					45,651,346
STIFTELSEN FLYKTNINGHJELPEN* NORWEGIAN REFUGEE COUNCIL			42,198,246	2,145,000				44,343,246
OXFAM GB LBG*	10,165,879		22,852,933			8,412		33,027,224
INTERNATIONAL RESCUE COMMITTEE UK* IRC UK	2,780,941		29,437,098					32,218,039
ACTED	11,800,000		12,780,000			2,745,727		27,325,727
CONCERN WORLDWIDE LBG	19,900	364,782	22,012,000			2,700,000		25,096,682
ASSOCIATION FEDERATION HANDICAP INTERNATIONAL* HI HANDICAP INTERNATIONAL FEDERATION	12,519,474		11,047,800			850,142		24,417,416

ROW LABELS	DEVCO	EACEA	ECHO	FPI	JUST	NEAR	PHEA	TOTAL
FUNDACION ACCION CONTRA EL HAMBRE*ACTION CONTRE LA FAIM-ESPAGNE FACH	1,350,000		19,614,568			3,192,405		24,156,972
INTERNATIONAL MEDICAL CORPS UK LBG*IMC	800,000		22,344,600					23,144,600
ACTION CONTRE LA FAIM*ACF	346,200		22,573,823					22,920,023
SOLIDARITES INTERNATIONAL ASSOCIATION*			19,980,000			1,800,000		21,780,000
FEDERATION INTERNATIONALE DES DROITS DE L'HOMME ASSOCIATIONS*	20,918,150							20,918,150
ALLIANCE FOR INTERNATIONAL MEDICALACTION ASSOCIATION*ALIMA	4,500,000		13,645,262					18,145,262
CLOVEK V TISNI OPS*PEOPLE IN NEED	6,214,385	41,000	9,200,000			1,792,915		17,248,300
PREMIERE URGENCE INTERNATIONALE	184,000		15,149,000			1,800,000		17,133,000

ROW LABELS	DEVCO	EACEA	ECHO	FPI	JUST	NEAR	PHEA	TOTAL
THE SAVE THE CHILDREN FUND LBG*	967,500		15,563,400					16,530,900
FRONT LINE THE INTERNATIONAL FOUNDATION FOR THE PROTECTION OF HUMAN RIGHTS DEFENDERS TRUST*	15,009,450							15,009,450
EAST AND HORN OF AFRICA HUMAN RIGHTS DEFENDERS NETWORK COMPANY LIMITED BY GUARANTEE*PROJECTS EHAHRDP	15,005,377							15,005,377
PROTECTION INTERNATIONAL AISBL	15,000,000							15,000,000
ASSOCIATION MEDECINS DU MONDE*FRANCE	250,000		13,604,500			150,000	634,415	14,638,915
GOAL LBG*			14,450,000					14,450,000
NADACIA HABITAT FOR HUMANITY INTERNATIONAL	14,000,000							14,000,000
ACTIONAID LBG*	10,120,421		2,900,000	498,037				13,518,458

ROW LABELS	DEVCO	EACEA	ECHO	FPI	JUST	NEAR	PHEA	TOTAL
MERCY CORPS EUROPE	300,000		9,000,000	2,000,000		2,098,329		13,398,329
CROIX ROUGE FRANCAISE*FRENCH RED CROSS			10,692,000					10,692,000
THOMSON FOUNDATION (TRUSTEE) LIMITED*THOMSON MEDIA FOUNDATION				2,110,477		7,805,200		9,915,677
DANSK RODE KORS*DANISH RED CROSS DRC	450,000	104,708	8,100,000		328,566	500,000		9,483,274
Total	147,081,770	510,490	415,042,052	14,271,481	328,566	32,325,822	634,415	610,194,596

Source: based on DG BUDG, October 2016²⁸⁴

²⁸⁴ DG BUDG, 'Email from DG BUDG to the European Parliament'.

ANNEX 3: OXFAM GB FEEDBACK ON THE PRE-RELEASE STUDY REPORT & AUTHORS' RESPONSES

Study authors' draft responses (2016-12-02) to Oxfam GB feedback (2016-12-01)

on

Pre-release report: European Parliament study report on Democratic
Accountability and Budgetary Control Non-Governmental Organisations
Funded by the EU Budget

1 General observation

1.1 Oxfam's feedback

We in Oxfam GB are concerned that our organisation has been referenced several times in this review and yet you have not contacted anyone to check on the veracity of your statements.

