

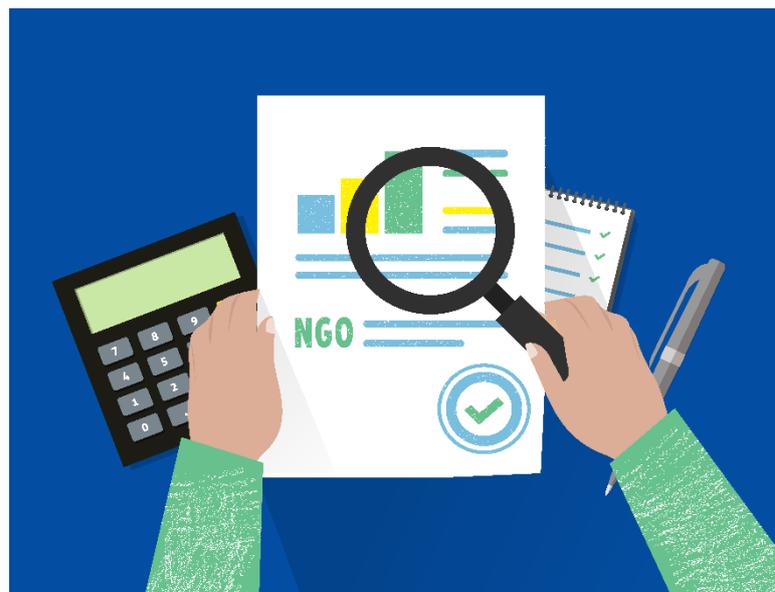
STUDY

Requested by the CONT committee



# Transparency and accountability of EU funding for NGOs active in EU policy areas within EU territory

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Policy Department for Budgetary Affairs  
Directorate-General for Internal Policies  
PE 753.974 - September 2023

EN



# Transparency and accountability of EU funding for NGOs active in EU policy areas within EU territory

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## **Abstract**

This study has been prepared for the Committee on Budgetary Control. It assesses recent developments in the transparency and accountability of EU NGO funding. The Commission has transitioned all programmes to a single, centralised grant management system that can potentially enhance the public transparency of grant funding significantly. Nevertheless, overall public transparency remains limited. The study recommends a more comprehensive, systematic approach to public transparency involving the Parliament, Commission, and NGOs.

This document was requested by the European Parliament's Committee on Budgetary Control.

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## ABBREVIATIONS AND ACRONYMS

<b>ABAC</b>	Central Financial System of the European Commission (to be replaced by SUMMA)
<b>ACFID</b>	Australian Council for International Development
<b>AGA</b>	Annotated Model Grant Agreement
<b>AMIF</b>	Asylum, Migration and Integration Fund
<b>BMVI</b>	Border Management and Visa Instrument
<b>CHAFEA</b>	Consumers, Health, Agriculture and Food Executive Agency
<b>CINEA</b>	European Climate, Infrastructure and Environment Executive Agency
<b>CONT</b>	European Parliament Committee on Budgetary Control
<b>CPR</b>	Common Provisions Regulation
<b>CSO</b>	Civil Society Organisation
<b>DG BUDG</b>	European Commission Directorate-General for Budget
<b>DG EAC</b>	European Commission Directorate General for Education, Youth, Sport and Culture
<b>DG ECHO</b>	Directorate General for European Civil Protection and Humanitarian Aid Operations
<b>DG ENV</b>	European Commission Directorate General for Environment
<b>DG HOME</b>	European Commission Directorate General for Migration and Home Affairs
<b>EACEA</b>	European Education and Culture Executive Agency
<b>EASME</b>	Executive Agency for Small and Medium Enterprises
<b>EC</b>	European Commission
<b>ECA</b>	European Court of Auditors
<b>ECBA</b>	European Cross Border Association
<b>ECF</b>	European Climate Foundation
<b>EEA</b>	European Economic Area
<b>EISMEA</b>	European Innovation Council and SMEs Executive Agency
<b>EMVI</b>	Empowering Migrant Voices On Integration And Inclusion Policies [AMIF project]
<b>EP</b>	European Parliament

<b>Erasmus+</b>	European Union programme for education, training, youth and sport
<b>EU</b>	European Union
<b>EUR</b>	EURO
<b>FPA</b>	Framework Partnership Agreement
<b>FTS</b>	Financial Transparency System
<b>GONGO</b>	Government Oriented Non-Governmental Organisation
<b>GPSA</b>	Global Partnership for Social Accountability
<b>HaDEA</b>	European Health and Digital Executive Agency
<b>HUMCORE</b>	Humanitarian Corridors Integration Pathways Program: Fostering Better Integration Opportunities For People In Need Of Protection Through Strengthened Private Sponsorship Schemes [AMIF project]
<b>IATI</b>	International Aid Transparency Initiative
<b>ICFO</b>	International Committee of Fundraising [Monitoring] Organisations
<b>ID</b>	Identification Number
<b>IIA</b>	Interinstitutional Agreement
<b>INGO</b>	International Non-Governmental Organisation
<b>ISF</b>	Internal Security Fund
<b>IT</b>	Information Technology
<b>LIFE</b>	Programme for Environment and Climate Action
<b>LIFE ETX</b>	Emissions trading extra. Making emissions trading work for EU citizens and the climate [LIFE project]
<b>LIFE MULTI PEAT</b>	Multi-stakeholder Landscape and Technical Innovation leading to Peatland Ecosystem Restoration [LIFE project]
<b>MEP</b>	Member of the European Parliament
<b>MFF</b>	Multiannual Financial Framework
<b>MGA</b>	Model Grant Agreement
<b>NEST</b>	Novice Education Support and Training [Erasmus+ project]
<b>NFPO</b>	Not For Profit Organisation
<b>NGO</b>	Non-Governmental Organisation
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OLAF</b>	European Anti-Fraud Office

<b>PIC</b>	Participant Identification Code
<b>REA</b>	European Research Executive Agency
<b>SDB</b>	European Youth Together: Young Europe - Sustainable Democracy Builders [Erasmus+ project]
<b>SEDIA</b>	Single Electronic Data Interchange Area (European Commission funding and tender opportunities portal)
<b>SMART-Y</b>	European Youth Together: Youth Together for Green and Sustainable European Smart Villages [Erasmus+ project]
<b>SUMMA</b>	Central Financial System of the European Commission (replacement for ABAC)
<b>TR</b>	Transparency Register
<b>UN</b>	United Nations
<b>USD</b>	United States Dollar
<b>VET</b>	Vocational Education and Training

## **COUNTRY ABBREVIATIONS**

<b>AL</b>	Albania
<b>AT</b>	Austria
<b>AZ</b>	Azerbaijan
<b>BA</b>	Bosnia and Herzegovina
<b>BG</b>	Bulgaria
<b>CZ</b>	Czechia
<b>DE</b>	Germany
<b>EL</b>	Greece
<b>ES</b>	Spain
<b>FR</b>	France
<b>HR</b>	Croatia
<b>IE</b>	Ireland
<b>IT</b>	Italy
<b>LV</b>	Latvia
<b>MK</b>	North Macedonia
<b>NL</b>	Netherlands
<b>PL</b>	Poland
<b>PT</b>	Portugal
<b>RO</b>	Romania
<b>SE</b>	Sweden
<b>SK</b>	Slovakia
<b>TR</b>	Turkey
<b>UK</b>	United Kingdom
<b>US</b>	United States

## EXECUTIVE SUMMARY

In this study, the term ‘NGO’ refers both to non-governmental organisations (NGO) and not for profit organisations (NFPO). NGOs inside and outside the European Union (EU) receive EU grants directly from the European Commission (EC) and EU executive agencies, and from intermediate bodies, such as Member State agencies and United Nations (UN) agencies, that award grants with EU funding transferred to them by the EC. Grants awarded to NGOs directly by the EC or EU executive agencies are under **direct management**. Grants awarded by intermediate bodies are under **indirect management**. Analysis of Financial Transparency System (FTS) data from 2020 to 2022 shows that the EC and EU executive agencies awarded grants to NGOs amounting to approximately EUR 17.5 billion under direct management across all EU budget programmes and funds included in the FTS. This accounted for approximately 4.6% of all EU budget commitments during this period. Of this, the three programmes that are the focus of this study provided approximately EUR 1 billion to NGOs under direct management, which equates to 5.8% of all grant funding to NGOs under direct management across all EU budget funds and programmes.

### The main objectives of the study are to:

- Provide Members of the European Parliament (EP) with an assessment of the transparency of EU grant funds awarded to NGOs, and an overview of the internal governance and management structures of grant-funded NGOs;
- Make recommendations to the EU institutions and NGOs on how to improve the transparency and accountability of EU grant funding.
- Make recommendations to the EP on how the EP as legislator and budgetary authority can better follow up on this topic and through what legislative and parliamentary control actions.

The study focuses exclusively on EU funding programmes that provide support within the EU, specifically the Asylum, Migration and Integration Fund (AMIF), the EU programme for education, training, youth and sport (Erasmus+), and the Programme for Environment and Climate Action (LIFE). These are referred to as the case study programmes.

### What is transparency?

Public transparency is essential for accountability. In the context of this study, transparency is the extent to which it is possible to understand how EU grant funding is used, by whom, for what purposes, on what basis (justification), and what is being achieved (results, impact, and sustainability). Both the EC and EU-funded NGOs have important roles to play in ensuring public transparency.

Key features of transparency are:

- Details of all EU-funded grants to NGOs are publicly available at EU level;
- The necessary information is up to date, and easy to find and make sense of. It can be easily reconciled, downloaded, merged, aggregated, and analysed to provide a clear picture of EU NGO grant funding at multiple levels;
- NGOs disclose their full funding basis and its purposes over a number of years to allow assessment of their independence.

## Findings

Rules on the transparency of EU grant funding, addressing the EC and grant recipients are specified in regulations

The [Financial Regulation](#) is the key overarching regulation. Specific regulations covering each of the case study programmes are the [AMIF regulation](#), the [Erasmus+ regulation](#), and the [LIFE regulation](#). AMIF transparency is also covered by the [common provisions regulation](#). Additional transparency requirements and guidance are provided for grant recipients in [model grant agreements and other programme guidance documents](#).

In practice, transparency provisions are generally very limited and highly specific. There is no explanation of the principles or purpose of public transparency and there is no requirement for the EC or grant beneficiaries to maximise public transparency. Compliance with requirements by the EC and grant beneficiaries does not ensure public transparency. The EC's proposed revision of the Financial Regulation does not include significant changes regarding public transparency.

The eGrants system is the EC's single centralised system for managing grants under direct management. The EC publishes details of grants awarded to NGOs in the FTS

The eGrants system replaces other standalone grant management systems previously used by different departments within the EC. This is improving the quality and uniformity of grant management data. This has been accompanied by the harmonisation of rules and guidance across programmes. The quality of grant funding data in the FTS has improved, but the FTS does not yet provide details of grants awarded to NGOs by intermediate bodies under indirect management. Different departments of the EC maintain standalone project databases and portals. Information is fragmented and inconsistently presented, making it difficult to reconcile information from different sources.

Transparency of EU grant funding is supported by project websites and information on NGOs' own websites

The quality of information on EU-funded project and NGO websites is variable and they are not systematically linked to each other, so that information about EU funding can be harder to find on organisational websites. While EU and other support is acknowledged, there are few details about the amount and purpose of funding received.

NGOs work with a range of governance and management approaches from different sectors including corporate business and public administration

It is therefore difficult to define, or establish compliance with, a firm set of 'minimum standards' for NGO governance and management, given the diversity in organisational purposes and civil society history and culture in EU Member States.

Other significant donors tend to engage directly with fewer grantees, and they provide larger grants with a limited range of values covering several years

In contrast, the EC engages directly with thousands of NGOs and provides grants covering a wide range of values, and these are all managed in the same way. For NGO grants under direct management, there is a heavy emphasis on financial accountability. Other major grant giving bodies tend to focus more on impact and sustainability.

Terminology used to describe civil society organisations in one country sometimes does not have an adequate translation in another language, or very similar terms have very different meanings legally, or in public perception

The current focus on legal form at the point of national registration therefore fails to capture the varied nature of NGOs. The EC has proposed the following definition of 'NGO': 'a voluntary, independent from government, non-profit organisation, which is not a political party or a trade union'. The exclusion of trade unions is different from the concept adopted by the [Council of Europe in 2007](#).

## The way forward

A collaborative approach to transparency in EU NGO funding involving the European Parliament, the EC, and the NGO sector

Regulation on public transparency needs to be flexible in order not to be left behind by the constantly evolving NGO sector and operating environment:

- While regulations should provide the transparency framework and identify specific critical requirements, **detailed guidelines for both the EC and EU-funded NGOs should be collaboratively developed, monitored, and periodically updated. Development and application of these guidelines can be introduced as a requirement in the Financial Regulation.**

Important gaps can be addressed with the following adjustments to the Financial Regulation:

- **A general overarching obligation on the part of the EC and EU-funded NGOs to maximise public transparency;**
- **Inclusion in the FTS of details of EU grants awarded to NGOs under indirect management. If already envisaged, this should be stated explicitly and unambiguously in the Financial Regulation;**
- **Reducing the time between the award of grants and publication in the FTS;**
- **Systematic publication by EU-funded NGOs of details of funding received from the EU and other sources over a five year period.**

A co-regulation approach to strategic regulation of EU-funded NGOs

There are **diverse NGO regulatory mechanisms** across the 27 EU Member States. **Top-down** national regulation involves the **risk** of politically driven control of NGOs. There is currently great **emphasis in EU grant funding** to NGOs on the **verification** of proper use of EU funding, but less on impact and sustainability. These challenges could be addressed by:

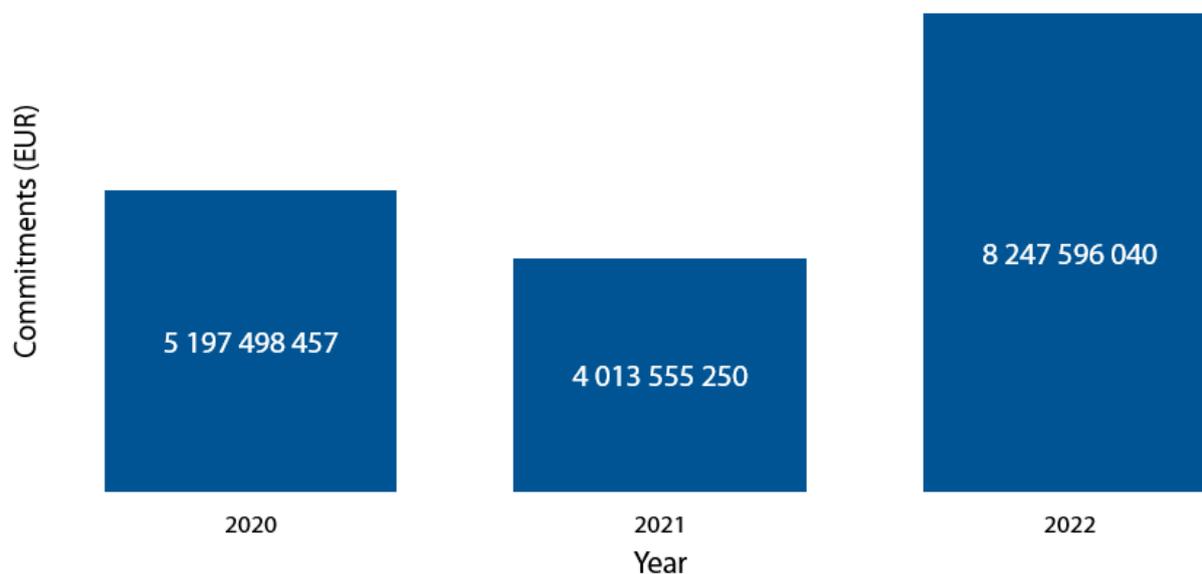
- Adopting a **co-regulation approach to NGOs**, which builds on a self-regulation approach agreed between the EC and the European NGO sector, but with added **independent third-party verification** of compliance and an EU level **ombuds system** to handle complaints;
- A common EU **definition of 'NGO'** should focus **less on the legal form** of an NGO at the point of national registration, and **more on what it does** and its interactions with the EU. This should include a formalised **status independent of national registration** to reflect the increasing levels of cross-border activities of NGOs.

# 1 INTRODUCTION

## 1.1 Background

According to the [Financial Transparency System](#) (FTS),<sup>1</sup> from 2020 to 2022 the European Commission (EC) and executive agencies made 54 412 commitments under direct management to 16 345 non-governmental organisations (NGO) and not-for-profit organisations (NFPO) amounting to approximately EUR 17.5 billion. Unless otherwise stated, the term ‘NGO’ is used in this study to refer to both NGO and NFPO collectively. The evolution of this funding is shown in Figure 1 below.

Figure 1: Direct management commitments to NGO and NFPOs 2020-2022



Source: author, based on FTS

Access to large amounts of public funding, and the influence that NGOs can have on developing and implementing policies across the EU and beyond, require transparency and democratic accountability<sup>2</sup> to ensure public confidence in how the funds are utilised. This applies to: how the funds are awarded and managed (accounting and contractual dimension); what role EU funding plays in beneficiary resourcing alongside other funding sources (independence and sustainability perspective); and what difference they are making (impact perspective). Transparency and democratic accountability should also ensure that grant beneficiaries systemically acknowledge the contribution that EU and other funding makes to their operations over time, and thus that the public in EU Member States understand the extent of EU funding via NGOs in their countries and how this helps to address many important issues. Transparency is not simply about making information publicly available, it is also about how it is made available and how easy it is to make sense of it.

<sup>1</sup> European Commission (undated), [Financial Transparency System](#) [accessed 23/07/2023]

<sup>2</sup> Democratic accountability is summarised by Olsen (2017) as 'Democratic accountability implies governance based on feedback, learning from experience, and the informed consent of the governed. Olsen, J.P. (2017): Democratic Accountability and the Terms of Political Order, in: *Democratic Accountability, Political Order, and Change: Exploring Accountability Processes in an Era of European Transformation* (Oxford, 2017; online edn, Oxford Academic, 20 Apr. 2017)

The European Parliament (EP) Committee on Budgetary Control (CONT) has been scrutinising the situation with studies published in 2010<sup>3</sup> and 2017,<sup>4</sup> and an update published in 2019.<sup>5</sup> At the time of the 2010 study, data on non-governmental organisation (NGO) funding was highly fragmented. The situation had improved considerably with the introduction of the FTS by the time of the 2017 study. Nevertheless, it was still not possible to analyse NGO funding reliably, as the distribution of funding between consortium partners was not systematically recorded in EC systems. The 2017 study highlighted a number of other concerns relating to accountability and democratic governance, including:

- Limited information provided by NGOs on the specific aims, results and impact of grant-funded activities, although the Programme for Environment and Climate Action's (LIFE) database was identified as a good example of transparency and accountability;
- Limited and unsystematic acknowledgement by NGOs of EU funding over time;
- Inconsistencies in the names of NGOs entered in different systems;
- Ambiguity about the scope and responsibilities of specific entities within groups of closely related NGOs e.g. in the Transparency Register (TR);
- Lack of reliability of the TR;
- Shortcomings in voluntary accountability mechanisms and their application;
- Differences between EC services in the interpretation of the exclusion criteria, and some concerns about the efficacy of monitoring.

The 2019 update noted that there had been some positive developments in the accessibility and quality of EC data on grant funding since 2016, and further developments were planned. However, meaningful analysis of grant funding data was still not possible. It also noted that there was still a need for a more systematic approach to communication about EU grant-funded activities, to enhance EU visibility.

A 2018 Special Report of the European Court of Auditors reiterated some of these concerns and made four recommendations.<sup>6</sup> These were mostly (but not all) accepted by the EC. In particular, the EC did not, at the time, accept the recommendation to improve the reliability of information on NGOs (although it did subsequently accept the recommendation), as the term 'NGO' *'has no generally accepted definition either at the international level, or at EU level'* and is used in different ways. Therefore *'the Commission has, on its own initiative, developed a system whereby organisations declare themselves as NGOs, under the pre-requisite that the legal entity concerned is flagged as both a private and not-for-profit organisation. Although it may result in different groups of recipients than what stems from concepts applied at national level, the Commission prefers to follow this prudent approach, which is based on objective and verifiable criteria. The Commission considers that any further criteria would require an EU level harmonisation of the concept of NGO which should be agreed by the legislator'*.<sup>7</sup>

<sup>3</sup> Blomeyer & Sanz (25/11/2010), [Financing of Non-governmental Organisations \(NGO\) from the EU Budget](#)

<sup>4</sup> Blomeyer & Sanz (24/01/2017), [Democratic accountability and budgetary control of non-governmental organisations funded by the EU budget](#)

<sup>5</sup> Blomeyer & Sanz (21/01/2019), [Democratic accountability and budgetary control of non-governmental organisations financed from the EU budget - Update](#)

<sup>6</sup> European Court of Auditors (2018), [Special Report – Transparency of EU funds implemented by NGOs: more effort needed](#). ECA recommendations are discussed in Chapters 3.1, 5.2, and 9.2

<sup>7</sup> European Court of Auditors (2018), [Special Report – Transparency of EU funds implemented by NGOs: more effort needed](#), p7 of the EC response

## 1.2 Objectives of the study

The present study follows up and builds on the work of earlier studies. However, whereas the 2017 study and the 2019 update focused mainly on NGO funding in EU external policy areas, the present study focuses exclusively on NGO funding for EU internal policy areas. The present study also focuses more on NGO decision-making and accountability structures and processes. The terms of reference provide the following overall objective for the study:

*'The objective of the study shall be to provide Members of the EP with an analysis and assessment of the transparency of EU funds attributed to NGOs, as well as of the internal decision-making and management structures of contracted NGOs, in terms of their internal organisation ensuring transparency and accountability. The study shall have an exclusive focus on funding programmes that provide support within EU territory.'*

*The study shall formulate recommendations clearly based on the research findings, addressed to the European Institutions, and, if appropriate, to NGOs. Recommendations to the EP should elaborate on, to the extent possible, how the EP as legislator and budgetary authority could better follow up on this topic and through what legislative and parliamentary control actions.'*

More specifically, the study aims to address the following questions:

1. Which are the top recipients of grant funding for each of the case study programmes, and to what extent does the FTS clearly show for all NGOs participating in EU grants via consortia how funds are distributed within grant-funded consortia?
2. How consistent is the data in existing EC transparency portals and systems?
3. How transparent, consistent, and effective are EC NGO grant management systems and processes?
4. What are the key visibility and transparency requirements in legal documents and programme guidance? How clear and consistent are the rules on subcontracting and sub-granting?
5. To what extent, and how, do NGOs disclose information on EU funding they receive and how grants are distributed between members of consortia implementing multi-beneficiary projects?
6. To what extent do NGO management and decision-making systems and processes meet minimum standards, and to what extent do they ensure accountability and transparency?
7. What examples of good practice can be found regarding transparency and democratic accountability in the use of EU funds, and transparency in public funding of NGOs beyond the EU?
8. What developments have there been in the TR since the 2016/17 EP study and how have these affected the reliability of the register?
9. What developments have there been in the development of a standardised definition of NGO for use by EU institutions?

