



2015/2345(INI)

30.6.2016

OPINION

of the Committee on Budgets

for the Committee on Budgetary Control

on budgetary control of financing NGOs from the EU budget
(2015/2345(INI))

Rapporteur (*): Clare Moody

(*) Associated committee – Rule 54 of the Rules of Procedure

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SUGGESTIONS

The Committee on Budgets calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Emphasises that NGOs are a crucial EU partner, playing a pivotal role in reaching out to citizens and advocating on their behalf, besides developing and implementing EU policy and programmes across policy areas, including – but not limited to – education, training, youth, culture, human rights, social inclusion, health, consumer rights, research and innovation, development cooperation, neighbourhood policy, the environment and humanitarian aid inside and outside of the European Union; believes that NGOs' pivotal role is even more essential in the context of austerity policies and the insufficient level of EU payment appropriations, which have served to aggravate the economic crisis and have jeopardised actions of increasingly vital necessity; highlights in addition that the largest part of NGO funding translates into concrete projects in the aforementioned policy fields, while a limited part, serving to support advocacy work, is a meaningful counterweight to the lobbying of corporate interest groups;
2. Emphasises the importance of gathering simple and transparent information or data on the scale of the role played by NGOs in EU programmes, application rates, the total amount disbursed from the EU budget to NGOs each year, and performance; recognises that creating a legal definition of NGOs could prove difficult and problematic; calls on the Commission to produce regular reports systematically evaluating the efficiency of its cooperation with NGOs and providing information on types of beneficiary, not-for-profit nature, purpose of grant (project-specific versus operational) and type of contract;
3. Welcomes the Commission's progress in ensuring simpler and faster access to funds in recent years, but notes that work still needs to be done to streamline and simplify application processes; notes that such improvements would be mutually beneficial, boosting value for money and simplifying processes for NGOs; calls on the Commission to harmonise the design and operations of NGO funding programmes;
4. Stresses the need to harmonise standards and procedures across the Commission, including the interoperability of systems; welcomes in particular the Programme Information and Activity Management Operational System (PRIAMOS) grant management system introduced by the Commission's DG Home Affairs and DG Justice, and believes that this should be extended;
5. Calls on the Commission to ensure that NGOs receiving EU funding do not engage in activities running counter to EU interests such as advocacy against EU policy through the deliberate dissemination of incorrect information;
6. Is of the opinion that co-funding requirements - according to which an EU grant may not finance the entire costs of an action implemented by NGO - increase ownership and enhance responsibility and accountability; agrees, therefore, with the principle that the beneficiary needs to raise a share of the required funds – typically at least 10 % – from other sources;
7. Points to the huge range of NGOs existing in terms of size and activity area; believes that

operating grants should be proportionate to the other financial resources available to the NGO in order to ensure a level playing field and avoid instrumentalisation of and damage to the important advocacy and advisory role of NGOs and the efficient use of EU funds;

8. Suggests that the possibility be studied of raising the ceiling for indirect expenses and overheads to 15 %;
9. Emphasises that ‘use it or lose it’ incentives to spend funding, combined with delays between initial confirmation of funding and contractual engagement, do not promote better spending and should be avoided;
10. Calls on the Commission to streamline application, implementation and control procedures between different DGs and to modify reporting and control requirements so that they are proportional to the grant size, thus improving efficiency;
11. Stresses the need to intensify the policy dialogue between the Commission and NGOs via umbrella organisations, in order to enhance dialogue on content, improve implementation and address structural deficiencies;
12. Underlines that volunteer hours and contributions in kind are often the only resources some NGOs can access; suggests that the Commission, in the forthcoming revision of the Financial Regulation, investigate the possibility of including those resources in the accounts and raising the ceiling for indirect expenditure in grants for actions and operating grants;
13. Calls for the possibility of setting up a dispute settlement system to be explored so as to avoid NGOs having to address issues to the EU Ombudsperson.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	29.6.2016
Result of final vote	+: 30 -: 2 0: 3
Members present for the final vote	Nedzhmi Ali, Jean Arthuis, Reimer Böge, Jean-Paul Denanot, Gérard Deprez, José Manuel Fernandes, Eider Gardiazabal Rubial, Jens Geier, Ingeborg Gräßle, Monika Hohlmeier, Bernd Kölmel, Zbigniew Kuźmiuk, Vladimír Maňka, Ernest Maragall, Clare Moody, Siegfried Mureşan, Jan Olbrycht, Younous Omarjee, Urmas Paet, Paul Rübig, Patricija Šulin, Eleftherios Synadinos, Paul Tang, Indrek Tarand, Isabelle Thomas, Monika Vana, Daniele Viotti, Marco Zanni, Auke Zijlstra
Substitutes present for the final vote	Xabier Benito Ziluaga, Mercedes Bresso, Tomáš Zdechovský
Substitutes under Rule 200(2) present for the final vote	Sylvia-Yvonne Kaufmann, Fernando Ruas, Bogdan Brunon Wenta