1.2 Authors' clarification/ response

References to Oxfam GB are based primarily on publicly accessible documentation and webpages. In some instances (e.g. funding), information has been provided by the EC. The multiple sources of information are clearly and precisely referenced. In one case, there is a discussion of feedback from two EC departments about their approach to/ understanding of certain rules.

Oxfam GB's feedback implies that the text of the pre-release report contains factual errors. We do not rule out this possibility, and will correct them where they are pointed out. However, Oxfam GB's comments do not appear to identify factual errors in the text, but rather appear to express dissatisfaction with how documented information has been presented, possibly due to misinterpretation of some points raised in the text.

1.3 Adjustments to text

Some adjustments will be made to the text to help avoid misunderstandings. Please see below.

2 A lack of acknowledgement of the role played by the EC in funding campaigns actions

2.1 Oxfam's feedback

This observation appears several times in your report, for example on page 40, para 2, and page 41, para 3. You appear to suggest that Oxfam has fallen short in its obligations to DEVCO, which is not true. Oxfam has created domains and web pages dedicated to tax justice, for example taxjusticeeurope.eu,

republicofyou.org and evenitup.org. On those sites you will see the flag of the European Commission, an acknowledgement of the funding, and a disclaimer on opinions.

DEVCO is certainly aware of these sites as they have been referenced in our programme management reports. We do accept that some of these sites are difficult to find if you are starting from Oxfam GB's main site, but actually these were designed as discrete products as part of a wider digital plan that has been approved by DEVCO.

2.2 Authors' clarification/ response

There is no suggestion that Oxfam has fallen short of its visibility obligations to DG DEVCO. The text does, however, make the general point that it is very difficult to link EC-funded actions, to the actions of individual organisations. It also makes the general point that the visibility of EU funding is variable but *'It is unclear if this is due to EC visibility rules or to the way in which NGOs apply the rules'* – in other words, the text suggests that it may be the EC's rules themselves that are the issue here, and the recommendations include some suggestions for the EC to modify visibility requirements with a view to enhancing EU funding visibility (e.g. more prominent visibility, and more uniform presentation to enhance public awareness and understanding of EU funding). In other words, the study sees this as a systemic issue and does not suggest fault on the part of any beneficiary. There is **no recommendation**, for example, to 'improve monitoring of EU visibility', which might imply fault on the part of beneficiary organisations, because **the text makes no such point**.

The wider issue that the text raises is that references to EU funding can be hard to find, even where organisations are receiving very large sums of EU funding, year after year. One must often search for this information. **Many people may never be aware of the existence or level of EU support in many areas**. This is potentially a serious problem in the context of recent political trends within the EU.

Even when references are found (e.g. specific web pages, downloadable documents, etc.), the picture remains far from clear – e.g.:

- ☐ Under what EC action is the project/ document/ website funded?
- ☐ What are the objectives of the action?
- ☐ How much funding has the EC provided for this?
- ☐ What other sources of funding are involved?
- ☐ What other organisations are involved in the action, and how much funding have they received from the EC and other sources for this?
- ☐ What are the outcomes of the EC-funded action?

- Overall, how much funding has the EC provided to the organisation in the current year, and previous years? i.e. how much does it rely on the EC?

It is perhaps worth noting that the EC has indicated an interest in examining some of the suggestions made in the recommendations on this point (EP CONT meeting 28 November 2016).

The three websites referenced in Oxfam GB's comment are certainly relevant and interesting. However, it is unclear how one reaches them without knowing the URLs. Oxfam's feedback acknowledges this point.

The three websites do indeed include EU logos, but they generally lead to the same questions covered in the bullet points above. It is unclear under which EC action the activities here have been financed, or how much funding was involved – for example, there is no reference number or action title that can be used to link these websites to specific actions in the Financial Transparency System (FTS) (i.e. '*Mobilising European Citizens To Place Inequality And Tax Justice At The Heart Of The European Development Agenda During Eyd2015 And Beyond*'). One of these websites includes 10 NGO logos (<https://taxjusticeeurope.eu>), whereas the FTS lists 23 beneficiary organisations. It is unclear why the other 13 organisations are apparently not mentioned. The two other mentioned websites show only Oxfam's name and logo and it is unclear which Oxfam affiliates this relates to – the seven listed in the FTS? The entire federation? Oxfam GB? The copyright notice on one of the websites refers to Oxfam GB, while on another the copyright notice refers to Oxfam International, and on the third there is no copyright notice at all making it unclear specifically which part of Oxfam is responsible for the content.