## 1.3 Structure of the study

The study comprises 11 chapters. Further to this introduction (chapter 1), Chapter 2 presents rules on visibility and transparency; Chapter 3 reviews EC grant management systems; Chapter 4 presents an overview of NGO grant funding 2020-2022; Chapter 5 deals with rules on subcontracting and

sub-granting; Chapter 6 discusses NGO public transparency; Chapter 7 looks at NGO management and decision-making culture; chapter 8 presents good practice approaches to regulation; Chapter 9 discusses the NGO definition; Chapter 10 provides an overview of developments in the TR; and Chapter 11 presents conclusions and recommendations. Additional detail for some of the chapters is presented in seven annexes, which are referenced in the study where relevant.

Each chapter starts with a brief overview to orientate the reader.

## 1.4 Methodology and terminology

A brief overview of the methodology is provided here to orientate the reader. More details of the methodology are provided in Annex 1. The question framework used to guide the study is provided in Annex 6.

The findings, conclusions, and recommendations in this study are based on: interviews with staff of EU institutions (mainly the EC and executive agencies, but also the EP and the European Court of Auditors – ECA), grant-funded NGOs, and NGO umbrella organisations; analysis of EU regulations, and programme rules and guidance; analysis of grant-funded NGO websites; analysis of EC portals and databases relating to NGO grant funding; and analysis of the bulk FTS data downloaded from the FTS web page. The EC systems and portals referenced in the study are explained in Chapter 1.4.2 below.

### 1.4.1 Case studies

The study focuses on **three case study programmes**:

- **[Asylum, Migration and Integration Fund \(AMIF\)](#)**, managed by EC [Directorate General for Migration and Home Affairs](#) (DG HOME) (for the sake of simplicity, AMIF is also referred to as a programme throughout this study);
- **[The EU programme for education, training, youth and sport \(Erasmus+\)](#)**, managed jointly by EC [Directorate General for Education, Youth, Sport and Culture](#) (DG EAC) and the [European Education and Culture Executive Agency](#) (EACEA);
- **[The Programme for Environment and Climate Action \(LIFE\)](#)**, managed jointly by EC [Directorate General for Environment](#) (DG ENV) and the [European Climate, Infrastructure and Environment Executive Agency](#) (CINEA).

Table 1 below summarises the evolution of directly managed grant funding to NGOs from 2020 to 2022 for each of the three case study programmes and all other programmes covered by the FTS.

Table 1: Direct management commitments to NGO and NFPOs 2020-2022

Programme	Year	2020	2021	2022	Total
AMIF		35 717 452	25 212 836	843 451	61 773 739
Erasmus+		177 279 294	44 484 383	273 140 557	494 904 233
LIFE		126 314 910	117 404 116	213 305 660	457 024 686
All other programmes		4 858 186 801	3 826 453 915	7 760 306 372	16 444 947 088
<b>Total</b>		<b>5 197 498 457</b>	<b>4 013 555 250</b>	<b>8 247 596 039</b>	<b>17 458 649 746</b>

Source: author, based on FTS

As discussed briefly in Chapter 1.4.3, there has been a significant reorganisation of executive agencies, but this does not affect the case study programmes.

Within each of these programmes, **two projects** were selected as case studies (details are provided in Annex 3). The case study projects were selected using a statistical methodology on the downloaded FTS data, filtered to include only 2021 financial commitments,<sup>8</sup> and projects involving multiple organisations (**multi-beneficiary projects**) and implemented in multiple countries. Multi-beneficiary means grants implemented by several organisations working together as a **consortium**, which may include different types of organisation, such as NGOs and local authorities. The focus on multi-beneficiary projects reflects the concern in the terms of reference regarding the distribution of funding between project partners. This means that the research and analysis undertaken for the study focuses on action grants, as operating grants are limited to single beneficiaries.

**Within each case study project, the research focused on two case study NGOs**, namely the project coordinator and a secondary NGO. When selecting secondary NGOs, the study team aimed to maximise the geographic diversity. It was not possible to engage with one of the selected Erasmus+ projects and this was replaced with another project; thus three Erasmus+ projects (rather than two) are listed in Table 3 below.

The study focuses on grants to NGOs under direct management. **Direct management** means grants that are managed directly and exclusively by the EC. NGOs can also receive EU funding through grants or contracts managed by Member States (shared management), or funding that is managed by partner organisations or other authorities inside or outside the EU (**indirect management**).<sup>9</sup> The quantitative analysis of the FTS data in Chapter 4 covers **financial commitments from 2020 to 2022**.

Although not analysed in detail, indirect management is discussed in Chapters 3.1.1 and 4.

Although no longer a member of the EU, the UK is included in the analysis of the FTS, as it was amongst the top 10 beneficiary countries for each of the three case study programmes between 2017 and 2021.

Unless otherwise stated, the use of the term '**NGO**' in this document refers to **organisations that are flagged in the FTS as 'NGO'** (non-governmental organisation) **or 'NFPO'** (not-for-profit organisation) **or both**. The [FTS FAQ web page](#) defines these as follows:

<sup>8</sup> The 2021 FTS data was the most up to date available when the study was launched. 2022 data was published in the FTS in mid-2023

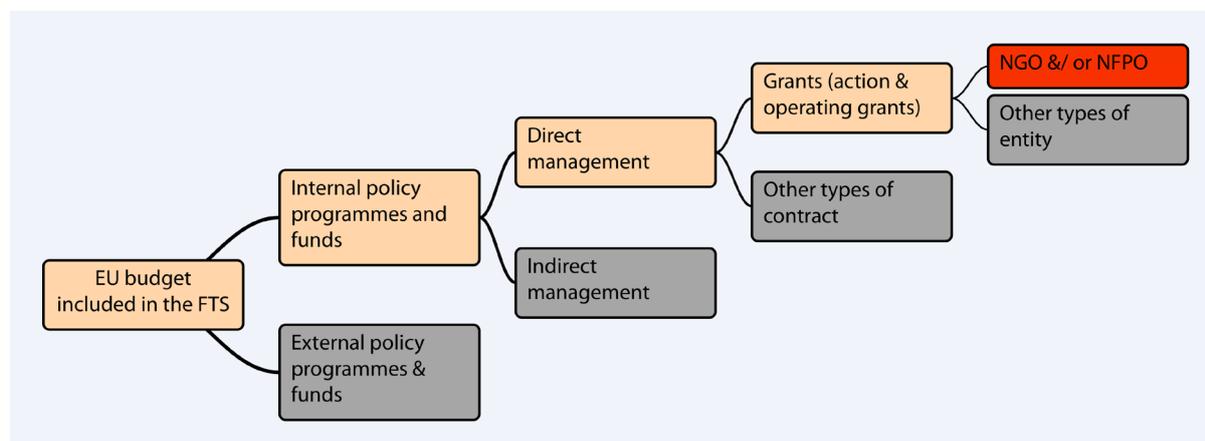
<sup>9</sup> European Commission (undated), [Funding by management mode](#)

*'In the absence of a universally applied definition of NGO, the Commission considers as NGO any non-profit, non-public law body (NFPO) independent of public authorities, political parties and commercial organisations. The NGO information that the Commission has available is based on self-declarations by entities receiving funding from EU funds through grant agreements or contracts directly managed by the Commission. These self-declarations are mainly requested for statistical purposes and are not subject to a general validation by Commission services. However, the non-profit status of an entity (NFPO), that is practically an essential element of an NGO, is subject to validation as this criterion can be objectively assessed through the non-profit making legal form of the entity.'*

The terms 'entry' and 'record' are used interchangeably and refer to a single row of data in the downloaded FTS dataset – each entry describes a **single commitment** to a specific beneficiary in a specific year for a specific project. The same beneficiary may receive two or more commitments in two or more successive years for the same project.

Unless otherwise stated, when referring to the three case study programmes (AMIF, Erasmus+ and LIFE), the text is referring to a subset of FTS entries **limited to AMIF, Erasmus+ and LIFE** (i.e. a sample of internal policy programmes), **and where the commitments are managed under direct management and the type of contract is an action grant or an operating grant and the beneficiary is flagged either as 'NGO' or 'NFPO'** (or both). This subset is represented by the red box in Figure 2 below.

Figure 2: Focus of the study



Source: author

Table 13 below summarises key attributes of the downloaded data for the three **case study programmes** for the years **2020 to 2022**. The 'All' column includes all types of funding to all types of organisations. The **study subset includes only grants to NGOs under direct management**. There are **7 487 commitments in the study subset**, but only 2 656 unique commitment reference numbers. This is explained by the fact that the reference number is repeated for each commitment in the case of multi-beneficiary projects. These cover **2 266 projects**, with **4 310 unique beneficiaries**,<sup>10</sup> and total funding amounting to **EUR 1 013 702 658**. The subset accounts for 32% of all entries relating to the three case study programmes in the FTS from 2020 to 2022 (all types of contract, beneficiary, and management modes), 51% of unique beneficiary organisations, and 21% of total commitments (funding awarded). This information is summarised in Table 2 below. A more detailed analysis is provided in Table 13 in Annex 1.

<sup>10</sup> Some beneficiaries appear multiple times in the data. 'Unique beneficiaries' means that each beneficiary is counted only once.

Table 2: Study FTS subset in the context of all AMIF, Erasmus+, and LIFE funding 2020-2022

	All AMIF, Erasmus+, LIFE 2020-2022	Study subset AMIF, Erasmus+, LIFE 2020-2022	Study subset as percentage of all
Count of entries	23 235	7 487	32%
Count of unique beneficiaries	8 477	4 310	51%
Count of unique projects <sup>11</sup>	4 980	2 266	46%
Count of unique commitment reference numbers	7 380	2 656	36%
Total beneficiary's contracted amount (EUR)	4 905 916 344	1 013 702 658	21%

Source: author based on FTS

**93% of the entries in the study subset cover action grants** and 7% operating grants. **Action grants account for approximately 87% of commitments by value** and operating grants 13%. The study includes some references to operating grants but these are not discussed in detail, as these are mono-beneficiary grants (i.e. they have only a single beneficiary), whereas the study focuses on the distribution of grant funding between NGOs in the context of multi-beneficiary grants (i.e. grants which are implemented by several NGOs working in consortia).

In general, the **analysis of the FTS uses NGO names exactly as they appear in the FTS**,<sup>12</sup> for example, "BRATISLAVSKE REGIONALNE OCHRANARSKEZDRUZENIE\*REGIONAL ASSOCIATION FORNATURE CONSERVATION AND SUSTAINABLE DEVOLPMENT". **It should be noted that NGO names in the FTS include spelling errors and words are concatenated, as in this example.** This makes it difficult to link, or cross-check, data in the FTS with other EC systems. The authors were requested by the EP's administration to present organisation names in a more attractive way to facilitate reading, but this has generally not been done as it risks introducing differences and errors that would make it harder to reconcile the information in the study with the data in the FTS.

As explained above, all of the case study projects involve **multiple beneficiaries**. These are referred to as grant beneficiaries, consortium members, or project partners, depending on the context. The **project coordinator** is the organisation responsible for interacting with the EC on contractual matters on behalf of the other project partners.

For ease of reading, the case study projects are referred to by their acronyms. These are listed in Table 3 below. Further details are provided in Annex 3.

<sup>11</sup> This uses the FTS column 'Subject of grant or contract'

<sup>12</sup> DG BUDG notes that entity names in the FTS come from the EC's accounting system, ABAC. This suggests that entity names, as provided in grant applications, are processed by EC systems for accounting purposes with results that undermine public transparency.

Table 3: Case study project acronyms

Project acronym	Project title (From the FTS column 'Subject of grant or contract')	Programme
<a href="#">EMVI</a>	Empowering Migrant Voices On Integration And Inclusion Policies	AMIF
<a href="#">HUMCORE</a>	Humanitarian Corridors Integration Pathways Program: Fostering Better Integration Opportunities For People In Need Of Protection Through Strengthened Private Sponsorship Schemes	AMIF
<a href="#">NEST</a>	Novice Education Support and Training	Erasmus+
<a href="#">SDB</a> <sup>13</sup>	European Youth Together: Young Europe - Sustainable Democracy Builders	Erasmus+
<a href="#">SMART-Y</a>	European Youth Together: Youth Together for Green and Sustainable European Smart Villages	Erasmus+
<a href="#">LIFE ETX</a>	Emissions trading extra. Making emissions trading work for EU citizens and the climate [LIFE project]	LIFE
<a href="#">LIFE MULTI PEAT</a>	Multi-stakeholder Landscape and Technical Innovation leading to Peatland Ecosystem Restoration	LIFE

Source: author

#### 1.4.2 Overview of systems and portals referenced in the study

The [FTS](#), which is managed by EC [Directorate-General for Budget](#) (DG BUDG), provides information about *'...beneficiaries of funding from the EU budget implemented directly by the Commission (at Headquarters or in EU delegations to non-EU countries) and other EU bodies such as executive agencies ('direct management') or implemented indirectly by other international organisations or non-EU countries ('indirect management'), and beneficiaries of the European Development Fund.'* The FTS uses data from the EC's [ABAC](#) corporate financial management system, and shows commitments to beneficiaries rather than actual disbursements. As well as offering online search capabilities, the FTS also offers bulk data downloads in the form of spreadsheets for offline analysis.

The **eGrants** system is the EC's single, centralised system for managing all directly managed grants. This replaces multiple 'local' systems previously used by different EC departments. eGrants is comprised of multiple modules including grant application, grant management, and in future project results.

The [Single Electronic Data Interchange Area](#) (SEDIA), also referred to as the funding and tenders portal, is the public interface for the eGrants system. Through SEDIA, it is possible to search for grant opportunities, submit grant applications, register in the [Participant Register](#), report on project progress using the [Continuous Reporting Module](#), and search for information about projects and grant beneficiaries. SEDIA provides information about nearly all grant-funded projects funded under the 2021-2027 multiannual financial framework ([MFF](#)), and some projects under the previous MFF. As of mid-2023 a small number of external policy programmes have not yet transitioned to the eGrants system but are expected to do so during 2024. This means that projects funded by these programmes so far during the 2012-2027 MFF do not yet appear in SEDIA. Not all programmes transitioned to the eGrants system towards the end of the 2014-2020 MFF and for this reason, many

<sup>13</sup> This acronym is used by the study authors

projects funded under that MFF do not appear in SEDIA – since these projects cannot retroactively be added to the eGrants system, they will not appear in SEDIA in future.

The [LIFE Public Database](#) is a standalone database maintained by CINEA. This has details of LIFE-funded projects going back to 1992.

The [LIFE programme 2014-2020 data hub](#) is a map-based interface for accessing information about LIFE-funded projects from 2014 to 2020 and is 'powered by' the European Innovation Council and SMEs Executive Agency (EISMEA). It is unclear if this is dynamically linked to the LIFE Public Database.

The [CINEA Project Portfolio dashboard](#) provides publicly accessible information about all funds managed by CINEA.

The [Erasmus+ project database](#) is a standalone public project database hosted on a web page managed by DG EAC. This provides details of projects funded under calls for proposals from 2014 onwards.

The [Transparency Register](#) (TR) is a standalone register of organisations that lobby EU institutions. It is described by Transparency International as a tool to help representatives of EU institutions to know about the lobbying organisations that approach them and that they interact with. It is not a financial system, and is not connected to other systems, including those described above. The TR is governed by a management board comprised of the Secretaries-General of the EP, the Council of the European Union, and the EC (the three signatory institutions of the [2021 Interinstitutional Agreement](#)). Day to day operation of the TR is managed by the Transparency Register Secretariat, which is comprised of 10 full-time staff from the three signatory institutions.<sup>14</sup>

### 1.4.3 Reorganisation of executive agencies

A major recent development is the reorganisation of executive agencies and the programmes they manage. Agencies that were covered in the 2016/17 EP study on NGO grant funding were deactivated in 2021 and relevant programmes were transferred to new agencies. For example, programmes previously managed by the Consumers, Health, Agriculture and Food Executive Agency (CHAFEA) are now managed by EISMEA (formerly Executive Agency for Small and Medium Enterprises – EASME), the European Research Executive Agency (REA), and the new European Health and Digital Executive Agency (HaDEA).<sup>15</sup> Similarly, programmes previously managed by EASME have been redistributed to EISMEA, REA, CINEA, and HaDEA.<sup>16</sup>

This reorganisation does not affect the three case study programmes. Nevertheless, understanding these developments is like assembling a puzzle, as the information is presented in a fragmentary manner on various EC web pages.

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<sup>14</sup> Details can be found in the [annual reports of the functioning of the Transparency Register](#)

<sup>15</sup> Vlaanderen EU Funding Overview (undated), [As from 1 April 2021 CHAFEA mandate and activities are reassigned](#)

<sup>16</sup> European Commission (06/04/2021), [New mandate of the Agency and portfolio reassignment](#) [EASME]

## 2 VISIBILITY AND TRANSPARENCY REQUIREMENTS

*What are the key visibility and transparency requirements in legal documents and programme guidance?*

### KEY FINDINGS

- Neither regulations nor guidelines explain the principles or purpose of public transparency. They provide minimum requirements, and compliance with these by the EC and grant beneficiaries does not ensure public transparency.
- There appear to be no requirements for grant beneficiaries to publish information about funding received from other sources for EU-funded projects, or more generally for funding received over time from the EU and other sources.
- There is no requirement to publish in the FTS information about grants awarded by intermediate bodies under indirect management.
- The EC's proposed revision of the Financial Regulation does not include significant changes with respect to visibility and transparency, with the possible exception of how FTS data is published.

Main recommendation: The EP is recommended to consider an amendment to the EC's proposed revision of the Financial Regulation explaining the principles and objectives of public transparency, and introducing a general overarching requirement for both the EC and EU-funded grant beneficiaries to maximise public transparency in line with these principles.

See Chapter 11.1 for detailed conclusions and recommendations.

### Chapter overview

This chapter reviews rules on visibility and transparency. Rules on subcontracting and sub-granting are covered in Chapter 5.

This chapter starts with definitions of transparency and accountability. This provides the context for the subsequent analysis of regulations. Next, the visibility and transparency provisions of the 2018 Financial Regulation and the EC's proposed revisions are reviewed. This is followed by a review of the regulations of the three case study programmes to assess their alignment with the Financial Regulation and with each other. Finally, the visibility and transparency requirements and guidance of the overarching Annotated Grant Agreement, the programme Model Grant Agreements, and the Funding & Tenders Online Manual are reviewed. The visibility and transparency performance of grant-funded NGOs is covered in Chapter 6.

## 2.1 Definition of visibility, transparency and accountability

### 2.1.1 Visibility

In the context of this study, visibility has two related meanings. Firstly it means that grant-funded projects are visible to relevant target audiences and groups, for example by means of dissemination and promotional channels and activities, such as project websites, social media, publications,

events, presentations, and advertising, etc. Secondly, it means ensuring that EU funding is publicly acknowledged. This is commonly ensured with the inclusion of the EU and/ or programme logo on grant funded project and organisational websites, publications, promotional materials, and equipment. Visibility generally relates to specific actions during their implementation, and in some cases for a limited time after implementation. Thus visibility (as currently operationalised in EU grant funding) plays a limited and transient role in ensuring transparency.

### 2.1.2 Transparency

#### **Transparency is essential for accountability.**

In the context of this study, transparency is the extent to which it is possible to see and understand how EU grant funding is used, by whom, for what purposes, on what basis (justification), and what is being achieved (results, impact, and sustainability). Transparency requires contextualisation of grant-funded projects, for example with information about other funding received over a number of years, from the EU and other sources, and the purpose and impact of that funding.

Transparency is not only about what information is available, but also how accessible it is. Accessibility means that information needed to understand and contextualise grant funding is easy for a wide range of users to find, download, and analyse. It should be possible for the user to derive meaning from this information – this is much harder if the information is fragmented, incomplete, inconsistent, difficult to work with, etc. Depending on the context and user, accessible information may mean detailed reports covering individual projects, or a large dataset that presents information in a highly summarised but systematic way (e.g. spreadsheets), or anything in between.

In the context of EU NGO grant funding, there is a need for transparency, not only between the EC and grant recipients and applicants, but also by these actors towards other EU institutions, the general public, and other stakeholders (e.g. researchers). **It is important to recognise that transparency towards the EC does not necessarily translate into transparency towards these other stakeholders.**

### 2.1.3 Accountability

Accountability is a complex, multidimensional and multidirectional concept.

In the context of this study, accountability means that EU NGO grant funding in general, and individual grant-funded projects, address EU policy objectives (including added value) and the needs of the target groups that grant funding is ultimately intended to benefit. In theory the two should be aligned, but this might not always be the case. For example, policy itself might not evolve at the same pace, or in the same way, as the operating context, or policy implementation may have unexpected and undesirable effects. In such cases, grant-funded NGOs may face conflicting accountability demands.

There should also be accountability towards EU citizens in general to ensure public confidence in how EU funds are utilised. In theory this is provided by EU institutions on behalf of citizens, but the institutions themselves rely on the input of many different actors in ensuring accountability.

NGO grant funding is an important means of delivering EU policy objectives. Grants are not a gift to NGOs – through implementation of grant-funded projects, NGOs make a major contribution to the functioning and development of the EU. They dedicate significant resources to applying for grants and managing grant-funded projects. This implies that there must also be accountability from the EC towards NGOs – if the system of grant funding does not respond to their concerns, constraints

and suggestions, the impact, sustainability, and value for money of EU grant funding may be adversely affected.

Accountability implies that there are effective structures, systems, and processes at EU and NGO levels to guide and manage the planning and implementation of grant funding strategy and grant-funded projects, to identify and rectify problems as early as possible, to assess the impact and sustainability of grant funding, and to continuously learn and adapt. Effective accountability requires not only specific formal structures, systems and processes, but also the possibility for a wider range of stakeholders with differing perspectives to engage in analysis, assessment, dialogue, learning, and continuous incremental improvement through access to publicly available information.