These observations support another general point made in the text, namely that it is often difficult to understand who is doing what with EU funds, because of a lack of precision in the way that information is presented.

2.3 Adjustments to text

References to the three websites will be introduced into the text.

3 Transparency Register

3.1 Oxfam's feedback

You mention that Oxfam GB is not in the Transparency Register, but that Oxfam International is a member. Oxfam GB is a member of Oxfam International and

therefore does not need separate registration. Oxfam has three members in Belgium (Oxfam Solidarité, OMM and OWW) and they are members of the register as they are based in Brussels and have engaged the European Union on a range of issues over the years. Otherwise, none of the other affiliates – European or otherwise – is a member of this register as Oxfam has a centrally coordinated and approved influencing strategy – in this case led by our Oxfam International Team. It is therefore wrong to suggest any impropriety on our part in this context and in the interests of accuracy we request that you remove all references to Oxfam and transparency from this report.

3.2 Authors' clarification/ response

If we understand correctly, this feedback refers to the first paragraph on page 26 of the pre-release text. Oxfam GB's feedback implies that the text is inaccurate, and that it somehow suggests impropriety on the part of Oxfam. The feedback does not, in fact, identify any inaccuracy here. Moreover, **the text does not imply impropriety on the part of any organisation, nor does it make any reference to 'Oxfam and transparency'**. There is no suggestion that any organisation should or should not be registered in the Transparency Register.

This chapter of the text is about the Transparency Register and its limitations, one of which is that it can not be used with any confidence as a tool to 'measure influence' by different organisations on EU institutions and policy-making because, while not directly included in the register themselves, they may exert influence indirectly through participation in one or more organisations that are included in the Transparency Register. Moreover, some organisations are registered in their own right, and participate in other organisations that are also registered. In other words, the Transparency Register can not present the full complexity of influence exerted by organisations through multiple overlapping networks.

Oxfam GB's feedback seems to oversimplify the situation somewhat. It does not, for example, make any reference to its membership of Eurodad. Three other Oxfam affiliates are also members of Eurodad, while Oxfam International does not appear to be a member. Nor does it make any reference to Oxfam International's membership of, for example, Climate Action Network Europe, which is registered in the Transparency Register.

Oxfam GB's feedback states that '*Oxfam has a centrally coordinated and approved influencing strategy – in this case led by our Oxfam International Team.*' It is unclear if this means that individual affiliates should not engage with

EU institutions or seek to influence policy in their own right, or simply that their message and approach are centrally coordinated. In any case, Oxfam International is not the only channel through which Oxfam GB (and other Oxfam affiliates) engage with EU institutions and policy (e.g. through membership of Eurodad).

3.3 Adjustments to text

The text will be clarified.

4 Oxfam's public fundraising and the FRSB

4.1 Oxfam's feedback

The report describes in detail an incident in 2015 when Oxfam was the subject of a story in a national paper. This story suggested that Oxfam, through the behaviour of a sub contractor, had engaged in fundraising practices deemed to be inappropriate for a charity. Oxfam immediately suspended the contract with the company concerned, admitted that it had fallen short in the way it monitors the sub-contractor, and immediately put in measures to improve the management process.

Our concern is that the report presents what amounted to a breach of a self regulatory code as a reportable breach of the EC's Financial Regulations 106(1). The implication of this is the report raises questions with regard to our integrity and DEVCO's and ECHO's competence with the clear implication that Oxfam might be suspended from current contracts or excluded from future grants. You also mention that you spoke to contacts in DGs ECHO and DEVCO, the latter suggesting that Oxfam should have reported this incident to them. However, you don't name those contacts, nor mention which departments they work for, and so it is not clear why they are deemed capable of providing commentary on the contractual obligations contained in an ECHO or DEVCO grant agreement. In the event that Oxfam needs to report an incident under rule 106(1) we will of course do so, but a breach of a fundraising self regulatory code is not a reportable incident under 106(1) and should not be referenced in the report as a reportable incident. In the interests of accuracy, we request this part of the report be removed.

4.2 Authors' clarification/ response

This section of the text focuses on the complexity in one area of EU rules, and in potential differences between EC departments in their understanding and application these rules. The FRSB case-study is provided as an example around which to discuss this point. We considered this to be a particularly useful case-

study as it indicates the complexity of the interpretation and application of EU rules, because while the FRSB was a self-regulating, non-statutory body, it and the fundraising code were part of a system of regulation that was enshrined in UK law.