### 2.1.4 Case against micro-regulation of transparency and accountability

Transparency and accountability are fundamentally issues of the culture, norms, and practices of institutions and organisations. These are influenced both positively and negatively by regulation, and by the environment in which they operate. It may be tempting to regulate in detail on many aspects of transparency and accountability that are perceived as unsatisfactory. However, such micro-regulation has significant disadvantages:

- There is often scope for interpreting regulations in different ways, and they can be complied with in different ways that may produce effects contrary to what is desired;
- Transparency and accountability are increasingly reduced to a tick-box exercise leading to the application of minimum standards, with the possibility that transparency and accountability might effectively be reduced;
- There could be a negative impact on institutional culture, norms, and practices, as more resources are dedicated to complying with administrative requirements (NGOs) and checking compliance with numerous administrative requirements (EC). This diverts resources from ensuring the effectiveness, impact, and sustainability of grant-funded NGO work;
- What constitutes good transparency and accountability will vary depending on the type and size of organisation concerned, and the operating context – regulating specifically for each of these, and any exceptions, would lead to the creation of an unworkable document that would likely obscure the underlying principle that such detailed regulation is intended to address;
- Regulation inevitably lags behind developments in the operating environment, including changes in what is generally considered to be a good and feasible level of transparency and accountability.

## 2.2 The 2018 Financial Regulation and changes proposed by the EC

Title VIII of the 2018 Financial Regulation<sup>17</sup> is dedicated to grants. It consists of four chapters:

- Chapter 1 Scope and form of grants
- Chapter 2 Principles

<sup>17</sup> [Regulation \(EU, Euratom\) 2018/1046 of the European Parliament and of the Council of 18 July 2018](#) on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 13

- Chapter 3 Grant award procedure and grant agreement
- Chapter 4 Implementation of grants

Relevant elements of these four chapters are discussed below.

In general, the transparency requirements are addressed to the EC, and where they do address applicants and beneficiaries, this relates only to interaction with the EC and relates to information that is not published, such as information needed to evaluate grant applications, and financial management information. There is almost nothing in this part of the 2018 Financial Regulation regarding public transparency and accountability. This is partly addressed by Article 38 ('Publication of information on recipients and other information') in Chapter 8 of Title II. The [EC's proposed revision](#) introduces a potentially significant new element to Article 38, in the form of interoperability of the FTS, although the quality of the FTS data is not explicitly addressed.<sup>18</sup> In general, **the requirements of the 2018 Financial Regulation, and the EC's proposed revision, do not appear to foresee the public availability of information that is needed to analyse the alignment of NGO grant funding with key socio-economic factors underlying EU policy objectives.** Furthermore, **neither document appears to include provisions relating to the publication of the results or analysis of the impact of grant-funded projects** – this is important for public transparency and accountability – simply knowing who received the grant and generally what it was used for is not sufficient. Article 34 of the Financial Regulation does require *ex ante* and retrospective evaluations of programmes and activities that entail significant spending, but this is not the same as systematic and timely public provision of details about grant funding that enables different stakeholders to undertake their own analyses.

#### **More specifically:**

Article 189 ('Transparency') of the 2018 Financial Regulation provides a small number of general transparency requirements addressed to the EC, relating to the requirement for grants to be awarded on the basis of calls for proposals (Paragraph 1), the publication of data about grants awarded (Paragraph 2), and the provision of reports (when requested) to the EP and the Council covering a small number of quantitative performance indicators (Paragraph 3).

Article 38, which is referred to in Paragraph 2 of Article 189, describes what information should be published and is **limited to basic administrative information. Article 38 is the basis for the publication of information in the FTS.** It is **open to different interpretations**, for example, the EC is required to make information '*in an appropriate and timely manner*'. Among other things, the EC is required to publish '*the amount legally committed*' but it **does not state whether, in the case of multi-beneficiary projects, this must be at the level of each recipient or at the level of the project** – this is relevant because the FTS is still missing some commitment amounts at beneficiary level. There appears to be **no requirement to publish the actual amounts consumed**, and indeed these are not published. Thus, in the case of multi-beneficiary projects it means that any internal budget adjustments or reallocation of funds between consortium members are not published. The '*nature and purpose of the measure*' must also be published – **the FTS does include the column 'Subject of grant or contract' (essentially the project title), and while this may meet the requirement of Article 38, it is of little use when analysing commitments in bulk. Further systematic categorisation of the nature and purpose of the measure covered by the commitment is needed in the FTS itself. Article 38 says nothing about the publication of**

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<sup>18</sup> Information about the CONT committee's work on the recast of the Financial Regulations is available at the [European Parliament Legislative Observatory](#)

**information about the results or impact of grant-funded projects.** Indeed, it is difficult to envisage how such information could be recorded directly in the FTS, but it does not have to be in the FTS itself. It would be feasible to include links to project entries in other EC databases and portals where it should be possible to find such information.

There is **no requirement to publish information about grants awarded under indirect management** by intermediate bodies (such as Member State agencies and United Nations (UN) agencies, among others).

**Paragraph 2 (b) (i) of Article 38 requires the publication of the recipient's locality but does not require publication of the locality of the funded action.** In many cases, the country or NUTS 2<sup>19</sup> information are likely to be the same for the beneficiary and the action; but this is presumably not the case for grant beneficiaries registered in Belgium, which are responsible for a significant amount of grants awarded by the EC to NGOs. **The FTS does include a 'Benefiting country' column,** and for 2021 entries, there appear to be no blanks in this column, as far as grants awarded by the three case study programmes are concerned. **However, it is not clear if, in the case of multi-beneficiary projects, the indicated benefiting country or countries are specific to the beneficiary, or are indicated only for the overall project and the information is the same for each beneficiary.** The 'Benefiting country' information is potentially useful but significant manipulation of FTS data is required to make use of it. Information on benefiting NUTS 2 region would be very useful for linking FTS data with other publicly available data (e.g. Eurostat statistics) for analysing alignment of the grant funding with key socio-economic factors underlying EU policy objectives.

Paragraph 189 becomes Paragraph 193 in the EC's proposed revision of the Financial Regulation. The text in the proposal is unchanged.

The **EC has proposed a number of revisions to Article 38.** In particular:

- Article 38.1 indicates where and by when the information will be published. Namely, on the EC's website '*no later than 30 June of the year following the financial year in which the funds were legally committed*', which **reflects the current practice.** This now also applies to budget implemented by other Union institutions and bodies.

The second paragraph here **introduces the requirement for the EC to publish information about recipients of funding under shared and indirect management.** This addresses a significant gap in FTS data, which currently does not include information about grants awarded to NGOs under these two management modes. In these cases, the '*Commission shall make available on its website information on recipients no later than 30 June of the year following the financial year in which the contract or agreement setting out the conditions of support was established.*'

The deadlines for the publication of information mean that, depending on the month in which grants are awarded, **it takes between approximately six and 18 months for information about grant funding to become publicly available.**

- Article 38.2 states that information will be published 'in an open, interoperable and machine-readable format, which allows data to be sorted, searched, extracted, compared and reused'. The term 'interoperable' here could be understood as meaning that it will be possible for external users to access FTS data in real time through an application programming interface (API). However, DG BUDG confirms that there are no plans to

<sup>19</sup> NUTS – Nomenclature of territorial units for statistics. The [Eurostat website](#) explains NUTS

implement a public API. Thus the **new text simply reflects the existing situation**, whereby data can be downloaded in spreadsheet format for offline analysis.

- Paragraph 2 (b) introduces the requirement to publish the recipient's '*... VAT identification number or tax identification number where available or another unique identifier established at country level*'. The FTS already includes VAT numbers. While these and other unique identifiers at national level are useful for confirming the identity of individual organisations, they are not useful for accurately comparing and/ or merging data in the FTS with data available in other publicly available EC databases and portals. **It is unclear why the FTS does not include the organisation's Participant Identification Code (PIC), which all grant applicants must have, and is used in the EC's SEDIA portal.**

The presentation of Article 38 and other articles is not sufficiently clear and understanding it requires following references to articles elsewhere in the Financial Regulation, which are also not clearly presented.<sup>20</sup> It is **unclear what new information will be published in the FTS if the proposed changes to Article 38 are adopted**. For example, the EC notes that since 2020 the FTS has included information on indirect management, but analysis of FTS data for 2020 to 2022 suggests that this is limited to the funding transferred to intermediate bodies by the EC – it does not include details of grants awarded by intermediate bodies to NGOs (see Chapter 3.1.1). It is unclear if, or to what extent, the proposed changes to Article 38 address this gap.

Article 194 of the 2018 Financial Regulation covers further transparency requirements addressed to the EC in the form of requirements relating to calls for proposals. Article 195 lists exceptions where grants may be awarded without calls for proposals. These two articles become 198 and 199 in the EC's proposed revision, and the text is unchanged here.

Article 196 ('Content of grant applications') of the 2018 Financial Regulation addresses transparency requirements for grant applicants, but only in the context of the application process, and only towards the EC for the purpose of evaluating applications. This became Article 200 in the EC's proposed revision, and the only change here is in Paragraph 1 (a), which states that grant applicants must now indicate in the description of their legal status **whether or not they are a non-governmental organisation**. Here it would be helpful to include a cross-reference to the EC's proposed definition of 'NGO' elsewhere in the document. In both versions, Paragraph 1(f) states that applications must include an '*indication of the sources and amounts of Union funding received or applied for in respect of the same action or part of the action or for the functioning of the applicant during the same financial year as well as any other funding received or applied for the same action*'. This appears to be the **only reference in either version of the Financial Regulation to other funding sources in the context of grant funding**.

Article 200 ('Evaluation procedure') of the 2018 Financial Regulation lists further transparency requirements to be fulfilled by the EC, this time in the evaluation of grant applications. This becomes Article 204 in the EC's proposed revision. No changes are envisaged here.

Article 201 ('Grant agreement') in the 2018 Financial Regulation specifies the minimum information that must be included in grant agreements. In general, grant agreements are not publicly available. While not suggesting that all content of all grant agreements should be published (this may not be possible for reasons of data protection, security or safety), the publication of some information from grant contracts would support improved public accountability and transparency. Among other things, the grant agreement must include (Paragraph 2 (d)) '*a description of the action or, for an*

<sup>20</sup> The problem here is not the cross-referencing itself, but the combination of cross-referencing and poorly drafted text

*operating grant, of the work programme together with a description of the results expected*'. Case study NGOs publish this information to varying degrees but it is not known to what extent, or how accurately the published information reflects the objectives and expected results specified in grant agreements.

Article 201 Paragraph 2 (h) states that grant agreements must include *'provisions governing the visibility of the Union financial support, except in duly justified cases where public display is not possible or appropriate'*. However, there is no further information about this, or any reference to other articles in the Financial Regulation, or to other regulations or guidance about what visibility means here. This leaves open the possibility for wide interpretation. This is important, **because visibility does not equate with transparency and accountability**. It simply means that grant-funded actions must be seen to be funded by the EU – there is **no requirement to provide information, and in such a way that external researchers and the public in general can contextualise grant-funded actions, understand their impact and lessons learned, and engage in informed policy dialogue**.

Article 201 becomes Article 205 in the EC's proposed revision of the Financial Regulation. No changes are envisaged here.

Chapter 4 'Implementation of grants' of the 2018 Financial Regulation deals almost exclusively with financial management. This includes information that beneficiaries must make available to the EC in the context of payment requests and inspection (e.g. audit). This information is very important for transparency and accountability towards the EC. However, the chapter does not include any provisions directly addressing the public transparency and accountability of grant recipients.

Few changes are envisaged in Chapter 4 of the EC's proposed revision of the Financial Regulation. Article 208 in the revised document adds specific cases in which the EUR 60 000 limit for individual sub-grants may be exceeded, namely *'in the case of humanitarian aid, emergency support operations, civil protection operations or crisis management aid'*. At the same time, the revised article retains the original wording which foresees the possibility of exceeding the EUR 60 000 limit *'where achieving the objectives of the actions would otherwise be impossible or overly difficult'*. This is clearly open to wide interpretation and it is unclear how, or by whom, this is decided.

Article 205 ('Implementation contracts') of the 2018 Financial Regulation becomes Article 209 in the EC's proposed revision. The original wording refers to 'public contracts'. This is changed throughout in the proposed revision to refer simply to 'contracts'. The original wording implies that some contracts might not be public and that either the provisions do not apply to them or that procurement using grant funds is not possible. The new wording removes this ambiguity.

### 2.3 Analysis of transparency and accountability provisions in the three case study programme regulations and their correspondence with the Financial Regulation

Unless otherwise stated, references to the Financial Regulation here refer to the 2018 regulation, not the EC's proposed revision.

This section focuses on the following aspects of the Financial Regulation:

- Article 38 Publication of information on recipients and other information
- Article 189 Transparency
- Article 194 Calls for proposals

- Article 196 Content of grant applications
- Article 200 Evaluation procedure
- Article 201 Grant agreement

The analysis in this section covers only direct management.

### 2.3.1 AMIF

This section covers both the AMIF regulation<sup>21</sup> and the Common Provisions Regulation (CPR),<sup>22</sup> which also applies to AMIF.

Paragraphs 2 and 3 of Article 25 of the 2021 **AMIF regulation** state that:

*2. Union actions may provide funding in any of the forms laid down in the Financial Regulation, in particular grants, prizes and procurement. ...*

*3. Grants implemented under direct management shall be awarded and managed in accordance with Title VIII of the Financial Regulation.*

Thus all of the provisions of the 2018 Financial Regulation discussed above, apart from Article 38, explicitly apply to grants made by AMIF to NGOs.

Paragraph 1 of Article 30 of the AMIF regulation ('Information, communication and publicity') goes further than the Financial Regulation in specifying how recipients of Union funding (presumably including NGO grant recipients) should promote transparency, although it does not explicitly refer to transparency. In particular, it states that (emphasis in text below is applied by the author):

*'The recipients of Union funding shall acknowledge the origin of those funds and ensure the visibility of the Union funding, **in particular when promoting the actions and their results, by providing coherent, effective, meaningful and proportionate targeted information to multiple audiences, including the media and the public.**'* Our analysis of grant-funded projects and beneficiary websites suggests that there may be room for improvement in this area, not only in the case of AMIF, but also the other two case study programmes. This information does not have to be provided *'in **duly justified cases** where it is not possible or appropriate to display such information publicly or where the release of such information is restricted by law, in particular for reasons of security, public order, criminal investigations or the protection of personal data.'*

Article 30 also specifies that *'To reach the widest possible audience, the Commission shall implement information and communication actions relating to the Fund, to actions taken pursuant to the Fund and to the **results obtained**'.*

Articles 33 and 34 cover, respectively, monitoring and reporting, and evaluation. Article 33 refers to **indicators** (Paragraph 3) and a **performance reporting system** (Paragraph 4), which must *'ensure that data for monitoring the implementation and the results of the programme are collected efficiently, effectively and in a timely manner. To that end, **proportionate reporting requirements shall be imposed on recipients of Union funds** and, where appropriate, on Member States.'* While not suggesting that all details can, or should, be made publicly available, it is unclear to what extent

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<sup>21</sup> [Regulation \(EU\) 2021/1147 of the European Parliament and of the Council of 7 July 2021](#) establishing the Asylum, Migration and Integration Fund.

<sup>22</sup> [Regulation \(EU\) 2021/1060 of the European Parliament and of the Council of 24 June 2021](#) laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy

results, impact and lessons learned are publicly available in a form that facilitates informed analysis and dialogue. Article 34 Evaluation deals only with strategic evaluation of AMIF overall. There is nothing here about evaluation of individual grant-funded projects or disclosure of results, impact, and lessons learned. This is potentially a concern, as evaluations by the EC could be perceived as a 'black box', the workings of which may not be so transparent from an external perspective, and which may constrain informed dialogue.

Annex V of the AMIF regulation lists core performance indicators about which the EC should report to the EP and the Council. Annex VIII lists detailed results and output indicators to assess progress towards the achievement of specific objectives specified in Article 3 Paragraph 2. Presumably this information has to be collected from recipients of Union funding, including grant-funded NGOs. While not suggesting that individual NGOs should be required to publish this information, detailed information (rather than aggregated information) could be published by the EC in an anonymised format at country, or even NUTS 2 level, to facilitate independent analysis of the results and impact of policy implementation, to support learning, dialogue, and continuous incremental improvement.

There appears to be **no reference in the AMIF regulation to 'other funding' or 'funding from other sources'**, and thus no requirements in this regard beyond what is specified in the Financial Regulation.

The **CPR** has visibility and transparency requirements that apply to AMIF, as well as several other funds. As far as AMIF is concerned, the CPR applies only to shared management and are therefore not directly relevant to the focus of this study. Nevertheless, a brief analysis is provided here, as it generally reflects the issue of transparency identified elsewhere in the study. These are in Title IV, Chapter 3. In particular, Article 49 lists information that the managing authority should publish on the fund website. Paragraph 2 states that *'The managing authority shall ensure the publication on the website referred to in paragraph 1, or on the single website portal referred to in point (b) of Article 46, of a timetable of the planned calls for proposals, that is updated at least three times a year...'* and it lists specific pieces of information that should be included. In practice, this information is not so easy to find and appears to be somewhat fragmented. A [timetable of calls for proposals in 2023](#) is published on the ['Funding communication material'](#) page of the Migration and Home Affairs website. It **includes the provisional date of publication, but not specific start and end dates of the proposed calls. It includes priorities but not the geographical coverage, type of eligible applicants or the total amount of support for each call. It includes references to the work programme but the most recent published work programme covers 2021-2022** which does not appear to present information as clearly or concisely as implied by the CPR.

Paragraph 3 states that *'The managing authority shall make the list of operations selected for support by the Funds publicly available on the website in at least one of the official languages of the institutions of the Union and shall update that list at least every 4 months.'* Lists of projects awarded grants between 2014 and 2020 are published on the [Migration and Home Affairs website](#) but there is **so far no list for 2021 or 2022.**

### 2.3.2 Erasmus+

Unlike the AMIF regulation, **the Erasmus+ regulation<sup>23</sup> does not refer to Title VIII of the 2018 Financial Regulation, or to the specific articles of that regulation discussed [above](#) (Articles 189, 194, 196, 200, and 201).** Article 18 Paragraph 1 of the Erasmus+ regulation states

<sup>23</sup> [Regulation \(EU\) 2021/817 of the European Parliament and of the Council of 20 May 2021](#) establishing Erasmus+: the Union Programme for education and training, youth and sport and repealing Regulation (EU) No 1288/2013 (Text with EEA relevance)

that, so far as direct management is concerned, the programme will be implemented ‘*in accordance with point (a) of the first subparagraph of Article 62(1) of the Financial Regulation*’. This in turn references Articles 125 to 153 of the Financial Regulation, which comprise approximately 17 pages of detailed rules on diverse topics relating to the management of funds – many of these have implications for financial transparency and accountability, but generally in respect of NGOs towards the EC, rather than towards the public. Article 18 Paragraph 2 of the Erasmus+ regulation identifies grants as one of the preferred methods of providing funding.

The Erasmus+ regulation includes provisions on monitoring and reporting (Article 23), and evaluation (Article 24). These are similar to, but less detailed than, the corresponding provisions in the AMIF and Erasmus+ regulations. Indicators are provided in Annex II of the regulation. Article 23 states that ‘...*proportionate reporting requirements shall be imposed on beneficiaries of Union funds...*’. As with the AMIF regulation, the emphasis here appears to be on enabling the EC to fulfil its reporting obligations towards the EP and the Council, rather than for public transparency and accountability. Of course recipients should report on how grant funding is used, but it is unclear to what extent the imposition of reporting requirements to feed the EC’s reports to the EP and the Council ensures overall transparency and accountability. Similar to the AMIF regulation, Annex II of the Erasmus+ regulation includes indicators to assess progress towards the achievement of programme objectives, but, like the AMIF regulation, it is not clear how the indicators are to be used, other than to feed into EC reports.

Article 25 Paragraph 2 of the Erasmus+ regulation states that ‘*The recipients of Union funding shall acknowledge the origin of those funds and ensure the visibility of the Union funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.*’ This is almost identical to the wording in the AMIF regulation, but **the Erasmus+ regulation omits the word ‘meaningful’**.

Paragraph 4 of Article 25 states that ‘*The Commission shall implement information and communication actions relating to the Programme, to actions taken pursuant to the Programme and to the results obtained. The Commission shall **ensure that, where relevant, Programme results are made publicly available and are widely disseminated** in order to promote exchange of best practices among stakeholders and Programme beneficiaries.*’ Presumably, this is what the [Erasmus+ project database](#) is intended to address. The subtitle ‘Erasmus+ project results’ is prominently displayed on the landing page, and beneath this the following sentence is displayed: ‘*Presenting the details and outcomes of projects funded under the Erasmus+ programme.*’ However, **results are generally not available**.<sup>24</sup>

As with the AMIF regulation, there appears to be to **no reference in the Erasmus+ regulation to ‘other funding’ or ‘funding from other sources’**, and thus no requirements in this regard beyond what is specified in the Financial Regulation.

<sup>24</sup> For example the [database](#) lists 122 closed projects implemented by ‘European NGO’ with activity in 2021. Only 27 of these (22%) are flagged as ‘With Results’. Some of these provide rich and detailed information in the form of downloadable documents but there appears to be nothing that can be easily aggregated across projects (such as indicators). It is also worth noting that downloads are limited to 1 000 projects, while the database includes almost 155 000 projects. The data download provides useful basic information about the selected projects in the form of a spreadsheet, but there is nothing about results, and the project summaries are cut off after 199 characters – this is a pity because text analysis on the summaries could yield useful insights.

### 2.3.3 LIFE

As with the AMIF regulation, the LIFE regulation<sup>25</sup> states (in Article 10) that *'Grants under the LIFE Programme shall be awarded and managed in accordance with Title VIII of the Financial Regulation.'* Thus all of the provisions of the 2018 Financial Regulation discussed above, apart from Article 38, explicitly apply to grants made by the LIFE programme to NGOs.

Article 21 ('Information, communication and publicity') Paragraph 1 states that *'The recipients of Union funding shall acknowledge the origin of those funds and ensure the visibility of the Union funding, in particular when promoting the projects and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.'* Like the Erasmus+ regulation, the word 'meaningful' is not included here. Unlike the AMIF and Erasmus+ regulations, the LIFE regulation requires the use of the LIFE logo, which should be displayed on all *'durable goods acquired in the framework of the LIFE Programme... except in cases specified by the Commission'*. Furthermore *'Where the use of the LIFE Programme logo is not feasible, the LIFE Programme shall be mentioned in all communication activities, including on notice boards at strategic places visible to the public.'*

The provisions of the LIFE regulation dealing with monitoring and reporting (Article 19) and evaluation (Article 20) are similar to those in the AMIF and Erasmus+ regulations, but more detailed. Paragraph 4 of Article 19 states *'The Commission shall ensure that data for monitoring programme implementation and results are collected efficiently, effectively, and in a timely manner. To that end, and in accordance with relevant methodologies, proportionate reporting requirements shall be imposed on recipients of Union funds to enable the collection of **aggregable project-level output and impact indicators for all relevant specific environment and climate policy objectives**, including in relation to Natura 2000 and the emissions of certain atmospheric air pollutants, including CO<sub>2</sub>.'* Unlike the other two regulations, specific reference is made here to the requirement for aggregable project-level output and impact indicators, although indicators listed in the other two regulations do imply the same requirement. Indicators are listed in Annex II of the LIFE regulation.

Paragraph 5 of Article 19 provides more detail than either AMIF or Erasmus+ regulations about the monitoring and reporting to be done by the EC.

Article 20 goes into some detail about the EC's evaluation activities. This in itself suggests a greater degree of transparency than in the case of AMIF or Erasmus+. However, unlike the AMIF and Erasmus+ regulations, there is no explicit reference to general communication or dissemination of results by the EC. This is possibly implied in Paragraph 4 of Article 20 which states that *'The Commission shall make the results of the evaluations publicly available'* although the results presented in evaluations are likely already aggregated and interpreted, and would therefore not address the needs of external researchers wishing to undertake their own analysis of the underlying data. The [LIFE Public Database](#) (which is not mentioned in the regulation) provides a lot of information about grant-funded projects, including narrative information on results; it does not appear to include information (e.g. indicators) on results or outputs than can be aggregated and analysed by external researchers wishing to undertake their own analysis.

Thus, as with the AMIF and Erasmus+ regulations, the LIFE regulation addresses transparency primarily in terms of the needs of the EC. The regulation explicitly covers visibility, and implicitly, to a limited extent, public transparency.

<sup>25</sup> [Regulation \(EU\) 2021/783 of the European Parliament and of the Council of 29 April 2021](#) establishing a Programme for the Environment and Climate Action (LIFE), and repealing Regulation (EU) No 1293/2013 (Text with EEA relevance)

As with the AMIF and Erasmus+ regulations, there appears to be **no reference in the LIFE regulation to 'other funding' or 'funding from other sources'**, and thus no requirements in this regard beyond what is specified in the Financial Regulation.

## 2.4 Grant agreements

This section reviews visibility and transparency requirements of the Annotated Grant Agreement (both the July 2021 and April 2023 draft version), which is the general overarching model covering all programmes (this is listed under 'Guidance' rather than 'Grant agreements and contracts'). It also reviews the mid-2021 Model Grant Agreements that are specific to each of the three case study programmes and the March 2023 Lump Sum Model Grant Agreement that is common to the Erasmus+ and LIFE programmes (and possibly other programmes, but not AMIF). These are all available on [SEDIA](#). However, there is **no explanation of the applicability of different versions of these documents, or the relationship** between the Annotated Grant Agreement and Model Grant Agreements. For example, in June 2021, the EC published the following versions of the Model Grant Agreement for the Erasmus+ programme:

- Unit Grants – Erasmus Unit MGA — Multi & Mono;
- General Model Grant Agreement – Erasmus MGA — Multi & Mono;
- Model Grant Agreement – Lump Sum Grants – ([PROGR Lump Sum MGA— Multi & Mono]) (this appears to be common to multiple programmes).

There are also different versions for operating grants, which are not considered here, as the study focuses on action grants.

The list of documents can only be viewed for one programme at a time and, because of this, it is **not obvious that some of the documents are common to multiple programmes**.

Guidance documents are also reviewed.

### 2.4.1 Annotated Grant Agreement

There are 16 references to transparency in the 188-page **July 2021 Annotated Grant Agreement**.<sup>26</sup> These relate almost exclusively to operational matters such as recruitment, sub-granting, transparency towards research subjects, and *'developing, undertaking, reviewing, reporting and communicating research in a transparent, fair and unbiased way'* (p126).

Communication, dissemination and visibility are covered in Article 17 and Annex 5. Article 17.1 states that *'Unless otherwise agreed with the granting authority, beneficiaries must promote the action and its results by providing targeted information to multiple audiences (including the media and the public), in accordance with Annex 1 and in a strategic, coherent and effective manner.'* **This article reflects the requirements of the three case study programme regulations.** Presumably, further guidance is to be found in Annex 1, but there is no Annex 1. Article 17.2 requires the use of the EU flag and funding statement and it provides detailed instructions on where and how these should be displayed. Annex 5 Communication, Dissemination and Visibility states that where required, beneficiaries must provide a detailed communication and dissemination plan *'setting out the objectives, key messaging, target audiences, communication channels, social media plan, planned budget and relevant indicators for monitoring and evaluation'*. It also lists a number of highly

<sup>26</sup> [European Commission \(23/07/2021\), EU Grants – AGA – Annotated Grant Agreement – EU Funding Programmes 2021-2027 \[Version 1.0 – Draft\]](#)

specific additional actions that may optionally be required, partly duplicating Article 17. These include, among other things:

- *'present the project (including project summary, coordinator contact details, list of participants, European flag and funding statement [and special logo] **and project results**) on the beneficiaries' websites or social media accounts'*. A problem with social media is that the content is transitory. While useful for communication about recent, current, or imminent activities and results, social media is less suitable for communication of information with longer-term relevance. In this context, **websites should perhaps be obligatory**.
- *'upload **the public project results** to the [insert Programme name] Project Results platform, available through the Funding & Tenders Portal'*. However 'public project results' are not defined, leaving wide scope for different interpretations, and **as of mid-2023, project results are not publicly available via SEDIA (the Funding & Tenders Portal)**.

There appear to be no substantive changes to the communication, dissemination and visibility provisions in the **April 2023 Annotated Grant Agreement**.<sup>27</sup>

As noted above, Article 17 requires the provision of *'targeted information to multiple audiences'* to **promote** the action and its results, and various detailed requirements are specified here and in Annex 5 to this end. Other than promotion, no other objectives of communication and dissemination are mentioned – thus **transparency is not a stated objective**. **'Promotion' can be interpreted in different ways**, such as bringing the project to the attention of as many people as possible, **and/ or presenting the project in the most positive light**. Neither of these ensures transparency, and **the second interpretation could be a barrier to transparency**.

The objectives of communication and dissemination should be more clearly explained, and these should include transparency. There should be more guidance on good practices for achieving these objectives, especially for transparency.

## 2.4.2 Model Grant Agreement

### AMIF

One General Model Grant Agreement is listed in the AMIF documentation on SEDIA.<sup>28</sup> This is a particularly confusing document as it includes notes specifically for Horizon Europe and Euratom, Digital Europe Programme, Connecting Europe Facility and other programmes, and much of Annex 5 is dedicated to Horizon Europe and Euratom. So far as AMIF is concerned, this document does not provide any more details or guidance than the Annotated Grant Agreement on communication, dissemination and visibility, and is therefore subject to the same gaps. There are just three references to transparency in this 90-page document. Two of these relate to data processing and one relates to sub-granting.

Article 17 replicates Article 17 of the Annotated Grant Agreement. Annex 5 lists specific communication and visibility activities that grant beneficiaries must perform, namely:

<sup>27</sup> [European Commission \(01/04/2023\), EU Grants – AGA – Annotated Grant Agreement – EU Funding Programmes 2021-2027 \[Version 1.0 – Draft\]](#)

<sup>28</sup> [European Commission \(01/06/2021\), Asylum, Migration and Integration Fund \(AMIF\) – Internal Security Fund \(ISF\) – Border Management and Visa Instrument \(BMVI\) – General Model Grant Agreement \(AMIF/ISF/BMVI MGA — Multi & Mono\)](#)

- 'present the project (including project summary, coordinator contact details, list of participants, European flag and funding statement and project results) on the beneficiaries' websites or social media accounts';
- 'upload the public project results to the AMIF/ISF/BMVI Project Results platform, available through the Funding & Tenders Portal'.

Annex 5 includes the following option for programmes with communication and dissemination plans: *'The beneficiaries must provide a detailed communication [and dissemination] plan [("[insert name"])], setting out the objectives, key messaging, target audiences, communication channels, social media plan, planned budget and relevant indicators for monitoring and evaluation.'* **It is unclear if AMIF is a programme with a dissemination and communication plan and if this requirement applies to AMIF NGO grant beneficiaries.**

Annex 5 foresees the possibility of alternative arrangements *'Where the communication, dissemination or visibility obligations set out in Article 17 or this Annex would harm the safety of persons involved in the action'* but these must be approved by the granting authority.

There appears to be no reference to funding from third parties, although Article 9.2 of the [June 2021 General Model Grant Agreement](#) does state that *'The third parties and their in-kind contributions should be set out in Annex 1'*.

### 2.4.3 Erasmus+

Seven model grant agreements are listed in the Erasmus+ documentation section on [SEDIA](#), namely:

- Erasmus+ Programme (ERASMUS) – General Model Grant Agreement – (Erasmus MGA — Multi & Mono) – Version 1.0 01 June 2021;
- Erasmus+ Programme (ERASMUS) – Model Grant Agreement – Unit Grants – (Erasmus Unit MGA — Multi & Mono) – Version 1.0 01 June 2021;
- Model Grant Agreement – Lump Sum Grants – ([PROGR Lump Sum MGA – Multi & Mono]) – Version 1.0 01 March 2023;
- Model Grant Agreement – Operating Grants – ([PROGR Operating Grants MGA – Mono]) – Version 1.0 01 June 2021;
- Model Grant Agreement – Operating Grants Lump Sum – ([JUST/REC Operating Grants Lump Sum MGA – Mono]) – Version 1.0 01 October 2022.

A Framework Partnership Agreement is also presented here (Framework Partnership Agreement – ([PROGR FPA — Multi & Mono]) – Version 1.0 01 June 2021.

**SEDIA provides no overview of the different documents.** For example, it is important to understand the applicability of the different documents, how they relate to each other, which are currently in force, and which are common to multiple programmes (i.e. not only to Erasmus+). The analysis here considers only the Erasmus+ General Model Grant Agreement.<sup>29</sup> The Model Grant Agreement – Lump Sum Grants – ([PROGR Lump Sum MGA – Multi & Mono]) – Version 1.0 01 March 2023 appears to be common to multiple programmes and is considered separately [below](#).

Article 17 of the Erasmus+ General Model Grant Agreement replicates Article 17 of the Annotated Grant Agreement. Additional communication and dissemination activities specified in Annex 5 are

<sup>29</sup> European Commission (01/06/2021), [Erasmus+ Programme \(ERASMUS\) – General Model Grant Agreement – \(Erasmus MGA — Multi & Mono\)](#)

the same as in the [AMIF Model Grant Agreement](#), except that the Erasmus+ General Model Grant Agreement also requires that beneficiaries must: *'for actions involving public events, display signs and posters mentioning the action and the European flag and funding statement'* (p90).

There appears to be no requirement for a detailed communication and dissemination plan as in Annex 5 of the Annotated Grant Agreement.

There appears to be no reference to funding from third parties, although Article 9.2 of the June 2021 Model Grant Agreement does state that *'The third parties and their in-kind contributions should be set out in Annex 1'*.

#### 2.4.4 LIFE

Three Model Grant agreements are listed in the LIFE documentation section on SEDIA:

- [Programme for Environment and Climate Action \(LIFE\) – General Model Grant Agreement – \(LIFE MGA – Multi & Mono\) – Version 1.0 01 June 2021](#);
- Programme for Environment and Climate Action (LIFE) – Model Grant Agreement – Operating Grants – (LIFE Operating Grants Flat-Rate MGA — Mono) – Version 1.0 01 June 2021;
- Model Grant Agreement – Lump Sum Grants – ([PROGR Lump Sum MGA – Multi & Mono]) – Version 1.0 01 March 2023.

The first one is reviewed here. The second one is not reviewed here, as it applies to mono-beneficiary operating grants, which are not the focus of this study. The third one is reviewed [below](#).

Article 17 of the LIFE General Model Grant Agreement<sup>30</sup> replicates Article 17 of the Annotated Grant Agreement. Additional communication and dissemination activities specified in Annex 5 are similar to those in the [Erasmus+ General Model Grant Agreement](#), except that the LIFE General Model Grant Agreement explicitly states here that *'The beneficiaries must provide a detailed communication and dissemination plan, setting out the objectives, key messaging, target audiences, communication channels, social media plan, planned budget and relevant indicators for monitoring and evaluation'* (p88), as in Annex 5 of the [Annotated Grant Agreement](#). **The LIFE Model Grant Agreement is the only one of the agreements reviewed here that explicitly requires a detailed communication and dissemination plan.**

Annex 5 also requires the use of the LIFE Programme logo, and for Natura-related projects the Natura 2000 logo.

There appears to be no reference to funding from third parties, although Article 9.2 of the June 2021 Model Grant Agreement does state that *'The third parties and their in-kind contributions should be set out in Annex 1'*.

Model Grant Agreement – Lump Sum Grants – ([PROGR Lump Sum MGA – Multi & Mono]) – Version 1.0 01 March 2023: Article 17 of this agreement<sup>31</sup> is essentially the same as in the other agreements listed here. Annex 5, where specific rules are normally to be found, states only *'For the options that apply to your programme, please see the General MGA for your programme, available on Portal Reference Documents'* (p70).

<sup>30</sup> [European Commission \(01/06/2021\), Programme for Environment and Climate Action \(LIFE\) – General Model Grant Agreement – \(LIFE MGA — Multi & Mono\)](#)

<sup>31</sup> [European Commission \(01/03/2023\), Model Grant Agreement – Lump Sum Grants – \(\[PROGR Lump Sum MGA – Multi & Mono\]\) – Version 1.0 01](#)

## 2.5 Online manual

There is an online manual<sup>32</sup> in the reference section of SEDIA that is common to all programmes. This is a useful and informative document. Two sections of this document are of particular relevance to the analysis here:

- 3.3.5 Communicating your project — Acknowledgement of EU funding
- 3.3.6 Dissemination & exploitation of project results

Section 3.3.5 provides approximately one page of guidance on developing a communication plan and acknowledging EU funding. The former is useful and goes somewhat beyond what is covered in the different regulations and agreements discussed above. However, while it states that '*A good communication plan should define clear objectives (adapted to various relevant target audiences) and set out a description and timing for each activity*', it **does not provide any explanation of the underlying purpose of communication plans** other than to '*draw the attention (general and specialised audiences) to the EU policy area addressed by the call*'.

Section 3.3.6 is short and states (among other things):

- '*Since EU grants are financed by public funds, EU Beneficiaries moreover also expected to disseminate their project results. In this way, the projects can benefit a larger group of persons and reach wider target groups.*'
- '*Several programmes will therefore ask you to upload results on dedicated results portals (accessible through the Portal Projects & Results page).*'

This appears to imply that dissemination is fulfilled by uploading results to dedicated portals. The link provided in the guide leads to a list of funded projects on SEDIA, which currently does not include information about results, and there are no links to other portals, such as the LIFE and Erasmus+ public project databases.

The objective of dissemination described here is far too vague and limited i.e. '*...benefit a larger group of persons and reach wider target groups*'. It **says nothing about transparency and accountability, nor about the type, quality, level of detail, organisation, accessibility, or timing of the information that should be provided to meet different needs, including transparency and accountability.**

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<sup>32</sup> [European Commission \(15/09/2022\), EU Funding & Tenders – Online Manual – EU Funding Programmes 2021-2027 – Version 1.1](#)

### 3 EC GRANT MANAGEMENT SYSTEMS

#### KEY FINDINGS

- The FTS shows financial commitments. It does not show actual disbursements of grants or redistribution of grants between beneficiaries (multi-beneficiary projects), as this is not required by Article 38 of the Financial Regulation, although the EC does receive this information. Stakeholder feedback indicates that redistribution between grant beneficiaries is uncommon.
- The FTS does not provide details of grants awarded to NGOs by intermediate bodies under indirect management. It is unclear if this is addressed by the EC's proposed update of the Financial Regulation.
- Beneficiaries are identified for all commitments in the FTS study subset (direct management). There is no evidence to suggest that grant commitments are missing from the FTS.
- A small number of 2022 entries in the FTS study subset are missing the beneficiary's contracted amount.
- Data quality checking takes approximately three months each year and consumes a lot of resources. For this reason, the FTS is fully updated only once each year.
- Almost all programmes are now using the centralised eGrants system to manage grants.
- In time, the SEDIA<sup>33</sup> portal is expected to be the single point of entry for information about all grant-funded projects under direct management, but some standalone programme-specific databases will continue to be used to provide more detailed information about projects.
- There is a lack of consistency in the content and presentation of information provided in different publicly accessible EC portals and databases. Their purpose and the relationship between them is not clear. The systems do not use standard common keys to identify grant beneficiaries or projects.
- It will remain necessary to consult various portals and databases for information about projects launched during the 2014-2020 MFF.

Main recommendations: The EC is recommended to publish in the FTS details of grants to NGOs made by intermediate bodies under indirect management. The EC is recommended to use common unique entity and project identification keys across all portals and databases to facilitate reconciliation of publicly available information provided by different systems.

See Chapter 11.2 for detailed conclusions and recommendations.

<sup>33</sup> [Single Electronic Data Interchange Area](#) (European Commission funding and tender opportunities portal)

## Chapter overview

This chapter reviews the completeness of the data in the FTS, in particular the extent to which all NGO grant beneficiaries are included and the distribution of funding between consortium partners is shown. It starts with an analysis of FTS and continues with a more detailed look at the information that grant applicants and beneficiaries must provide to the EC and executive agencies under each of the three case study programmes. Following this, there is an analysis of the consistency of information between EC systems and portals. This looks at how easily information can be found and cross-matched in different systems, the usefulness of the available information, and overall the extent to which they provide a clear picture of EU grant funding of NGOs. Finally, there is a review of the transparency of the management of the three case study programmes.

### 3.1 Completeness of NGO funding data in the FTS

*To what extent does the FTS clearly show for all NGOs participating in EU grants via consortia how funds are distributed within NGO consortia?*

This section reviews the completeness of the data in the FTS from two perspectives:

- The inclusion of all grant beneficiaries;
- The inclusion of commitment amounts for all listed beneficiaries.

The ECA's 2018 special report included two recommendations addressing the completeness of grant data in EC systems.<sup>34</sup>

Recommendation 3(a) stated that the various EC grant management systems should '*...record the funding received by all beneficiaries contracted by the EU, not only the lead beneficiary, making this information usable for analysis and treatment.*'

Recommendation 4(a) stated that the EC should ensure that, in the FTS, '*...all beneficiaries contracted by the EU are disclosed, together with the amount of funding awarded.*'

#### 3.1.1 Indirect management

Starting in 2020, the **FTS includes funds managed under indirect management**. This is a positive development. This shows that 81.3% of Erasmus+ funds, 35.1% of AMIF funds, and 0.4% of LIFE funds were managed under indirect management. However, as explained in detail below (see Chapter 4), the FTS only provides information at the level of the intermediate bodies (e.g. national agencies) that are responsible for redistributing funds within Member States. There is **no information about how funds are redistributed under indirect management, to what type of entity, on what basis, or for what purpose**. In view of the amount of EU funding managed under indirect management by AMIF, and especially Erasmus+, **this means that there are still significant gaps in the public transparency and accountability of EU grant funding for NGOs**, although it is understood that DG EAC, for example, does receive detailed information about all indirectly managed Erasmus+ funds.

The EC has proposed changes to Article 38 of the Financial Regulation (see Chapter 2.2) but it is unclear if, or to what extent, the proposed changes will address this gap identified here.

<sup>34</sup> European Court of Auditors (2018), [Special Report – Transparency of EU funds implemented by NGOs: more effort needed](#)

### 3.1.2 Beneficiaries

**All beneficiaries of the case study projects are listed in the FTS, except for one small beneficiary.** The project coordinator of the EMVI project (LIFE programme) indicates that the District of Berlin Mitte is missing. However, the Federal State of Berlin is listed as a minor beneficiary and it is possible that there is simply a misunderstanding over which of these entities is named in the grant agreement.

Almost all entries in the FTS study dataset identify a beneficiary.<sup>35</sup> However, it is not possible to conclude from this that the FTS includes all grant beneficiaries, as there is no way of verifying that the FTS includes all grant commitments. Nevertheless, apart from the one possible case mentioned in the previous paragraph, the authors have not encountered any evidence that suggests commitments are missing.

### 3.1.3 Grant amount

**The FTS column 'Beneficiary's contracted amount (EUR)' is used for the analysis of grant funding in this study** (the structure of the FTS is explained in Annex 2). It shows the amount committed from the EU budget in a specific year to cover the costs of a given beneficiary for the implementation of a given project. In the case of a multi-beneficiary project, for example where the project is implemented by an NGO consortium, this column shows the amount allocated to each NGO, as specified in the grant contract at the time that the project is first registered in the FTS. Once this amount has been registered in the FTS, it is not subsequently updated.

**DG BUDG notes that in the case of multi-beneficiary projects, the amounts allocated to each beneficiary are not always available in ABAC.<sup>36</sup> In these cases, the entire project commitment is assigned in Column Q to the project coordinator, with no amount recorded for the other project beneficiaries.** If there is no project coordinator registered in ABAC, the amount shown in Column Q for each beneficiary is the total project commitment divided by the number of project beneficiaries (i.e. the total project commitment is notionally divided equally between all the project beneficiaries).

Prior to 2021, an amendment of the grant agreement was required if changes to the action involved more than 20% of the grant amount. Now no amendment is required unless there are substantial changes to the description of an action. Nevertheless, **grant beneficiaries must at some point report to the EC any internal redistribution of grants between them. Thus the EC has this information, but it is not recorded in the FTS.** EC and NGO feedback indicates that, **in practice, there is little redistribution of grants between consortium members** implementing multi-beneficiary projects funded by the three case study programmes.