We understand that Oxfam does not dispute the facts presented in the text of the pre-release report, but rather that it is dissatisfied with discussion developed around those facts. On the other hand, Oxfam GB's feedback does contain a factual error in that it refers to 'a breach' of the fundraising code, whereas an article on the website of the Fundraising Regulator refers to three breaches of the code.¹ Oxfam GB's feedback refers to 'a story in a national newspaper' but does not acknowledge the FRSB's subsequent ruling, or the highly critical comments of the House of Commons and Public Administration and Constitutional Affairs Committee, which is referenced in the text of the pre-release report.

The text does not suggest that Oxfam GB breached the Financial Regulations. Nor does the text suggest that it should have been excluded from EU funding – indeed, the Financial Regulations indicate that even if an organisation finds itself in one of the situations covered by Article 106(1), it will not automatically be excluded from funding, depending on the circumstances.

Oxfam GB states emphatically in its feedback that '*a breach of a fundraising self-regulatory code is not a reportable incident under 106(1)*'. It is unclear on what basis it has reached this conclusion – a representative of DG DEVCO (Unit R3 Legal Affairs), Oxfam GB's main source of EC funding, suggested that even if these developments are not actionable under Article 106(1) of the Financial Regulation, they should have been reported to DG DEVCO so that it could review the matter for itself.

As indicated in the text of the pre-release report, feedback from DG ECHO indicated a somewhat different approach.

The issue here is that there seem to be differences between EC departments in how they approach these complex rules. The fact that the EC was not aware of developments of potential relevance regarding one of its largest beneficiary organisations suggests that the EC's monitoring and control mechanisms may not be functioning as envisaged.

¹ <https://www.fundraisingregulator.org.uk/investigations/frsb-investigation-oxfam-listen-ttd/>

4.3 Adjustments to text

We will revise the text in the light of Oxfam GB's feedback, to confirm that Oxfam GB did not consider it necessary to notify the EC on this occasion, and why. We will also adjust the text to clarify that there is no suggestion that Oxfam GB did or did not breach the Financial Regulations, or that it should have been excluded from EC funding.

5 Your research and references

5.1 Oxfam's feedback

We are concerned that the report finds that Oxfam and a number of other agencies failed to reference EU funding and support in our work. When utilising search engines we quickly found such references.

For Oxfam GB references to the DEAR project we found a reference at result 5 when we typed in 'tax justice together' Oxfam, which was the first search we tried (result 4 is an EC page about the project). Unfortunately the Oxfam website page is cached now, but this is still evidence there has been relevant reference to the project. While there are no other OGB-website specific references found in the top 50 results, nearly every other result appeared to be about the project and the project appears to be known as 'Tax Justice Together', and Oxfam is often highlighted as a key partner.

One of the results clearly showed a ToR for a mid-term evaluation, including the project logframe on ActionAid's website, so we are concerned that your research did not identify these references. On the advanced search, we found two results, using the search term "tax justice together" limiting it to www.oxfam.org.uk – both of which were relevant.

On tax reports, if you go to 'Policy and Practice' on the OGB website, and enter 'tax' in the Publications box, there are 60 results, many obviously about tax and many in recent months. Some have the EU logo, e.g. the Ending the Era of Tax Havens report. Once again, had your team contacted Oxfam to discuss the apparent absence of tribute to the EC, we could have helped.

Your report makes some valid points on how the EC should have stronger governance structures and – by implication – how civil society organisations could better improve the credit DEVCO deserves for funding very sophisticated campaigns, however we feel that some serious inaccuracies have crept into the report which undermines our confidence in how the report

might be used and hope you will amend the report as we suggest. We value the approach taken by the EU in supporting this work, and would like to see it become more effective and have greater positive impact on behalf of the world's poorest and most vulnerable and we would be happy to work with MEPs and funding departments to ensure this happens.

5.2 Authors' clarification/ response

Oxfam GB's feedback indicates that '*some serious inaccuracies have crept into the report*'. However, the feedback does not point out what these 'inaccuracies' are. It appears that the feedback here is based on a misinterpretation of the text of the pre-release report.

The text does not indicate that any organisation 'failed' to reference EU funding. Rather the, text indicates that such references are hard to find and that it is generally difficult to link specific EC grant-funded actions with the activities published on NGO websites, due to the way in which information is presented. As noted in 2.2 above, this is seen by the study as a systemic problem (including the EC's visibility requirements).

Oxfam GB's comment refers to the 'DEAR' project. It is unclear what this abbreviation stands for.