The information in the column 'Beneficiary's contracted amount (EUR)' **can be considered a reasonable approximation of the actual situation as of the end of June each year.** In principle the FTS is updated quarterly, but **DG BUDG notes that due to a technical issue, updates after 29 June 2022 were not available** as of April 2023. A fully updated version of the FTS, including 2022

<sup>35</sup> In the case of two entries accounting for approximately EUR 65 000, much of the data been replaced with '\*\*\*\*\*', including the name and location of the beneficiary and the subject of the grant. This has presumably been done for security reasons in view of the countries involved (shown in the 'Benefiting country' column).

<sup>36</sup> ABAC is the EC's accounting system. This will be replaced by a new accounting system, SUMMA, in 2024

<sup>36</sup> SEDIA is the EC's Single Electronic Data Interchange Area, also known as the funding and tender opportunities portal. SEDIA is the external interface to the eGrants system

commitment data, has since been published in late June 2023, although it is not clear if the technical issue regarding the quarterly updates has been resolved.

The EC notes that, in the case of multi-beneficiary projects, the distribution of grant funding between beneficiaries is not always shown in the ABAC accounting system. It is unclear why this occurs. When this does happen, the entire commitment for the project is shown in the FTS as allocated to the project coordinator, with no allocation to the other consortium partners. Table 4 below shows the number of entries (**directly managed grants to NGOs**) in the FTS and the percentage of entries that are missing the beneficiary's contracted amount. For the LIFE programme, the percentage of entries missing this information is consistently low (maximum 2.6% in 2021, 0.6% in 2022). For Erasmus+, the figure was low for 2020 (3.6%) and 2022 (0.7%) but **in 2021, more than 30% of Erasmus+ entries were missing this information**.<sup>37</sup> No AMIF entries were missing this information in 2020 and only 0.5% were missing it in 2021, but almost 68% of 2022 AMIF entries are missing this information. Here it should be noted that the FTS records just three directly managed AMIF grant commitments to NGOs in 2022 – in other words, just two are missing the beneficiary's contracted amount, but there were only three commitments in total.

**These commitments are all listed in the FTS as 'Direct management' so the absence of data here cannot be explained as being due to indirect management**, unless the 'Management type' has been entered incorrectly in the FTS.

Table 4: Count of FTS entries and percent missing beneficiary's contracted amount (directly managed grants to NGO, 2020-2021)

Programme	Count of entries in the FTS			Percentage of entries in FTS missing Beneficiary's contracted amount		
	2020	2021	2022	2020	2021	2022
AMIF	174	208	3	0.0%	0.5%	66.7%
Erasmus+	2 131	340	3 061	3.6%	30.3%	0.7%
LIFE	442	500	628	0.7%	2.6%	0.6%
All other programmes	15 085	9 605	22 226	11.0%	10.4%	5.2%

Source: author based on FTS

Table 5 below shows the situation specifically for the six case study projects. There are 57 entries in the FTS data associated with these projects. In total, 16 of these entries are missing a value in the column 'Beneficiary's contracted amount (EUR)', and these 16 entries relate to two Erasmus+ projects, namely SMART-Y (PEG.B2121.005834.1) and SDB (PEG.B2121.005835.1). For these two projects, the entire commitments for 2021 are allocated to the respective project coordinators in the FTS.<sup>38</sup>

<sup>37</sup> The data was sent to DG EAC for comment but no response was received

<sup>38</sup> The reason for this could not be established, as it was not possible to engage with the project coordinator

Table 5: Percentage of direct management NGO FTS grant entries missing beneficiary's contracted amount (case study projects only)

Programme	Reference (Budget)	Number of entries in the FTS data	Of which number of entries missing 'Beneficiary's contracted amount (EUR)'	Percentage of entries missing values
AMIF	JAG.865583.1	11	0	0%
	JAG.887705.1	12	0	0%
Erasmus+	PEG.B2121.005558.1	16	0	0%
	PEG.B2121.005834.1	9	8	89%
	PEG.B2121.005835.1	9	8	89%
LIFE	SI2.850061.1	10	0	0%
	SI2.852476.1	7	0	0%
<b>Total</b>		<b>74</b>	<b>16</b>	<b>22%</b>

Source: author based on FTS

### 3.1.4 Redistribution of funding between grant beneficiaries

#### AMIF

All co-applicants of a multi-beneficiary application **must provide information on their separate budgets at the time of application**.<sup>39</sup> This information is submitted by the project **coordinator to the DG HOME, the manager of AMIF**. All beneficiaries must provide details of their total project costs and the EU contribution requested when completing Annex 2 of the AMIF application form (Estimated budget for the Action).<sup>40</sup> Thus the distribution of funding between consortium members is indicated to the EC at the time of application. **Subcontracting costs should also be** indicated in Annex 2.

**'As a general principle, beneficiaries may transfer budget among themselves, between affiliated entities or between budget categories (without requesting an amendment see Article 39)'**<sup>41</sup> and when reporting to the EC, they **must 'declare costs that are different from the estimated budget...'**. However, a contract amendment is required if this involves substantive changes to the action compared with the description of the action in Annex 1 of the grant application.

More precisely, Article 5.5 of the 2021 AMIF Model Grant Agreement states that *'the budget breakdown may be adjusted — without an amendment — by transfers (between participants and budget categories), as long as this does not imply any substantive or important change to the description of the action in Annex 1.'* Therefore, this article introduces new rules on flexibility by also eliminating the prior requirement of an amendment if the modification intended was over 20% of the grant amount. **Now an amendment is only required if there are substantial changes to the description of the action.**

<sup>39</sup> European Commission (undated), AMIF - Union Action to support reception, asylum and return systems under pressure (AMIF - 2021-2022 – TF1 - UA - SUP) [Questions submitted to the functional mailbox \(HOME-UA-SUP@ec.europa.eu\) and received in webinars](#), Answer to question 6 of the Q&A

<sup>40</sup> [Annex 2 to the Application form AMIF and BVVI – MULTI+MONO](#)

<sup>41</sup> European Commission (30/11/2019), [EU Grants. Annotated Model Grant Agreement. EU Funding Programmes 2021-2027](#), Article 7, p34

Representatives of the two AMIF case study projects (HUMCORE and EMVI) are well aware of the possibility for internal redistribution of grant funding between beneficiaries and between categories of expenditure, up to a maximum of 20% of the total cost of the action. It should be noted here that the 20% rule still applies to the selected case study projects as they were approved before the adoption of the 2021 AMIF Model Grant Agreement. They consider that the rules of the Grant Agreement are perfectly clear on this. **In practice, redistribution of funds between beneficiaries has not been necessary among the case study NGOs.** If a reallocation of funds involves a substantive change of activities, the project partners would prepare an addendum to the grant agreement and the coordinator, in its mid-term report, would inform the EC. While the project coordinator is responsible for transmitting this information to the EC, **all the other project beneficiaries can contact the EC directly**, which the beneficiaries consider as a very positive and useful feature.

Interviewees confirm that **the amounts recorded in the FTS for beneficiaries implementing the case study projects correspond to the budget included in Annex 2 of the grant agreement.**

### Erasmus+

**Many Erasmus+ entries in the FTS are missing the 'Beneficiary's contracted amount (EUR)', including 30% in 2021.** This was explained by DG EAC as being logical and correct given the specificity of the management of the Erasmus+ programme. Due to the programme's indirect management structure, national agencies are delegated greater responsibility regarding funding transparency. Due to this structure, the FTS does not feature the same level of detail for Erasmus+ as other programmes, because only what is contracted directly by the EC automatically enters the FTS – with indirect management, there is no contractual relationship between the EC and the beneficiary. DG EAC is responsible for ensuring that information from national agencies is uploaded into the FTS, including reference numbers, and DG EAC considers that this ensures 'public availability'. In this sense, the FTS is not the primary source of funding information for projects under indirect management, as this information is available on the platforms of the relevant national agencies<sup>42</sup> as well as a section of ABAC (which is not publicly accessible) that shows individual budgetary commitments. Through the Project Management Module system,<sup>43</sup> which is kept up to date by national agencies, DG EAC monitors in real time what is being done in the 56 agencies across Europe regarding the projects under indirect management. However, the information on this system is not available to the public.

**According to DG EAC, the indirect management structure explains why the entire commitment for the SMART-Y project is allocated to the project coordinator. However, this explanation cannot be correct, as the grant was awarded under direct management.** In fact, the FTS does not include any details of grants made to NGOs under indirect management.

The 2022 Erasmus+ Programme Call for Proposals emphasises the guidelines' alignment with Article 38 of the EU Financial Regulation (see 2.2) and states that the following information must be published on the FTS:

- Beneficiary names;
- Beneficiary addresses;

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<sup>42</sup> Analysis of the content of national platforms is outside the scope of the present study.

<sup>43</sup> It is understood that this is connected to the eGrants system, but it is unclear if this refers to SEDIA or if it is an entirely separate interface exclusively for the use of national agencies managing grant funding under indirect management

- Purpose for which the grant was awarded;
- Total amount awarded.

The information available in the FTS for both Erasmus+ case study projects can therefore be understood as being in line with the requirements of Article 38, because even though distribution of commitments between the beneficiaries was not included for both projects, the required information (names, addresses, purposes, total amount) was listed.

A primary concern for DG EAC is balancing stakeholder and beneficiary autonomy and data collection. Certain technical requirements can be demanding and time-consuming for small organisations with limited resources. To address this issue, DG EAC notes that it is working on information technology (IT) developments that link the beneficiaries' IT systems with the broader EC corporate system, which would make reporting and updates less cumbersome for the beneficiaries. DG EAC notes that beneficiaries often receive very small grants which present a marginal risk to the EU budget. DG EAC is more concerned that small youth organisations are not put off by heavy administrative and reporting requirements.

**Case study NGOs confirm that the commitment amounts shown in the FTS are correct and reflect the amounts in the grant agreement.** They report that great care has been taken to adhere to the budget proposal. However, they suggest that there is a **need for greater clarity from the EC regarding when and how often they should report to the EC on the redistributions of grant funding between consortium partners.**

DG EAC notes that the larger the project, the higher the expectations are concerning the level of detail about the distribution of grant funding. **For smaller projects, there is less of a requirement to indicate the planned distribution of the grant between consortium members** (i.e. beneficiaries of multi-beneficiary projects). For the coordinator of the larger case study project, it was **unclear at the time of application whether or not there was a specific requirement to indicate the planned distribution of grant funding amongst consortium members.** The information was nevertheless provided and is shown in the FTS.

Reporting by grantees on the allocation and reallocation of funds between consortium members and/ or other NGOs subcontracted as major service providers is expected to occur at the end of the project implementation period, unless the overall budget is impacted by more than 10%. In this case, an amendment to the Grant Agreement is required. The main reporting tasks are delegated to the coordinating organisation within mobility projects.<sup>44</sup>

Interviewed NGOs and DG EAC confirm that the allocation of funds between beneficiaries is established between national agencies and the beneficiaries in the grant agreement, and there are different procedures for redistribution between project partners depending on the amount redistributed. Where the redistribution is significant (i.e., greater than 10% of the total project grant), an amendment is required, and the project coordinator is responsible for requesting the amendment, which will be assessed by the relevant agency. Smaller reallocations are classified by DG EAC as budget transfers without the need for an amendment, in which case modifications are communicated in interim reports. This understanding is reflected by the interviewed NGOs, who explain that DG EAC is notified when there is internal redistribution of the grant. However, there is **limited need for reallocations**, since all consortium members participated in the drafting of the budget and the project coordinator was meticulous with the budget requests.

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<sup>44</sup> For an explanation of mobility projects, the EC's web page [What is a mobility project?](#)

DG EAC notes that **since 2018, the Education, Audiovisual and Culture Executive Agency (EACEA) has transitioned from its own local grant management system to the EC's corporate eGrants system, which feeds data into ABAC.** With the eGrants system it is possible to see which contracts NGOs are engaged in, and the coordinators and partners involved. The eGrants system, which national systems feed into, also enables DG EAC to monitor the indirect management activities of national agencies. Every transaction and beneficiary can be monitored for both direct and indirect management, regardless of size. DG EAC is responsible for monitoring indirect management grants, while EACEA is responsible for monitoring direct management grants.

The [Erasmus+ Programme Guide](#) includes various provisions to ensure accountability of funding. These include:

- The possibility for the EC, EACEA, and the relevant national agency to conduct technical and financial audits to verify the use of the grant;
- The retention by beneficiaries of documentation and data to prove correct use of grant funding, which can be checked at any time by various EU and national bodies for up to five years (or three years for grants not exceeding EUR 60 000);
- Erasmus+ projects under direct management may have different audit procedures applied depending on the type of action concerned, the size of the grant awarded and the form of the grant.

In addition to the submission of interim reports at specific times, checks can be carried out by the EC throughout the year, as was done in August 2022 in the case of one of the case study NGOs.

The NEST project coordinator notes that this keeps consortium members disciplined and up to date with their responsibilities, such as providing receipts.

## LIFE

Representatives of the case study projects confirm that **the planned distribution of grant funding between project beneficiaries is agreed when the grant application is prepared.** This is confirmed by DG ENV and CINEA, which notes that applicants must provide details of eligible costs in the grant application, including which consortium members will incur the different costs. Furthermore, applicants must provide information about co-financing, for example if there is an internal co-financing agreement between the consortium members.

One of the coordinating NGOs notes that the first visit of the technical monitoring officer is considered the next official check on this matter, and the consortium members must prepare relevant accounting and tendering documentation for this meeting. This meeting is also an opportunity for the consortium to clarify specific questions they might have on reporting/financial or accounting rules and requirements.

EC procedures envisage that the coordinator will distribute the grant funds to other members of the consortium within two months of receiving the funds from the EC. However, one NGO notes that the partnership agreement between consortium members is signed after the Grant Agreement, and this generally takes longer than two months. As a result, it may take longer than two months to distribute the grant amongst the consortium members.

Interviewed NGOs note that the Grant Agreement includes basic rules on subcontracting and reallocation of funds. All subcontracting and reallocations must be detailed in the mid-term and final reports, and in the reports of the visits of the Technical Monitoring Officer.

DG ENV and CINEA note that an amendment to the Grant Agreement is required when there is an important change in the project activities, or changes in the consortium members. For the old programme (2014-2020), an amendment was required when there were changes affecting more than 20% of the overall budget. In the current programme (2021-2027), an amendment is required only if the scope of the project is changed – there is no longer a budget threshold above which an amendment must be requested.<sup>45</sup> They note that the current Financial Regulation generally provides for greater flexibility. DG ENV and CINEA prefer to avoid minor changes to the Grant Agreement (requiring an amendment) and always ask grantees to confirm there is a real need for such changes.

Formal amendments are required for significant changes, such as adding a new beneficiary organisation or removing an existing one. A request has to be made through the Portal Amendment tool before the change takes effect. If the receiving party accepts the amendment, it must sign it within 45 days from the date of notification. Less significant changes that do not require an amendment must be reported in the next report.

One of the interviewed NGOs notes that any changes impacting the planned budget must be communicated to the EC at the earliest opportunity, as this may require a formal amendment to the Grant Agreement.

The interviewed NGOs are fully aware of the possibility of reallocating funds between project partners, but they note that this not been necessary for either of the case study projects.

### 3.1.5 Geography

The FTS includes a **'Benefiting country' column**, which shows which countries benefit from grant funding. For example, the LIFE ETX project benefits Belgium (55%), Czechia (3%), Germany (11%), Greece (8%), Netherlands (8%), Poland (5%), Portugal (4%), Sweden (6%). This is **useful for checking on projects on a case by case basis**, but **requires additional time-consuming processing to analyse the benefiting countries across multiple projects**.

All FTS entries covering directly managed NGO grant funding awarded by the three case study programmes have information in this column. However, it is **unclear how reliable the information is**. For example, the FTS indicates that Poland alone is the 'benefiting country' of the SMART-Y project. This is possible, although perhaps unlikely, as the FTS also shows that the project involves partners from nine Member States. Similarly, the sole benefiting country of the EMVI project is given as Austria, although the project involves 12 organisations from Austria, Greece, Germany, Italy and Slovenia.

## 3.2 Consistency of information between EC systems and portals

### *How consistent is the data in existing transparency portals and systems*

The previous EP study on NGO funding recommended that *'A single, centralised EC system for recording and managing grant funding would enhance transparency and analysis by eliminating*

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<sup>45</sup> The legal basis is provided by the [LIFE regulation](#) which refers to the Financial Regulation (more precisely the provisions related to amendments to grant agreement are in Title VIII, Article 201). EC rules then stipulate exactly when an amendment to the grant agreement is needed. This can be found in the [LIFE General Model Grant Agreement](#) and other publicly available guidance material.

*variations that currently exist between different EC systems. This would ideally record not only forecast commitments, but actual disbursements.*<sup>46</sup>

The previous study also recommended that:

- Different EC departments and instruments should present information about grant-funded actions and entities in a more consistent and uniform manner;
- Information should be presented more clearly and consistently on the websites of different EC services and instruments to facilitate compliance with rules. Information about overarching rules should be presented more consistently and unnecessary duplication of information between documents should be eliminated to reduce the possibility of variations in how they are presented.

**Almost all programmes are now using the centralised eGrants system to manage grants.** The four external policy programmes not using the system are expected to transition to it by early 2024. The eGrants system has been under continuous development since 2013, when it was decided that research programmes should use a single system. In 2018 it was decided that all other programmes should transition to the system, and 19 programmes were already using it by the end of the previous multiannual financial framework (2020). The eGrants system consists of various modules, including the SEDIA Funding & tender opportunities portal, which is the entry point for grant applicants. At present, the information available on SEDIA about projects and results is limited, but this will increase as results for projects funded from 2021 onwards materialise. The preamble to the 2018 Financial Regulation makes two passing references to the progressive introduction of the 'e-grants'<sup>47</sup> system in Paragraphs 124 and 135, and these are unchanged in the EC's proposed revision. There are no other references to the system in either document.

As noted below (see 3.2.4), **there is still a significant lack of uniformity in the information provided on different EC web pages and portals (FTS, SEDIA, and dedicated programme databases) about grant-funded actions and entities, which makes it difficult to find, cross-check, and link information for analytical purposes.** This appears to be largely because the entire grant management system is in a transition phase – while almost all calls for proposals from 2021 onwards are using the eGrants system, information about projects funded in previous years has not been transitioned to eGrants, as this is not feasible. This means that it will continue to be necessary to consult different databases and portals for information about projects funded in earlier years. Moreover, it is likely that some programmes will continue to provide additional information via dedicated programme databases. For external users, the relationship between different EC portals and databases is unclear. For example, the eGrants system already covered some, but not all, programmes under the previous multiannual financial framework, but this is not at all clear when searching on the SEDIA portal. The purpose of, and connection (if any) between, the different systems managed by different EC departments, is not clearly explained. It is unclear where users should look for different types of information or why the information available via the SEDIA portal is different from the information in the Erasmus+ and LIFE project databases.

Compared with what was observed in 2016/17 at the time of the previous study, **there does appear to be greater uniformity in the presentation of grant application and implementation rules and guidelines, and the application process is now centralised through SEDIA** (including for

<sup>46</sup> Blomeyer & Sanz (24/01/2017), [Democratic accountability and budgetary control of non-governmental organisations funded by the EU budget](#), p96

<sup>47</sup> A small inconsistency worth noting is that while the two versions of the Financial Regulation both use the term 'e-grants', the EC itself uses the term 'eGrants'

external policy instruments). There are links between SEDIA and programme web-pages, although these are not always easy to find, and there **are still significant differences in how information is presented on programme websites, and what information can be found. Grants, at least for internal policy areas, are managed with the eGrants system, rather than with multiple 'local' (department-specific) grant management systems, which should ensure uniformity and consistency.**

**Feedback from DG BUDG indicates that the number of local systems is being reduced, and that there are continuing efforts to standardise key data provided to DG BUDG by other EC departments.** However, there are still significant differences in the structure of information published on different EC portals, as well as inconsistencies and errors in the content, that make it **difficult, if not impossible, to link and compare data available on different portals.** This also means that it is not possible to merge data from different sources for more comprehensive analysis.

One example is the **unique entity identifier**. Grant applicants (but not subcontractors) **must be registered in the [Participant Register](#)**, which is managed by the European Research Executive Agency (REA).<sup>48</sup> Following registration, each applicant is allocated a **unique 9-digit PIC**. If the applicant is successful, its entry in the Participant Register is validated by the REA's Central Validation Service. For each PIC, the Central Validation Service generates a corresponding record in ABAC. **These PIC are used in SEDIA, but the dedicated LIFE and Erasmus+ project databases use different beneficiary identification (ID) numbers.** The downloaded **FTS data does not include the PIC or other entity ID numbers.**

The **financial data in the FTS comes directly from ABAC**, the EC's central accounting system. At present **the FTS is linked only to ABAC**. It is not linked to the TR (see Chapter 10) or any other system. **Linking the FTS and the TR would make it easier to check what, if any, EU funding lobbying organisations have received** – this could be done by requiring registrants to include their PIC in the TR, where the registrant has a PIC.

Local grant management systems operated by different EC departments and executive agencies transfer data automatically and continuously to ABAC. In some cases they enter data directly into ABAC. The eGrants system is replacing all local grant management systems, and the EC's ABAC accounting is to be replaced by the new SUMMA accounting system. The E-procurement system is not relevant to the subject of this study and is not discussed further.

**ABAC data is subject to quality checks before it is published in the FTS each year.** DG BUDG notes that **there is generally consistency in the data provided by different EC departments and executive agencies.** There are approximately 20 data quality checkpoints. Data quality checks cover, for example, the removal of personal data that has been input together with the contract name by the system user. It is also necessary to check that all the information needed for the FTS is present. Occasionally, IT issues create anomalies in the data that have to be corrected. Data quality checking involves not only DG BUDG staff, but also FTS correspondents in other departments and executive agencies. **Data quality checking takes approximately three months each year and consumes a lot of resources. For this reason, the FTS is fully updated only once each year.** DG BUDG points out that the FTS follows the legal deadlines established in the Financial Regulation.

**SEDIA is a new development since the previous EP study on NGO funding.** The EC describes SEDIA as follows: *The Funding & Tenders Portal is the entry point (the Single Electronic Data Interchange*

<sup>48</sup> European Commission (12/10/2020), [Internal Security Fund Police \(ISFP\) & Borders and Visa \(ISFB\) Asylum, Migration and Integration Fund \(AMIF\), Justice Programme, Drugs Policy Initiatives. Guide for Applicants 2020 – Action Grants](#), sections 3.1.2 and 3.1.3

Area) for participants and experts in funding programmes and tenders managed by the European Commission and other EU bodies. It provides for the electronic management of EU programmes and tenders and facilitates the related interactions with the EU Institutions.<sup>49</sup> SEDIA provides a unified interface to find and apply for EC funding opportunities and tenders, it is the single public point of entry to the eGrants system and it provides some information about funded projects. However, as noted below (3.2.1) **it has significant limitations**; it was not possible to find most of the case study projects in the system, although they are no doubt there. It is unclear how and to what extent it interacts with, ABAC, and dedicated programme databases.

While the EC has moved towards a single centralised grant management system for grants under direct management, the eGrants system will not host information about grants awarded to NGOs under indirect management, for example by UN agencies and Member State agencies.

There are concerns that managing all types of grant-funded projects in a single system may lead to excessively burdensome requirements for small projects and beneficiaries, for example Erasmus+ beneficiaries. Indeed, some NGO feedback indicates that the eGrants system is based on the Horizon system and is not well adapted to operating grants. However, this in itself does not mean that a single system cannot satisfactorily accommodate different types of project. It may simply mean that the system is not yet sufficiently adapted to different needs, perhaps due to constraints resulting from the wider application of an existing system designed for a specific programme.

### 3.2.1 AMIF projects in the FTS and SEDIA

**DG HOME confirms that all information can be found on SEDIA.** There is no standalone AMIF project portal, as DG HOME aims to avoid duplication of information between systems. The EC's [Migration and Home Affairs website](#) does include downloadable lists of projects funded in the years 2014 to 2020. However, these are in PDF format and must be processed before they can be analysed. Therefore, this part of the text compares AMIF data in the FTS with the information found on SEDIA, which covers not only AMIF but all grant funding under direct management.

**In its current form, SEDIA is useful for finding out about specific projects, although the publicly available information is very limited and the system is not at all useful for analytical purposes. It is possible to search by entity name in the [participant register](#) but the link to the tool is not easy to find** (there is a button on the [Participant Register page](#)). There appears to be no possibility of downloading information in bulk from the search results. Furthermore, **selecting the more obvious 'Partner Search' under the 'How to Participate' menu leads to a different interface that produces different results. It is not possible to search across programming periods or programmes. The bulk FTS data downloads are far more useful for analysis. It is not possible to compare or link information in the two systems, except on a case by case basis, and there appear to be no unique keys, common to both systems, through which specific beneficiaries and projects can be quickly and reliably identified in the two systems.** DG BUDG suggests the use of VAT registration numbers for this purpose but there are 2 612 entries without a VAT number in the subset of FTS data covering directly managed grant funding for NGOs from 2020 to 2022 (indicated by '-' or '\*\*\*\*\*' in the VAT column).

<sup>49</sup> This brief description can be found by clicking 'About' at the bottom of the [web page](#)

With one minor exception,<sup>50</sup> there is **100% correspondence between the data in the FTS and SEDIA** regarding the grantees and the total grant amounts for both the EMVI and HUMCORE projects.

SEDIA offers a useful search function to quickly identify projects using the ‘Project Acronym’ search facility (provided the acronym is known to the user). The two case study projects can also be found in the FTS, by searching on ‘subject of grant or contract’, which is less intuitive. However, the FTS offers many more search functions than SEDIA, such as budget, beneficiary country,<sup>51</sup> benefiting country,<sup>52</sup> name of beneficiary, VAT<sup>53</sup> number of beneficiary, beneficiary type, NGO, NFPO, budget line name and number, funding type, project status, responsible department, and type of contract.

The visual presentation of the information in SEDIA is generally more user friendly and intuitive than the FTS website. SEDIA also provides various links, for example, to the website of the project coordinator (but not other beneficiaries), and to the relevant call with all related documentation. Clicking on an entity name shows all the projects it is, or has been, involved in.

However, **SEDIA has a number of significant drawbacks:**

- Projects are located in SEDIA by filtering, rather than searching. Thus in order to locate a project, it is necessary first to select the programming period, and then the programme under which the project has been funded. The project can then be located by entering either the project ID or the project acronym. If this information is not already known precisely, the project cannot be located;
- While it is possible to search by beneficiary, the relevant tools are not so obvious, and there appear to be two types of organisational search, the purpose of which are not clear;
- It is not possible to search across programming periods or programmes, for example to generate a list of organisations funded under two or more programmes, and/ or during different programming periods;
- It is not possible to select multiple projects for closer inspection;
- It appears to provide no data download possibilities.

### 3.2.2 Erasmus+ projects in the FTS and the Erasmus+ project portal

**The Erasmus+ project portal provides useful information about grant-funded projects. However, it is not possible to link information in the FTS with data in the Erasmus+ project portal.**

For both case study projects, information on the project status (ongoing), start and end date, grant amount (total amount allocated), key action, action type, programme, number of countries covered, and project partners is publicly available. A summary of the project objective, policy measure test, experimental method, target groups, as well as information on the project coordinator (organisation name, type, location, phone number) and a map of participants is displayed. A project card is available for download and includes all the information displayed on each project’s Erasmus+ page. The section on results for both projects states ‘*Results for this project are not yet available. They might*

<sup>50</sup> There is EUR 2 difference between the two systems in the amount granted to the HUMCORE coordinator (EUR 399 931 according to the FTS, versus EUR 399 929 according to SEDIA). DG HOME suggests that this is too small to be worth mentioning here. However, no explanation has been provided as to why the amounts in the two systems are not exactly the same

<sup>51</sup> The country in which the grant recipient is located

<sup>52</sup> The country or countries that are benefiting from the EU-funded action. This can be different from the beneficiary country

<sup>53</sup> Value Added Tax

become available after the project's end date.' Information on project proposals, grant contracts, allocation and reallocation of grants between NGOs, and details on project reports and outputs and outcomes are not published here.

A project reference number is also given for each project, although these do not correspond to reference numbers used in the FTS or SEDIA. Indeed, it was **not possible to identify either project in SEDIA using information from the FTS and the Erasmus+ project database**.<sup>54</sup>

**Searches were carried out in the downloaded FTS data and the Erasmus+ project portal** for 'ASOCIACIA ZA RAZVITIE NA BULGARSKI SPORT\*BULGARIAN SPORTS DEVELOPMENT ASSOCIATION', which is the most frequently occurring entry in the downloaded FTS data for the years 2017 to 2021 for the Erasmus+ programme. Comparison of the results from the two systems indicates that **it is not possible to cross reference entries reliably in the two systems** for the following reasons:

- Organisational names used in the two systems are not an exact match, and the organisation's PIC is not publicly available in either system;
- Data downloaded from the Erasmus+ project portal includes a single entry for each project, where only the name of the project coordinator is shown;
- There is no correspondence between the project titles and the project reference numbers used in the two systems;
- There is a significant difference in the number of projects associated with the organisation in the two systems.

Analysis of the data downloaded from the FTS shows that for the Erasmus+ programme over the years 2017 to 2021, the NGO with the highest number of entries is the Bulgarian Sports Development Association, with 45 entries and a total of EUR 1 433 911 grant commitments. This corresponds to the amount shown on the FTS portal.

A search in the Erasmus+ project database using the organisation's name, as listed in the FTS, produces the following results:

- The full name, exactly as it is listed in the FTS, produces no results;
- 'ASOCIACIA ZA RAZVITIE NA BULGARSKI SPORT' produces one result. The search term does not appear in the downloaded spreadsheet, which also does not list 'BG' in the 'Participating Countries' column. However, it is identified as a partner in the project summary;
- 'BULGARIAN SPORTS DEVELOPMENT ASSOCIATION' produces no results;
- 'BULGARIAN SPORTS DEVELOPMENT ASSOCIATION' (with a space between 'Development' and 'Association') produces a list of **22 results** when the results are filtered to include only projects with funding in the years 2017 to 2021. This is 23 fewer results than in the FTS for these years (the two sets of results are shown in Annex 5).<sup>55</sup> In the [downloaded spreadsheet](#) 'BG' is missing from the 'Participating Countries' column in one row (each row represents a project) and there is no mention of the organisation or Bulgaria in the project summary. The

<sup>54</sup> Further observations on SEDIA are provided in Chapter 3.2.1

<sup>55</sup> One possibility for this difference is that, for some projects, the organisation may have benefited from more than one commitment (each entry in the FTS represents a single commitment). However, further analysis of FTS data shows that this does not explain the significant difference in the number of projects listed in the two systems. The FTS lists 43 distinct project names – for 41 of these projects, the organisation benefited from just one commitment, and in just two cases it benefited from two commitments.

downloaded spreadsheet gives only the name of the project coordinator. The column 'EU Grant award in euros' appears to be the grant for the entire project, although it is not explicitly stated.<sup>56</sup> The downloaded spreadsheet has a 'Project Identifier' column but the project identifiers do not appear to correspond to any data in the downloaded FTS data, such as the 'Reference of the Legal Commitment (LC)' or 'Reference (Budget)' columns.<sup>57</sup> Similarly, the project titles in the downloaded spreadsheet do not appear to correspond to data downloaded from the FTS, such as the column 'Subject of grant or contract'.

### 3.2.3 LIFE projects in the FTS and the LIFE databases

The LIFE programme website and the [LIFE public database](#) are the main sources of information about LIFE programmes and projects. There is also a [LIFE programme 2014-2020 data hub](#) and a [dashboard](#) maintained by [CINEA](#). They have **different user interfaces and they each provide different types of information**.

Finally, the LIFE 2014-2020 data hub offers information only on calls published between 2014-2019, and therefore does not cover the two case study projects.

DG ENV and CINEA note that some information cannot be made publicly available due to data protection regulations, but this information still informs the programme.

The LIFE public database provides the following information about action grants (it does not cover operating grants):<sup>58</sup>

- Name of the project;
- Administrative data on the project, including project reference and acronym, start date, end date, total eligible budget, amount of the EU contribution and project location;
- Project coordinator's details, including the name of the organisation, its legal status, address, contact person, email address and website;
- Project description, including background information, objectives and expected results;
- Environmental issues addressed by the project, including main themes, keywords, and target EU legislation;
- List of beneficiaries, including the names and category (coordinator or participant)
- Link to the project website.

However it **does not indicate the distribution of funds between the consortium partners**. It provides **contact details only for the project coordinator, not for other project partners, and there are no direct links to their websites**.

**It can take several minutes for the database to render search results**. Anything that makes it difficult to access information, including slow loading web pages, constrains transparency.

The database is administered by CINEA. CINEA and DG ENV acknowledged that some users have complained that they have not always found all the data they expected to find, and CINEA has tried

<sup>56</sup> It might, for example, be calculated dynamically at the time of searching in the project database to show only the grant amounts awarded to the organisation that was searched for. In this particular case, the total grant column is EUR 1 547 694, which is not so different from the amount shown in the FTS for this organisation. Alternatively, it might be the amount allocated to the project coordinator.

<sup>57</sup> This was checked programmatically with Python.

<sup>58</sup> See for example the [entry of the LIFE ETX project](#)

to address this. The database is updated whenever a new batch of projects is signed, and it is updated at other times if projects change substantially. **It was not possible to identify either of the LIFE case study projects in SEDIA using information from the FTS and the LIFE project database.**<sup>59</sup>

CINEA also maintains a programme [dashboard](#) that provides various summaries and analyses. The dashboard provides very detailed information about the project and its participants but does not provide information of a financial nature (not even the total budget). When accessed by a member of the study team, it was found to be **unintuitive and unresponsive**.

**The EU contribution (EUR 936 908) shown for the LIFE ETX project in the LIFE project database<sup>60</sup> corresponds exactly to the total 2021 commitments shown in the FTS, but unlike the FTS, the entry in the LIFE project database does not show the distribution between the project partners.** The LIFE database also helpfully shows the total eligible budget for the project, which is not shown in the FTS. The project's entry in the LIFE database does list the project partners, and these correspond to the beneficiaries listed in the FTS, except that the names are entered differently in the two systems. **The LIFE database gives the 'Project Location' as 'EU 27, Serbia, Ukraine' but there is no mention of Serbia or Ukraine in the relevant FTS columns.**<sup>61</sup>

**For the LIFE MULTI PEAT project, there is a substantial difference between the EU contribution shown in the LIFE database and the total commitments in the FTS.**<sup>62</sup> The lists of beneficiaries in the two systems are the same, except that beneficiary names appear differently in the two systems. There is no 'Project Location' in the LIFE database and no 'Action location' in the FTS.

The most frequently occurring NGO name in FTS data for the LIFE programme from 2017 to 2021 is 'SOCIEDAD ESPANOLA DE ORNITOLOGIA SEO'.

**The spreadsheet downloaded from the LIFE programme's project portal lists all beneficiaries for each project (in a single cell) and their names are 'contaminated' with special encoding characters** e.g. '&#x28'. Thus, 'SOCIEDAD ESPANOLA DE ORNITOLOGIA SEO' (as listed in the FTS), has the following permutations in the data downloaded from the LIFE portal:

- 'SOCIEDAD ESPAOLA DE ORNITOLOGIA &#x28;SEO&#x2f' (listed for a project funded in 2017);
- 'Sociedade Espa&ntilde;ola de Ornitologia &#x28;SEO&#x2f' (listed for a 2019 project);
- 'SOCIEDAD ESPANOLA DE ORNITOLOGIA SEO'. This is the same as in the FTS, and is listed for two projects funded in 2021. However, the name of another organisation listed for one of the 2021 projects is still contaminated with special encoding characters.<sup>63</sup>

Thus **searching in the LIFE project database by the name of an organisation is problematic, and this in turn means that organisational names cannot be reliably used to link data in the FTS with data in the LIFE project database.** The best results, when searching for SOCIEDAD ESPANOLA DE ORNITOLOGIA SEO in the LIFE project database, were obtained when searching on

<sup>59</sup> Further observations on SEDIA are provided in Chapter 3.2.1 above

<sup>60</sup> Operating grants are mono-beneficiary, meaning no other NGOs are involved.

<sup>61</sup> The FTS lists the 'Beneficiary country' as Czech Republic, Belgium, Germany, Sweden, Greece, Netherlands, Portugal, Poland. No 'Action location' is indicated in the FTS.

<sup>62</sup> EUR 4 269 983 in the LIFE project database and EUR 3 632 783 total in the FTS column 'Beneficiary's contracted amount (EUR)' – the column 'Beneficiary's estimated contracted amount (EUR)' shows the same amount

<sup>63</sup> 'Liga para a Protec&ccedil;&atilde;o da Natureza'

the single word 'ORNITOLOGIA', and the results then had to be manually checked to ensure that they did not include other organisations with this word in their name.

### 3.2.4 Consistency in data downloaded from the different databases

The only feasible option for analysing EC-managed grant funding and linking information from different sources is to download data. It is not unreasonable that there are differences in the content of data downloaded from different EC databases. For example, data downloaded from the LIFE project database includes the following columns, which are clearly not relevant to other domains:

- Target EU legislative references;
- Target habitat types;
- Species;
- Red list species;
- Natura 2000 sites.

However, **it is reasonable to expect that the same key information is consistently available for download across all grant funding databases.** In order to compare the information available for download from different databases, a search was carried out for a single organisation in each system and the results were downloaded and compared. The results were also compared with the information in the FTS bulk download. The results of the analysis are summarised in Table 6 below. It appears to be impossible to search by beneficiary name in SEDIA, or to download data, so in this case the search used a project acronym instead and the information was viewed in a web browser. **SEDIA offers the most complete information, but only for one project at a time, and it cannot be downloaded,** although it can be manually copied – **its usefulness is therefore highly constrained** (other limitations of SEDIA are discussed in 3.2.1). **The FTS bulk download data is the only data that can be used for general analysis, although it lacks detail available in other databases, and it does not include unique project or beneficiary ID numbers.**

Table 6: Comparison of data available from different EC portals

	<a href="#">FTS bulk download</a>	<a href="#">FTS web interface</a>	<a href="#">Erasmus+ database</a>	<a href="#">LIFE project database</a>	<a href="#">SEDIA</a>
Structure of data	Detailed commitment information for all projects and beneficiaries. Reference numbers relate to commitments rather than projects		Multiple projects in which the selected organisation is or has been involved	Multiple projects in which the selected organisation is or has been involved	Single project
Project title	'Subject of grant or contract'	No	Yes	Yes	Yes
Project acronym	No, although is sometimes incorporated in project titles <sup>64</sup>	No	No	Yes, but different from acronyms used in SEDIA	Yes
Project Unique ID	No. The FTS provides commitment references.	No	Yes, 'Project Identifier' but is different from IDs used in SEDIA	Yes, 'Reference' but is different from IDs used in SEDIA	Yes
Beneficiary names	Yes	No	No, only project coordinator	Yes. Names of all project beneficiaries for each project are listed in one cell	Yes
Beneficiary unique IDs	No <sup>65</sup>	No	No	No	Yes. It is assumed that the number next to the beneficiary name is the PIC number, although this is not explicitly stated.
Project Coordinator	Yes	No	Yes	No	Yes
Total project commitment	Yes	No	Yes	Yes 'EU Contribution'	Yes
Commitment per beneficiary	Yes	Yes but only for the selected beneficiary, and no disaggregation by project	No	No	Yes
Commitment year	Yes	Yes	Yes	Yes	No
Total project budget	No	No	No	Yes	Yes
Start & end dates	Yes	No	No	Yes	Yes

<sup>64</sup> DG BUDG notes that the inclusion of project acronyms in the project title is mainly a practice of research programmes

<sup>65</sup> DG BUDG suggests that VAT registration numbers can be used but many beneficiaries do not have VAT registration numbers. It would be preferable to use the PIC consistently across all systems and portals

### 3.2.5 Entity names

**Differences in entity naming conventions between the FTS and other systems, and the absence of the unique entity PIC numbers in the FTS, mean that it is not possible to make cross-system analysis of entities** (i.e. NGO beneficiaries). This could be easily addressed by showing the unique entity ID, together with entity name, in all publicly accessible portals and databases. **SEDIA does include a long number next to the name of each entity, although this is not explicitly identified as a unique ID number.** It would also be **highly desirable for all systems to use the same naming convention** – for example, the FTS generally (but not always) shows the entity name in its original language and in English.

## 3.3 EC NGO grant management systems and processes

*How transparent, consistent, and effective are the NGO grant management systems and processes of the EC services and executive agencies?*

### AMIF

**All interviewed stakeholders consider that the AMIF grant application and management process works well**, with one suggesting that it works better than other EU funding processes (e.g., Erasmus +). In general, all of the interviewed beneficiaries consider that the AMIF accounting and financial rules are simple and very clear, and that the [Participant Portal](#) is clear and easy to use, especially when comparing them with the rules of other EU programmes. All interviewed HUMCORE and EMVI project representatives consider that the AMIF visibility guidelines are very clear, logical and 'unintrusive'.

Based on desk research and on interviewee feedback, **the selection criteria for the award of grants are clearly indicated** in the description of the evaluation process in the call for proposals. Interviewees consider that **in general the system for awarding points for the selection of proposals is very clear and transparent**. One Italian beneficiary notes that it has also benefited from the support of the Ministry of Interior's help desk, which provides support to organisations preparing AMIF applications.

DG HOME notes that each applicant receives written feedback in the form of the evaluation summary letter, while the evaluation criteria (questions) are spelled out clearly in the text of the call and further explained in the publicly available information sessions publicised on SEDIA. Nevertheless, some interviewed NGO representatives would like, in addition to being informed about the points awarded to their grant applications, to have the possibility of asking the EC for more written feedback about the allocation of points, as this would enable a better understanding of the selection criteria for future calls. Other stakeholders noted that **sharing the EC's internal guidelines for the evaluation of proposals would be helpful for the project beneficiaries**.

One interviewee considers that the **timeliness of calls could be improved**, as they are sometimes delayed, and their **publication is not predictable**. Specific requirements are not always completely clear, in the context of **changing political priorities**. For example, in recent calls there is a strong focus on private sponsorships (as part of the community sponsorship programmes for beneficiaries of international protection across the EU through strengthened cooperation between all relevant public and private stakeholders). The stakeholders understand that this is a political decision and a political priority, but some of them do not see why, and they consider that private sponsorship is not a big issue in most EU Member States (except for some countries like Germany).

In terms of the publication of guidance material, the conclusion of the contract, the monitoring of implementation and results, the publication of information, the monitoring of contractual compliance and of the exclusion criteria, the **interviewed NGO representatives consider that the system and support provided by the EC is highly transparent, effective and easy to understand**. Only one interviewee considers that the rules on efficiency and coherence of the budget rules could be clearer.

**DG HOME publishes information about the planning of the AMIF calls to be launched in the future, detailing the topics/ priorities and provisional dates of publication, as well as the list of projects funded each year.**<sup>66</sup> Moreover, the EC **publishes information on the total allocations of AMIF per Member State;**<sup>67</sup> and an **overview of all the AMIF funded projects per year (for some years)**, including details about the project beneficiary, other partners, project duration, total cost of the project, objectives of the project, activities, results and website of the project.<sup>68</sup>

However, the **presentation of the information is rather fragmented** in different sections of the DG HOME website, **making it hard to find**. Moreover, the **lists of projects funded per year are in PDF format, only provide information on the total grant amount for each project (not per partner), and only give the name of the project coordinator.**<sup>69</sup>

Regarding **geographic balance**, it is important to note that much of AMIF's documentation discusses the **importance of Union-wide support for issues of migration**. For example, the 2021 AMIF Regulation states that the Fund should support shared responsibility and solidarity on the issue among Member States, and gives each state a fixed amount for activities, with more going to Member States receiving large migration flows.<sup>70</sup> AMIF's 2021-2022 Work Programme emphasises in a footnote that the fund's emergency assistance is meant to strengthen a directive on balancing efforts between Member States in receiving displaced people in the event of an emergency.<sup>71</sup> However, neither of these documents specifies how the EC will ensure that a geographically-diverse range of projects will receive funding.

Two of AMIF's most recent Calls for Proposals give a clearer idea of how the EC ensures geographic balance in funded projects. **In a 2022 Call, AMIF specifies that geographic scope is the third priority when selecting projects to fund**, after relevance, impact, and quality; and overall portfolio/creation of synergies.<sup>72</sup> **A 2023 AMIF Call has a predicted impact of greater geographic diversity among sponsors**, with a particular note on the representation of **more rural areas**.<sup>73</sup>

Regarding the process in general, the AMIF Work Programme for 2021-2022 states that the selection criteria for projects that have applied for grant funding is based on their financial and operational capacities to be able to carry out their work.<sup>74</sup> This applies to all types of beneficiary, not only NGOs.