We searched on Oxfam GB's website using the term '*tax justice together*' Oxfam as indicated in Oxfam GB's feedback above.² This produced a list of 50 results, but not grouped in any way, which may or may not be relevant to the EC-funded action. The search results are unstructured information that do not in themselves provide a readily accessible, coherent overview or narrative. It is apparently necessary to examine multiple postings in order to develop some kind of picture of what Oxfam GB is doing in the area of tax justice. There appeared to be no obvious link or menu item on Oxfam GB's website to tax justice – as noted in the text, '*Tax justice is not listed as one of the 10 issues on which Oxfam works*'.³ We have reviewed the first 10 results produced from the above-mentioned search. Only the second included an EU logo.⁴ It is not suggested that the others should or should not include EU logos, nor that Oxfam GB is not fulfilling its obligations towards the EC in this regard – it is simply unclear which of these results relate to the EC-funded actions when there is no logo

² http://www.oxfam.org.uk/search-results?q='tax%20justice%20together'%20Oxfam;show_all=ogb_mixed

³ <http://www.oxfam.org.uk/what-we-do/issues-we-work-on>

⁴ <http://www.oxfam.org.uk/get-involved/campaign-with-us/latest-campaign-news/2015/06/global-week-tax-justice>

present. There may also be references to EU funding in the remaining 40 results, but how likely is it that visitors to Oxfam GB's website will generally have the time or inclination to open all 50 links, unless they are looking for something specific? The text does not aim to verify whether or not EU visibility requirements have been fulfilled. However, just because the information is somewhere on a website does not necessarily mean that it is sufficiently accessible. We maintain that references to EU funding may not be so easy to find, and are generally not as prominent as might be expected given the level of funding Oxfam GB (and many other organisations) receive from the EC each year. As mentioned above, this may well be due to the EC's visibility requirements, and the pre-release report includes some recommendations in this regard.

Regarding the *'ToR for a mid-term evaluation, including the project logframe'* mentioned in Oxfam GB's feedback above, it is correct that we had not previously seen this document, despite spending some time on the websites of both Oxfam GB and Action Aid UK, and undertaking various Google searches using the title of the action as listed in the Financial Transparency System (FTS). The document itself does not appear to include the official action title, nor a reference number that would enable a reader to link it back to the entry in the FTS. While the document does include references to the logframe, neither the logframe, nor a working link to the logframe appear to be included in the document. While one can make certain deductions from this document about the project when considering it in the light of other information, we suggest that it is not particularly useful to the understanding of the action, or relevant to the study. On the other hand, a link to the results of the evaluation would enhance public transparency and accountability – the pre-release report text makes the general point that substantive, publicly available evaluative information on EC-funded actions seems to be rather limited. Again, it is not suggested that any rules have been breached, but rather that this constrains public transparency and accountability.

5.3 Adjustments to text

The sentence in the pre-release text about lack of references to 'tax as a campaign issue' (pages 40-41) will be clarified.

ANNEX 4: HOW ECHO AWARDS FUNDING

How ECHO awards funding

The Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO) is in charge, inter alia, of humanitarian aid operations, in accordance with Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid ('Humanitarian Aid Regulation' or HAR), with Council Regulation (EU) 2016/369 of 15 March 2016 on the provision of emergency support within the Union ('Emergency Support Regulation' or ESR) and the Financial Regulation (FR) applicable to the general budget of the European Union.

The European Union implements its humanitarian aid operations by funding projects implemented by its partners who are European non-governmental organisations (NGOs), United Nations agencies, other international organisations, as well as specialised agencies from Member States (MSSAs), all of them specialised in the humanitarian and emergency support field.

In order to become a humanitarian aid NGO partner, applicant organisations are submitted to a selection procedure that may lead to the signature of a Framework Partnership Agreement ('FPA'), for NGOs. An organization may receive ECHO's funding only after having signed this FPA and after having submitted a specific action proposal which has been positively assessed by ECHO.

To be financed, the applicant non-governmental organisations are first assessed against strict criteria concerning the NGOs' eligibility, financial capacity, organisational arrangements, expertise in the field of humanitarian work and compliance with humanitarian principles.

All information on how to become a FPA partner is published on: http://dgecho-partners-helpdesk.eu/become_a_partner/start.

The full set of criteria for becoming an FPA partner, the applied benchmarks, the application form and the supporting documentation to submit is ("FPA Application questionnaire") is published on:
http://ec.europa.eu/echo/files/partners/humanitarian_aid/fpa/2014/FPA_application_questionnaire_en.pdf.