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<sup>66</sup> European Commission (undated), [Planning of the Union Actions to be implemented by open calls to be launched in 2023](#)

<sup>67</sup> European Commission (undated), [AMIF, BMVI, ISF total allocations per Member State for the 2021-2027 period](#)

<sup>68</sup> European Commission (2020), [More snapshots from the EU AMIF and ISF](#)

<sup>69</sup> E.g. [list of AMIF projects funded in 2018](#)

<sup>70</sup> European Union (12/04/2022), [Regulation \(EU\) 2021/1147 of the European Parliament and of the Council of 7 July 2021](#) establishing the Asylum, Migration and Integration Fund', paragraph 1 of Article 30 Information, communication and publicity

<sup>71</sup> European Commission (25/11/2021), [Commission implementing Decision of 25 November 2021](#) on the financing of components of the Thematic Facility under the Asylum, Migration and Integration Fund and adoption of the Work Programme for 2021 and 2022

<sup>72</sup> European Commission (24/03/2022), [Call for proposals Information and awareness raising campaigns on the risks of irregular migration in third countries and within Europe \(AMIF-2022-TF1-AG-INFO\)](#)

<sup>73</sup> AMIF (01/03/2023), [Call for proposals Transnational actions on asylum, migration and integration \(AMIF-2023-TF2-AG-CALL\)](#)

<sup>74</sup> European Commission (25/11/2021), [Commission implementing Decision of 25 November 2021](#) on the financing of components of the Thematic Facility under the Asylum, Migration and Integration Fund and adoption of the Work Programme for 2021 and 2022

The 2021 Annotated Grant Agreement states that the *'consortium must have the technical and financial resources needed to carry out the project'*. In order for the EC to validate these factors, all types of beneficiary must first register in the [Participant Register](#) (see Chapter 3.2) before submitting their proposal. A financial check is then carried out based on the documents uploaded by the beneficiaries to demonstrate legal status and origin, and they will be validated by the Central Validation System. If the beneficiary's financial capabilities are deemed unsatisfactory, they will be subject to agreed-upon requirements before receiving funding. Grants below EUR 60 000 may not require this check.<sup>75</sup> When submitting a proposal, all types of beneficiary are expected to include staff profiles, a description of consortium participants, and a list of previous projects, to ensure that the projects have the know-how, qualifications, and resources to be carried out properly. Proposals must then follow a two-step evaluation procedure, assessed by a committee of relevant outside experts.

Mandatory deliverables for all AMIF-funded projects include:<sup>76</sup>

- A mid-term progress report depending on the duration;
- A final project report.

For some specific projects (e.g. projects under the AMIF call on ['Information and awareness raising campaigns on the risks of irregular migration in third countries and within Europe'](#)) other compulsory deliverables include:

- An inception report;
- A tailored communication strategy document;
- A monitoring and evaluation methodology document may be required.

Article 21.1 of AMIF's General Model Grant Agreement requires that beneficiaries must continuously report on the progress of the action using the SEDIA Portal [Continuous Reporting Module](#). As required by Article 20.1 of the Model Grant Agreement, beneficiaries must keep records that prove proper implementation of the project, and these must be made available upon request by the EC.<sup>77</sup>

Article 22.7 of the AMIF Regulation 2021/1147 requires beneficiaries to submit yearly accounts to the managing authorities, accompanied by the opinion of an independent audit body drawn up in accordance with international auditing standards. The management declaration must confirm compliance with applicable law and conditions of support for the project; that invoices, proof of payment, and accounting records have been verified; and that conditions for reimbursement have been met.<sup>78</sup> Using the documentation provided, the EC calculates the final grant amount by starting with the total accepted EU contribution, then limiting this number to the maximum grant amount, and reducing any profits made in accordance with the no-profit rule.<sup>79</sup>

Article 25 of the Model Grant Agreement also allows the granting authority to carry out reviews on proper implementation of the action, assisted if necessary by independent, outside experts.

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<sup>75</sup> European Commission (24/03/2022), [Call for proposals Information and awareness raising campaigns on the risks of irregular migration in third countries and within Europe \(AMIF-2022-TF1-AG-INFO\)](#)

<sup>76</sup> European Commission (24/03/2022), [Call for proposals Information and awareness raising campaigns on the risks of irregular migration in third countries and within Europe \(AMIF-2022-TF1-AG-INFO\)](#)

<sup>77</sup> European Commission (01/06/2021), [AMIF, ISF, & BMVI General Model Grant Agreement](#)

<sup>78</sup> European Union (12/04/2022), [Regulation \(EU\) 2021/1147 of the European Parliament and of the Council of 7 July 2021](#) establishing the Asylum, Migration and Integration Fund, paragraph 1 of Article 30 Information, communication and publicity

<sup>79</sup> European Commission (01/06/2021), [AMIF, ISF, & BMVI General Model Grant Agreement](#)

Beneficiaries must provide evaluators access to any necessary sites.<sup>80</sup> The 2021 AMIF Regulation states that the EC must present core performance indicators from monitoring and reporting to the EP and European Council.<sup>81</sup>

## Erasmus+

DG EAC notes that **the majority of Erasmus+ projects are under indirect management, so national agencies are responsible for grant management.** Nearly all of these are public bodies nominated by national ministries.

**From the perspective of the case study NGOs, the process of grant management is clear,** with their understanding that first the consortium writes a pre-proposal to be evaluated out of 30 points, and if this achieves a high enough score they can advance to the proposal stage. The timing of the announcement of results is generally reliable. Interim reports are subsequently required at the end of years 1 and 2, including both financial and technical components (i.e., how far along the project is, if there have been any delays, reasons for these and any changes). Interviewed NGO representatives note that the requirement for two reports is new – previously just one report was required at the halfway point of the project.

DG EAC is satisfied with the current grant management systems, including what data is collected and how it is managed. However, it does see **scope for improving data analysis.** Within Erasmus+ indirect management, it is impossible to monitor projects directly. However, an advantage of this structure highlighted by DG EAC is that the responsible national agencies act as a link between grant beneficiaries and DG EAC, as the national agencies deal directly with the beneficiaries, including NGOs and public institutions. National agencies have dedicated processes and systems to monitor projects through their life cycles and disseminate project results.

Regarding dissemination, **one case study NGO notes that it is invited for discussions with the EC, but more support is needed to showcase project results and outcomes, as its work lacks visibility with key national actors.**

**For DG EAC geographic balance is a very important aspect of Erasmus+ funding,** and it actively aims to ensure funding of projects in remote rural areas, as well as in cities. In line with the EC's [Inclusion & Diversity strategy](#), **obstacles such as geographic remoteness are considered when awarding grants,** and **national agencies take steps to disseminate information on calls across their country,** including by travelling to different regions and setting up specific contact people responsible for the dissemination of Erasmus+ activities. To ensure that travel costs are not a deterrent, DG EAC ensures that these technical aspects are also considered in their efforts to achieve geographic balance in the programme. For example, the Inclusion and Diversity Strategy allows programme funding to be used for travel and accommodation to help cover the costs of specific needs of participants experiencing fewer opportunities, to allow participation on an equal footing.

**Efforts to ensure geographic balance are further reflected in the Erasmus+ Work Programme.** In describing the types of Vocational Education and Training (VET) actions funded, one of the categories supported is '*VET that promotes equal opportunities*', which includes developing '*inclusive*

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<sup>80</sup> European Commission (01/06/2021), [AMIF, ISF, & BMVI General Model Grant Agreement](#)

<sup>81</sup> European Union (12/04/2022), [Regulation \(EU\) 2021/1147 of the European Parliament and of the Council of 7 July 2021](#) establishing the Asylum, Migration and Integration Fund, paragraph 1 of Article 30 Information, communication and publicity

*and accessible programmes for [...] people with fewer opportunities because of their geographical location and/ or their social-economically disadvantaged situation'.<sup>82</sup>*

## Life

**Decision-making and day to day management responsibilities are shared between DG ENV and CINEA.** In 2021, there was a shift of NGO grant management responsibilities from EASME to CINEA,<sup>83</sup> following its establishment in the same year.<sup>84</sup> In 2013, the EC, which previously had sole management responsibility for the LIFE programme, transferred operational management tasks to EASME, while the EC retained responsibility for policy-related decision-making. The objectives of delegating some tasks to EASME were to increase cost-efficiency, increase synergies with other programmes whose management was partially delegated to EASME, and encourage economies of scale. The technical nature of LIFE projects, which often require specific high-level expertise, was another reason for entrusting some aspects of programme management to EASME.<sup>85</sup>

In the context of the LIFE programme, EASME was supported by external monitoring experts from [NEEMO EEIG](#), contracted by the EC. NEEMO EEIG monitors have been responsible for the monitoring and communication aspects of the LIFE projects and for the maintenance of LIFE indicators database website. The Main tasks and activities conducted by NEEMO EEIG under the LIFE programme are:

- Monitoring of projects supported by the LIFE programme, including checking compliance with LIFE rules – administrative, financial, communication; checking the technical progress of projects (monitoring missions); policy impact/ relevance – through DeNTE Hubs<sup>86</sup>.
- Organising platform meetings;
- Carrying out analysis, producing studies.<sup>87</sup>

One of the NEEMO EEIG consortium partners mentions the following services:

- Revision of proposals before the contracting phase;
- Monitoring (including field checking) and ex-post monitoring;
- Evaluation of output including Natura 2000 management plans and other nature related management plans;
- Communication and project/ programme information dissemination;
- Organisation of events (conferences, thematic workshops);
- Specific thematic studies (e.g. habitat restoration costs, input from LIFE projects to the implementation and further fine-tuning of EU Directives, jobs and growth study, ...).<sup>88</sup>

<sup>82</sup> European Commission (2021), [2021 annual work programme - "Erasmus+": the Union Programme for Education, Training, Youth and Sport](#)

<sup>83</sup> See Commission Decision C(2021) 947

<sup>84</sup> See Commission Implementing Decision (EU) 2021/173

<sup>85</sup> European Commission Implementing Decision of 17 December 2013 establishing the 'Executive Agency for Small and Medium-sized Enterprises' and repealing Decisions 2004/20/EC and 2007/372/EC (2013/771/EU)

<sup>86</sup> It appears that the NEEMO EEIG website no longer mentions DeNTE Hubs as of late September 2023.

<sup>87</sup> EASME (2019), The LIFE programme 2014-2020, Life Info Day Denmark presentation

<sup>88</sup> Prospect Consulting & Services (2016), [Framework contract for monitoring of life projects \(action grants and operating grants\), communication about the LIFE programme and other linked activities](#)

The use of the NEEMO EEIG as an external monitor has continued with the transfer of programme management responsibilities from EASME to CINEA.

In general DG ENV provides policy guidance and advice and ensures the coordination of activities. CINEA is responsible for the day to day management of the programme – it launches the calls, prepares drafts, and evaluates grant applications with the support of external evaluators.<sup>89</sup>

Nevertheless, DG ENV still manages grants for specific NGOs, namely [the European Union Network for the Implementation and Enforcement of Environmental Law](#), the [European Network of Prosecutors for the Environment and the European Union Forum of Judges for the Environment](#). These types of network exist because of their close links to policy (close links to the operating entities and to environmental governance at the public administration level). They are not typical NGOs implementing actions on the ground. There are special grants for such networks, and these are managed directly by DG ENV. Grants for these networks are within the scope of the LIFE regulation.

### General processes

Since 2021, the LIFE programme has moved to eGrants tools, and applications are now made via SEDIA.

There are two main types of grant: operating grants and action grants:

- **Action grants** pilot specific approaches on the ground. Typically, NGOs that receive such grants do not have to fulfil the same conditions as NGOs that receive operating grants.
- **Operating grants** are mono-beneficiary grants: they involve a single NGO and consortia are not permitted. Operating grants are not included in the [LIFE public database](#). They are awarded through a call for a framework partnership agreement. Applicants must work at the EU level with activities covering at least three countries. Operating grants can be awarded only to organisations that have already signed a Framework Partnership Agreement (FPA). The FPA is a long-term cooperation instrument, giving the eligible non-profit entities the possibility of being awarded a specific organisation grant, which happens on an annual basis. This is done through an invitation to submit a proposal, which all framework partners receive.

**From the perspective of interviewed NGOs, the processes and rules are generally clear but require time and patience, as there is a lot of information to process.** Interviewed NGOs note that **navigation of the systems, processes and rules is made easier by presentations on the application process organised by CINEA**, recordings on the EC website (where speakers are open about the granting priorities), and the LIFE Toolkit containing rules, templates, etc.

While it is always possible to check the LIFE rules, **NGOs note that rules are sometimes not sufficiently detailed regarding specific situations and do not provide all the answers they need. Technical monitoring officers are always helpful in pointing NGOs in the right direction.** However, one NGO has heard that **the time technical monitoring officers can dedicate to the supervision of projects is to be reduced**, and there are concerns that this could lead to difficulties regarding interpretation of rules and requirements. DG ENV and CINEA confirm that a new monitoring contract is to be introduced for technical monitoring officers with the aim of ‘doing more with less’.

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<sup>89</sup> See [LIFE - Calls for proposals](#)

For most projects there are no interim payments, only pre-financing. Thus costs are determined, and reimbursements are made, at the end of the project.

### Monitoring of projects

**Monitoring is ensured by the deployment of technical monitoring officers.** DG ENV and CINEA note that technical monitoring officers have three functions: (1) to ensure that projects are in line with the Financial Regulation; (2) to support the EC to ensure that grant funding is well spent; and (3) to provide advice to grantees and suggestions for the projects they monitor.

### Geographic balance

DG ENV notes that when the LIFE regulation was negotiated, the EP was clear that quality includes geographic balance (see [LIFE regulation](#) Article 9 (5)) and **DG ENV and CINEA seek to encourage more applications from underrepresented countries.** Each country has a national contact point for the LIFE programme. The national contact point should ensure that the call is widely communicated. A specific budget is allocated to support Member States where there are fewer successful grant applications, to promote more and higher quality applications.

For the NGO operating grants, beneficiaries must work at EU level and their activities must cover at least three Member States.

When it comes to reporting, case study NGOs note that **parts of the systems they are required by the EC to use are cumbersome.** For example:

- Need to manually fill in and calculate amounts in some sheets, which increases the risk of unintentional errors;
- Duplication: one NGO notes that it is required to re-submit evidence that it has already submitted via another portal;
- Portals are difficult to navigate: one NGO notes that it has to interact with several portals, which are generally not modern or user-friendly. Learning how to use them consumes a lot of time.
- Portals are not context sensitive: they include many different tabs that have no relevance to the specific project for which the NGO needs to report. This further complicates their use. Ideally, portals/ web pages should show information that is dynamically contextualised to the needs of different users;
- Timesheets that grantees are required to complete are not adapted to the current reality – many organisations now have flexible working conditions, with staff working from home and having flexible working hours. This can sometimes make completion of timesheets difficult;
- Conflict between grant arrangements and national law: one case study NGO notes that its current grant contract runs from 2021 to the end of 2023. National law requires that employee salaries are increased in line with inflation. Due to the inflexibility of the grant contract, the organisation faces difficulties when explaining any increase in costs, for example increased salaries resulting from inflation.

## 4 OVERVIEW OF NGO GRANT FUNDING 2020-2022

*Which are the top 10 NGO recipients of grant funding for each of the case study programmes?*

### KEY FINDINGS

- The case study programmes (all types of management, all types of contract, all types of beneficiary) account for 4% (EUR 13.5 billion) of all EU budget commitments included in the FTS from 2020 to 2022. 64% of case study programme commitments are managed under indirect management, which includes grants to NGOs by intermediate bodies, for which no data is publicly available at EU level.
- Commitments to NGOs by the three case study programmes under direct management amount to approximately EUR 1 billion, accounting for 5.8% of all grant funding (all EU budget programmes included in the FTS) to NGOs and 0.3% of all EU budget commitments.
- The top NGO grant beneficiary of the AMIF programme (direct management) from 2020 to 2022 was the Spanish Red Cross Foundation, with total commitments of approximately EUR 10.6 million exclusively for action grants. This was more than double the commitments made to the next largest beneficiary.
- The two top NGO grant beneficiaries of the Erasmus+ programme from 2020 to 2022 were the College of Europe Belgium (EUR 16.8 million) and the College of Europe Poland (EUR 13.6 million). These were exclusively operating grants in both cases.
- The top NGO grant beneficiary of the LIFE programme from 2020 to 2022 was the IUCN<sup>90</sup> European Union Representative Office in Belgium, with commitments of EUR 29 million exclusively for action grants. This was double the amount of the next largest beneficiary.
- 57% of Erasmus+ commitments (by value) to NGOs from 2020 to 2022 cover operating grants while 98% of LIFE commitments and all AMIF commitments cover action grants.
- Belgium is the top beneficiary country, with EUR 200 million in grant commitments to NGOs from 2020 to 2022 by the three case study programmes.
- 13 Member States do not appear amongst the top 10 beneficiary countries of any of the three case study programmes.

Main recommendations: the EP is recommended to consider commissioning additional research into NGO operating grants and grants awarded to NGOs by intermediate bodies under indirect management. The EP is recommended to consider commissioning analysis of the geographic distribution of EU NGO grant funding to assess the extent to which it corresponds to EU policy priorities.

See Chapter 11.3 for detailed conclusions and recommendations.

<sup>90</sup> International Union for Conservation of Nature and Natural Resources

## Chapter overview

This chapter analyses 2020 to 2022 grant funding data from the FTS, focusing on the three case study programmes. It starts by explaining some factors that constrain the analysis. This is followed by a general overview of funding. It puts the three case study programmes into perspective by including also summary data for all other EU budget programmes, and it compares direct and indirect management funding data. Next top NGO grant beneficiaries are identified for each programme by funding and by frequency of participation, and finally the top beneficiary countries for each of the three programmes are identified.

### 4.1 Constraints of the analysis

The analysis of NGO/ NFPO grant funding based on downloaded FTS data for 2020 to 2022 is best characterised as an approximation for the following reasons:

- Firstly there is **still no single, overarching definition of these terms for the purposes of EU grant funding**. Instead, the self-classification of entities in the FTS as NGO or NFPO depends on the rules of the state in which they registered, and the rules vary between Member States. It is also possible that there are errors in the way entities are classified in the FTS. As already noted, any organisation flagged as either NFPO or NGO (or both) is considered as an NGO for the purposes of this study. Organisations flagged only as NFPO may not normally be considered to be NGOs. However, omitting this group would also leave out organisations that are clearly NGOs in the generally accepted sense (this can be seen in the list of case study projects in Annex 3). Universities in the FTS provide another example of the lack of clarity in this area. There are 35 340 entries in the total downloaded FTS data (all programmes) where the beneficiary is a university<sup>91</sup> that has received a grant. Of these, 3 171 entities are flagged as 'NFPO', none are flagged as 'NGO', 265 are flagged as both 'NGO' and 'NFPO', and 31 904 are neither. Thus **the following analysis may include some organisations that are not universally considered as NGOs** in the generally understood sense. The terms NGO and NFPO are introduced in Chapter 1.4. A detailed discussion on the definition of 'NGO' is presented in Chapter 9.
- Secondly, the **FTS does not provide details of grants to NGOs made under indirect management** – it gives information only about the overall funding provided to intermediate organisations (e.g. national agencies) in Member States that are responsible for distributing the funds. 81.3% of all Erasmus+ funding is subject to indirect management.
- Thirdly, **for some entries in the FTS, the beneficiary's contracted amount is not indicated**. Where this occurs with multi-beneficiary projects, the entire project amount is assigned to the project coordinator (see for example details of two of the three Erasmus+ case study projects in Annex 3). The issue of missing FTS data is analysed in Chapter 3.1 above.

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<sup>91</sup> The FTS data was filtered on the column 'Name of beneficiary' using the term 'UNIVERSIT'. For the purposes of this analysis, it is assumed that all matching this search term are universities, although it is possible that some are not. There are 2 172 unique university names in the downloaded data, which means they each appear on average 16 times in the downloaded data.

## 4.2 Funding overview 2020-2022

To put the three case study programmes into context, Table 7 provides an overview of all EU budget funding for the years 2020 to 2022 (all programmes and all types of contract included in the FTS<sup>92</sup>). During this period, the EU committed approximately EUR 377 billion, of which 14.3% was indirectly managed. The three case study programmes account for 3.6% of this funding (approximately EUR 13.5 billion), and of this 64% was indirectly managed. However, there are significant differences between the three case study programmes in this regard – 81.3% of Erasmus+ funding was indirectly managed while for LIFE, the figure is just 0.4%.