Benchmarks have been established for the minimum capacity required to be an ECHO partner based on HAR, ESR and the FR, as well as quality standards in the field of humanitarian aid and the following documents¹:

- [The European Consensus on Humanitarian Aid](#) ² which is an important joint policy statement by the EU institutions (Commission, Council and European Parliament) and the EU Member States that sets out the EU's vision of humanitarian aid policy,;
- [The Sphere Handbook](#) - Humanitarian Charter and Minimum Standards in Humanitarian Response, which is one of the most widely known and internationally recognized sets of common principles and universal minimum standards in life-saving areas of humanitarian

¹ This is a non-exhaustive list. See also publications like [ECHO Factsheets](#) and [sectorial policies](#).

² Joint Statement by the Council and the Representatives of the Governments of the Member States meeting within the Council, the European Parliament and the European Commission (2008/C 25/01)

response used mostly for the operational part of the assessment and for the evaluation of projects;

- [The Code of Conduct for the International Red Cross and Red Crescent Movement and Non-Governmental Organisations \(NGOs\) in Disaster Relief](#), which is one of the most widely known and internationally recognized document laying down the fundamental humanitarian principles in disaster relief;
- The internationally accepted Organisation for Economic Cooperation and Development – Development Assistance Committee (OECD-DAC) criteria for the evaluation of humanitarian aid laid down in the [Guidance for Evaluating Humanitarian Assistance in Complex Emergencies](#);
- [International Standards on Auditing](#) (ISAs) and [International Auditing Practice Statements](#) (IAPSS) established under the auspices of the [International Federation of Accountants](#) (IFAC), which outline the basic audit requirements;
- The revised [Internal Control Standards for effective management](#)³ which have been used in the development for benchmarks for the administrative and operational capacity of applicant organisations.

The assessment is divided into a legal/operational assessment and a financial assessment.

ECHO verifies the answers and documents provided for the eligibility criteria (such as statutes, official registration), and then the following sections of the suitability criteria:

- administrative capacity (section 1),
- financial capacity (section 2) (with audited financial accounts),
- technical and logistical capacity (section 3),
- experience in the field of humanitarian aid and results of previous operations carried out by the organisation concerned, and in particular those financed by the EU (section 4),
- readiness to take part, if need be, in the coordination system set up for a humanitarian operation (section 5),
- ability and readiness to work with humanitarian agencies and the basic communities in the third countries concerned (section 6),
- compliance with the humanitarian aid principles (section 7).

To bring about a quality assessment of the applicants' operational capacity and professionalism, and to better assess its added value to the Union-funded humanitarian aid action, applicants that pass the preliminary desk review are then invited for a final evaluation meeting.

The assessment procedure, which may last for several months, may lead to the signature of a Framework Partnership Agreement (FPA) with ECHO.

Moreover, the continued compliance with partnership conditions is regularly scrutinised through annual assessments and regular audits.

³ See both the [Communication to the Commission: Revision of the Internal Control Standards and Underlying Framework - Strengthening Control Effectiveness](#), and the [Internal Control Standards for Effective Management \(annexes 1 to 4 to the Communication SEC\(2007\)1341\)](#).

Funding for individual actions is provided on the basis of specific project proposals presented to ECHO for assessment by its humanitarian partners. These proposals are appraised against a set of criteria outlined in the financing decisions, the HIPs and/or the technical annexes attached to the HIPs.

The correct implementation of individual actions retained for funding is ensured by several layers of checks and monitoring. As regards internal controls, the main aspects of the control environment include on the spot project monitoring through a network of Commission field experts (technical assistants) worldwide; regular field visits to projects by geographical desks; obligation for partners to produce reports at the end of each operation to justify their expenses, which are analysed thoroughly from both an operational and financial viewpoint by ECHO. ECHO also carries out regular evaluations, focusing on major country operations, partners and thematic issues.

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT BUDGETARY AFFAIRS **D**

Role

Policy departments are research units that provide specialised advice to committees, inter-parliamentary delegations and other parliamentary bodies.

Policy Areas

- Budgets
- Budgetary Control

Documents

Visit the European Parliament website: <http://www.europarl.europa.eu/studies>

PHOTO CREDIT: iStock International Inc.; Shutterstock



ISBN 978-92-846-0335-0 (print)

ISBN 978-92-846-0334-3 (PDF)

doi:10.2861/434297 (print)

doi:10.2861/142663 (PDF)