Table 7: Overview of EU funding (all types of funding) 2020-2022 (EUR)

Programme	Total	Programme total as % of all programmes	Direct management	Indirect management	Indirect management as % of programme total
AMIF	1 902 744 988	0.5%	1 234 497 417	668 247 572	35.1%
Erasmus+	9 706 471 606	2.6%	1 819 633 240	7 886 838 366	81.3%
LIFE	1 858 707 788	0.5%	1 851 785 688	6 922 100	0.4%
All other programmes	363 827 132 796	96.4%	318 251 628 449	45 575 504 347	12.5%
<b>Total</b>	<b>377 295 057 179</b>	<b>100.0%</b>	<b>323 157 544 794</b>	<b>54 137 512 385</b>	<b>14.3%</b>

Source: based on FTS data<sup>93</sup>

Table 8 below shows a subset of the data above – it **shows grant commitments to NGOs from 2020 to 2022 of approximately EUR 17.5 billion, which accounts for 4.6% of all EU budget commitments** during this period. **Grants to NGOs by the three case study programmes under direct management amount to approximately EUR 1 billion, which equates to 5.8% of all grant funding to NGOs and 0.3% of all EU budget commitments.** FTS data indicates that all grant commitments to NGOs by the three case study programmes were directly managed, but this is misleading as **grants awarded to NGOs under indirect management are not recorded in the FTS.**

<sup>92</sup> The FTS data for the three case study programmes covers the following types of contract: Action Grant; Administrative, HR and social services; Audit Services; Banking, Financial and Insurance Services; Communication & Publications; Conferences, External Meetings and Travel; Consultancy (Advisory services); Evaluation Services; IT Services and Telecommunication Charges; Legal services; Operating Grant; Other Services; Research, development or scientific activities; Services Linked to Buildings; Statistical services; Studies; Supply Contracts; Supply of ICT Equipment; Training Services; Translation and Interpretation. In 34 cases, the contract type is indicated as '-'.  
<sup>93</sup> FTS data downloaded from the [EC website](#) on 22 July 2023

Table 8: EU grant funding to NGOs 2020-2022 (EUR) – all EU budget programmes

Programme	Total	Programme total as % of all programmes	Direct management	Indirect management	Indirect management as % of programme total
AMIF	61 773 739	0.4%	61 773 739	0	0%
Erasmus+	494 904 233	2.8%	494 904 233	0	0%
LIFE	457 024 686	2.6%	457 024 686	0	0%
All other programmes	16 444 947 088	94.2%	16 437 782 396	7 164 691	0.04%
<b>Total</b>	<b>17 458 649 746</b>	<b>100.0%</b>	<b>17 451 485 054</b>	<b>7 164 691</b>	<b>0.04%</b>

Source: based on FTS data

However, **the value of grants awarded to NGOs from the EU budget is likely to be significantly greater than shown in the FTS**, as this does not provide details of EU-funded grants to NGOs awarded by intermediate bodies (e.g. Member State or UN agencies) under **indirect management**. As shown in Table 7 above, all three case study programmes made commitments under indirect management (for Erasmus+ this was 81.3%) and it can be assumed that some of this was awarded as grants to NGOs by the relevant national agencies and other organisations acting as intermediaries between the EC and beneficiaries. The FTS shows only the funds committed to intermediate bodies, which are listed as the beneficiaries, with the **type of contract marked simply as '-'**. The Erasmus+ programme made 821 commitments to 69 organisations amounting to approximately EUR 7.9 billion in this way. AMIF and LIFE also made commitments in this way, but to a much smaller extent. All three case study programmes awarded funding to UN agencies under indirect management in this way (funding to UN agencies for sub-granting was addressed in the [ECA's Special Report No.35 of 2018](#)). **For indirectly managed funding, it would be far more transparent to list in the FTS all final beneficiaries (e.g. NGOs), indicating indirect management, commitment amount, etc., and in a new column the intermediate body (e.g. national agency) that is responsible for managing the funds, and intermediate bodies should not be listed as beneficiaries.**

The FTS does, however, list eight commitments to the Organisation for Economic Co-operation and Development (OECD) and the Council of Europe, amounting to EUR 3 799 639, as indirectly managed action grants, suggesting that sub-granting may be involved. DG HOME points out that the funding to OECD covered two studies and did not involve sub-granting, but this is not at all clear from the way it is presented in the FTS.

**Analysis of indirectly managed grant funding to NGOs is not possible on the basis of available FTS data.**

### 4.3 Top NGO grant beneficiaries by funding

Table 9 below lists the top 10 NGO beneficiaries of directly managed grant funding under the three case study programmes. Between them, they account for approximately **EUR 219 million, of which 74% are action grants and 26% are operating grants**. The AMIF funding listed in this table covers only action grants, while 57% of Erasmus+ funding covers **operating grants** to five beneficiaries. 98% of LIFE funding listed in this table covers **action grants** – one LIFE beneficiary was awarded

funding for both an action grant and an operating grant, and is the only example of this amongst these 30 organisations.

The **top three NGO grant beneficiaries for each of the three case study programmes** are as follows:

In the AMIF programme:

- CRUZ ROJA ESPANOLA FUNDACION\*CROIXROUGE ESPAGNE FONDATION CRE is by far the largest beneficiary, with approximately EUR 10.6 million in commitments, more than double the commitments of the next largest beneficiary,
- FRANCE MEDIAS MONDE, with approximately EUR 3.7 million;
- METADRASI DRASI GIA THN METANASTEYSI KAI THN ANAPTIKSI\*METADRASI ACTION FOR MIGRATION AND DEVELOPMENT is the third largest beneficiary, with approximately EUR 3 million.

In the Erasmus+ programme:

- EUROPA COLLEGE STICHTING VAN OPENBAAR NUT\*COLLEGE D EUROPE BRUGES COLLEGE OF EUROPE is the largest beneficiary, with approximately EUR 16.8 million in commitments (operating grants only),<sup>94</sup>
- KOLEGIUM EUROPEJSKIE\*COLLEGE OF EUROPE received approximately EUR 13.6 million (operating grants only);
- KATHOLIEKE UNIVERSITEIT LEUVEN\*UNIVERSITY OF LEUVEN received approximately EUR 13.4 million.

In the LIFE programme, there is much less of a range between the top 10 beneficiaries. The top three received the following commitments:

- UICN, BUREAU DE REPRESENTATION AUPRES DE L'UNION EUROPEENNE AISBL\*IUCN EUROPEAN UNION REPRESENTATIVE OFFICE (approximately EUR 29.3 million);
- ENERGY CITIES/ENERGIE-CITES ASSOCIATION\* (EUR 14.5 million);
- BRATISLAVSKE REGIONALNE OCHRANARSKEZDRUZENIE\*REGIONAL ASSOCIATION FOR NATURE CONSERVATION AND SUSTAINABLE DEVELOPMENT (approximately EUR 10.6 million).

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<sup>94</sup> DG EAC points out that EUROPA COLLEGE STICHTING VAN OPENBAAR NUT and KOLEGIUM EUROPEJSKIE are specified in the Erasmus+ legal base and therefore receive funding every year

Table 9: Top 10 NGO beneficiaries of grant commitments made by AMIF, Erasmus+ and LIFE under direct management 2020-2022 (EUR)

Programme/ beneficiary	Country	Type of entity	Action Grant	Operating Grant	Grand Total
<b>AMIF</b>			<b>24 526 305</b>		<b>24 526 305</b>
CRUZ ROJA ESPANOLA FUNDACION*CROIXROUGE ESPAGNE FONDATION CRE	Spain	NFPO & NGO	10 614 905		10 614 905
FRANCE MEDIAS MONDE	France	NFPO	3 660 342		3 660 342
METADRASI DRASI GIA THN METANASTEYSI KAI THN ANAPTIKSI*METADRASI ACTION FOR MIGRATION AND DEVELOPMENT	Greece	NFPO & NGO	2 992 409		2 992 409
SAVE THE CHILDREN ITALIA ONLUS ASSOCIAZIONE*	Italy	NFPO & NGO	1 831 441		1 831 441
COOPI - COOPERAZIONE INTERNAZIONALE FONDAZIONE*	Italy	NFPO & NGO	1 198 015		1 198 015
COMITATO EUROPEO PER LA FORMAZIONE E L'AGRICOLTURA ONLUS*EUROPEAN COMMITTEE FOR TRAINING AND AGRICULTURE	Italy	NFPO & NGO	900 631		900 631
ST. ANDREW'S REFUGEE SERVICES	Austria	NFPO & NGO	899 991		899 991
THE ECONOMIC AND SOCIAL RESEARCH INSTITUTE LBG*ESRI	Ireland	NFPO & NGO	843 451		843 451
INTERNATIONAL CATHOLIC MIGRATION COMMISSION EUROPE VZW	Belgium	NFPO & NGO	794 624		794 624
CESIE	Italy	NFPO & NGO	790 495		790 495
<b>Erasmus+</b>			<b>40 964 788</b>	<b>54 651 173</b>	<b>95 615 961</b>
EUROPA COLLEGE STICHTING VAN OPENBAAR NUT*COLLEGE D EUROPE BRUGES COLLEGE OF EUROPE	Belgium	NFPO		16 844 568	16 844 568
KOLEGIUM EUROPEJSKIE*COLLEGE OF EUROPE	Poland	NFPO		13 615 773	13 615 773
KATHOLIEKE UNIVERSITEIT LEUVEN*UNIVERSITY OF LEUVEN	Belgium	NFPO	13 404 306		13 404 306
UNIVERSIDADE DO PORTO*	Portugal	NFPO	9 656 515		9 656 515
EUROPEAN YOUTH FORUM	Belgium	NFPO & NGO		8 450 000	8 450 000

Programme/ beneficiary	Country	Type of entity	Action Grant	Operating Grant	Grand Total
EUROPAEISCHE RECHTSAKADEMIE TRIER OFFENTLICHE STIFTUNG*ACADEMY OF EUROPEAN LAW IN TRIER	Germany	NFPO & NGO		8 172 342	8 172 342
CENTRE INTERNATIONAL DE FORMATION EUROPEENNE	France	NFPO & NGO		7 568 490	7 568 490
STICHTING IHE DELFT INSTITUTE FOR WATER EDUCATION	Netherland	NFPO	7 188 000		7 188 000
CEU GMBH	Austria	NFPO	5 365 718		5 365 718
FUNDACION UNIVERSIDAD CATOLICA DE VALENCIA SAN VICENTE MARTIR	Spain	NFPO	5 350 248		5 350 248
<b>LIFE</b>			<b>97 316 270</b>	<b>1 623 676</b>	<b>98 939 946</b>
UICN, BUREAU DE REPRESENTATION AUPRES DE L'UNION EUROPEENNE AISBL*IUCN EUROPEAN UNION REPRESENTATIVE OFFICE	Belgium	NFPO & NGO	29 254 111		29 254 111
ENERGY CITIES/ENERGIE-CITES ASSOCIATION*	France	NFPO	14 511 890		14 511 890
BRATISLAVSKE REGIONALNE OCHRANARSKEZDRUZENIE*REGIONAL ASSOCIATION FOR NATURE CONSERVATION AND SUSTAINABLE DEVOLPMENT	Slovakia	NFPO & NGO	10 582 279		10 582 279
NATAGORA	Belgium	NFPO & NGO	9 625 518		9 625 518
NATUURPUNT BEHEER,VERENIGING VOOR NATUURBEHEER EN LANDSCHAPZORG IN VLAANDEREN VZW*	Belgium	NFPO & NGO	7 385 971		7 385 971
ROYAL SOCIETY FOR THE PROTECTION OF BIRDS ROYAL CHARTER*RSPB	United Kingdom	NFPO & NGO	7 180 880		7 180 880
LATVIJAS DABAS FONDS NODIBINAJUMA*LATVIAN FUND FOR NATURE LDF	Latvia	NFPO & NGO	5 817 877		5 817 877
RESEAU DE L'UNION EUROPEENNE POUR LA MISE EN OEUVRE DE LA LEGISLATION COMMUNAUTAIRE ENVIRONNEMENTALE ET POUR LE CONTROLE DE SON APPLICATION	Belgium	NFPO & NGO	3 628 237	1 623 676	5 251 913

Programme/ beneficiary	Country	Type of entity	Action Grant	Operating Grant	Grand Total
SOCIEDAD ESPANOLA DE ORNITOLOGIA SEO	Spain	NFPO & NGO	4 724 879		4 724 879
LIGUE FRANCAISE POUR LA PROTECTIONDES OISEAUX	France	NFPO & NGO	4 604 627		4 604 627
<b>Total</b>			<b>162 807 362</b>	<b>56 274 849</b>	<b>219 082 211</b>

Source: author based on FTS

#### 4.4 Top grant beneficiaries by frequency

Table 10 below shows the 10 most frequently occurring NGO grant beneficiaries (direct management) of the three case study programmes in the FTS between 2020 and 2022. In total, these organisations accounted for approximately EUR 59 million. The 10 organisations listed here under the Erasmus+ programme accounted for more than half of this.

The most frequently occurring NGO grant beneficiaries under each programme are:

- AMIF – CESIE (Italy), six times;
- Erasmus+ – ASSOCIAZIONE CIMEA (Italy), 22 times;
- LIFE – INSTITUTE FOR EUROPEAN ENERGY AND CLIMATE POLICY STICHTING (Netherlands), 14 times.

An earlier version of this analysis covering the period 2017 to 2021 found 44 occurrences of ASOCIACIA ZA RAZVITIE NA BULGARSKI SPORT\*BULGARIAN SPORTS DEVELOPMENT ASSOCIATION, by far the highest number of occurrences of any NGO during that period. In the 2020-2022 analysis it is no longer the most frequently occurring NGO, although it still appears 18 times. The overall most frequently occurring NGO is the Erasmus+ beneficiary, ASSOCIAZIONE CIMEA.

Table 10: Most frequently occurring NGOs 2020-2022 (direct management, case study programmes only)

Name of beneficiary	Beneficiary country	Count of occurrences	Total Beneficiary's contracted amount (EUR)
<b>AMIF</b>			<b>6 123 351</b>
CESIE	Italy	6	790 495
KENTRO MERIMNAS OIKOGENEIAS KAI PAIDIOU*FAMILY AND CHILD CARE CENTER KMOP	Greece	6	636 408
ARSIS KOINONIKI ORGANOSI YPOSTIRIXIS NEON*ARSIS - ASSOCIATION FOR THE SOCIAL SUPPORT OF YOUTH	Greece	5	318 771
COMUNITA PAPA GIOVANNI XXIII	Italy	4	532 669
RESEAU EUROPEEN DES FEMMES MIGRANTES*EUROPEES NETWERK VOOR MIGRANTENVROUWEN EUROPEAN NETWORK OF MIGRANT WOMEN	Belgium	4	241 803
SAVE THE CHILDREN ITALIA ONLUS ASSOCIAZIONE*	Italy	4	1 831 441
SOLWODI DEUTSCHLAND EV	Germany	4	402 708
SUDWIND VEREIN FUR ENTWICKLUNGSPOLITIK UND GLOBALE GERECHTIGKEIT*SUDWIND ASSOCIATION FOR DEVELOPMENT POLICY AND GLOBAL JUSTICE	Austria	4	573 182
CARITAS INTERNATIONAL ASBL*	Belgium	3	292 915
CENTRO INFORMAZIONE DOCUMENTAZIONE E INIZIATIVA PER LO SVILUPPO - C.I.D.I.S. - ONLUS	Italy	3	502 959
<b>Erasmus+</b>			<b>33 826 065</b>
ASSOCIAZIONE CIMEA	Italy	22	3 161 005

Name of beneficiary	Beneficiary country	Count of occurrences	Total Beneficiary's contracted amount (EUR)
STICHTING NUFFIC	Netherlands	22	1 464 582
SPORT EVOLUTION ALLIANCE CRLSEA	Portugal	19	682 920
UNIVERSIDADE DO PORTO*	Portugal	19	9 656 515
ASOCIACIA ZA RAZVITIE NA BULGARSKIASPORT*BULGARIAN SPORTS DEVELOPMENTASSOCIATION	Bulgaria	18	676 013
KATHOLIEKE UNIVERSITEIT LEUVEN*UNIVERSITY OF LEUVEN	Belgium	17	13 404 306
STICHTING EUROPEAN NETWORK FOR INNOVATION AND KNOWLEDGE	Netherlands	17	1 079 425
CESIE	Italy	15	1 446 035
EUROPEAN PLATFORM FOR SPORTS AND INNOVATION	Belgium	15	790 234
INTERNATIONAL SPORT AND CULTURE ASSOCIATION - ISCA	Denmark	15	1 465 030
<b>LIFE</b>			<b>19 005 161</b>
INSTITUTE FOR EUROPEAN ENERGY AND CLIMATE POLICY STICHTING	Netherlands	14	3 735 239
SOCIEDAD ESPANOLA DE ORNITOLOGIA SEO	Spain	12	4 724 879
CENTRE FOR RENEWABLE ENERGY SOURCES AND SAVING FONDATION*CRES	Greece	11	1 002 785
VIESOJI ISTAIGA LIETUVOS ENERGETIKOS AGENTURA	Lithuania	11	916 548
WWF EUROPEAN POLICY PROGRAMME	Belgium	11	2 493 006
ASSOCIATION EUROPEENNE RECYCLAGE PNEUS ETRA*EUROPEAN TYRE RECYCLERSASSOCIATION	France	10	553 857
FONDAZIONE ECOSISTEMI	Italy	10	129 746
LIETUVOS PRAMONININKU KONFEDERACIJAASOCIACIJA *LITHUANIAN CONFEDERATION OF INDUSTRIALISTS LPK	Lithuania	10	146 538
RESEAU DE L'UNION EUROPEENNE POUR LA MISE EN OEUVRE DE LA LEGISLATIONCOMMUNAUTAIRE ENVIRONNEMENTALE ET POUR LE CONTROLE DE SON APPLICATION	Belgium	10	5 251 913
VSI VILNIAUS TECHNOLOGIJU IR MENO CENTRAS*VILNIUS TECHNOLOGY AND ART CENTRE	Lithuania	10	50 649
<b>Grand total</b>			<b>58 954 577</b>

Source: author based on FTS

## 4.5 Top beneficiary countries

Table 11 below summarises the **top 10 beneficiary countries of each of the three case study programmes** in terms of directly managed grants to NGOs from 2020 to 2022 (further details are provided in Annex 4). Here, 'beneficiary country' is the location of the beneficiary, which should not be confused with 'benefiting country', which is the country or countries that ultimately benefit from the grant-funded action. In total, these countries account for approximately EUR 779 million. The list includes **14 Member States and the United Kingdom**. Thus **13 Member States do not appear** in the top 10 beneficiary countries of any of the three case study programmes. Belgium is overall the top beneficiary country of the three programmes, with total funding of almost EUR 200 million, 26% of the total amount shown in the table, and more than double the amount of the next country in the list, Spain. Belgium is by far the biggest beneficiary of the Erasmus+ and LIFE programmes, while Italy and Spain are the top beneficiaries of AMIF.

Table 11: Top beneficiary countries of NGO funding 2020-2022 (direct management, case study programmes only)

Beneficiary country	Number of programmes	Beneficiary's contracted amount (EUR)
Belgium	3	199 926 233
Spain	3	98 130 707
France	3	90 323 605
Italy	3	87 700 172
Netherlands	3	79 678 980
Germany	3	60 700 644
Poland	2	36 321 425
Portugal	1	28 226 066
Slovakia	1	22 193 773
Austria	2	22 193 339
Finland	1	19 809 822
United Kingdom	2	13 387 971
Hungary	1	11 941 513
Greece	1	6 499 295
Ireland	1	1 942 740
<b>Grand Total</b>	<b>30</b>	<b>778 976 284</b>

Source: author based on FTS

## 5 RULES AND GUIDANCE ON SUBCONTRACTING AND SUB-GRANTING

### KEY FINDINGS

- There is now a single grant management regime covering all programmes.
- There are some variations in grant agreements used by different programmes, but they are all now based on a single, centralised Model Grant Agreement.
- There is a high level of consistency between the three case study programmes in the rules on subcontracting and sub-granting, although this is reportedly rarely used.
- Beneficiaries are required to provide detailed information in their grant agreements with the EC on the internal distribution and intended use of grant funds, including subcontracting.
- The use of complex or technical language makes it harder for grant applicants and beneficiaries to understand some rules, and some interviewees suggest that interpretation of specific rules and guidance may vary between members of EC staff.

Main recommendations: The EC is recommended to screen the language used in rules and guidance to ensure that it is clear and concise and leaves no room for interpretation. To help in this task, it is recommended to establish a panel of external users to help identify and clarify problematic text.

See Chapter 11.4 for detailed conclusions and recommendations.

### Chapter overview

This chapter looks at rules on subcontracting and sub-granting, as these are important for the transparency of NGO grant funding. The rules on visibility and transparency are discussed in detail in Chapter 2.

**Sub-granting** (also described as ‘cascading’) is different from subcontracting. Sub-granting is the process of a grant beneficiary passing on grant funding, in the form of grants, to third parties to implement actions. In the case of sub-granting, the original grant beneficiary launches its own call for proposals. **Subcontracting** is the purchase, by a grant beneficiary, of services or goods required to implement an action or, in the case of an operating grant, to maintain its operations.

For AMIF, unless otherwise stated, references to the Model Grant Agreement refer to the 2014-2020 model, as the case study projects correspond to that period. However, for the current period (2021-2027) a new Model Grant Agreement is in place, and it introduces many modifications aimed at simplifying grant management and providing more flexibility.

The previous EP study on NGO grant funding found that:<sup>95</sup>

*'...rules common to EU funding relate to EU visibility, sub-contracting, reporting, auditing, etc. However, rules vary between financial instruments and there are multiple sources 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.'*

## 5.1 Subcontracting

*How clear and consistent are the rules on subcontracting?*

No evidence was encountered during the course of the study to suggest that NGOs do not comply with subcontracting rules.

### AMIF

Even though neither of the two case study projects makes use of subcontracting, the **rules on subcontracting set in the Financial Regulation are very clear, and are consistent with the rules used to manage other EU funds**. Annex 1 of the grant agreement includes the list of subcontracts per Work Package, the amount of each subcontract, the activity to be subcontracted and the partner responsible for each subcontract. Moreover, Annex 2 details the costs of subcontracting for each partner. .<sup>96</sup>

Furthermore, there must be a **contractual link between beneficiaries and subcontractors**; the eligible cost is the price charged by the subcontractor to the beneficiary; there must be an **absence of conflict of interests** in the contractual relation;<sup>97</sup> subcontracting must comply with best **value for money**; subcontracting must be **necessary** to implement the action for which the grant is requested; and the subcontracting must be **supported by accounting documents**.<sup>98</sup> These requirements are also clearly specified in the 2020 Guide for Applicants (e.g., costs must comply with the requirements of tax and social legislation, shall be reasonable and justified, etc.)

**Neither the 2020 Guide for Applicants, nor the Annotated Model Grant Agreement specifically contemplates the possibility of subcontracting other NGOs as service providers, as they are treated in exactly the same way as other subcontractors**. Furthermore, the **rules on visibility apply also to subcontractors**.<sup>99</sup>

It is also important to note here that the **EC and the ECA have power of audit over all grantees and subcontractors**.<sup>100</sup>

<sup>95</sup> Blomeyer & Sanz (24/01/2017), [Democratic accountability and budgetary control of non-governmental organisations funded by the EU budget](#), p68

<sup>96</sup> European Commission (30/11/2019), [EU Grants. Annotated Model Grant Agreement. EU Funding Programmes 2021-2027](#), Introduction

<sup>97</sup> European Commission (30/11/2019), [EU Grants. Annotated Model Grant Agreement. EU Funding Programmes 2021-2027](#), page 8

<sup>98</sup> European Commission (30/11/2019), [EU Grants. Annotated Model Grant Agreement. EU Funding Programmes 2021-2027](#), page 6

<sup>99</sup> ISF- Borders and Visa, Internal Security Fund – Police, Asylum, Migration and Integration Fund & Justice Programme – Drugs Policy Initiatives. Multi-Beneficiary Model Grant Agreement, Version 2.10 5 December 2016 Articles 10 and 22

<sup>100</sup> Article 5.7 of the Regulation 514/2014 laying down general provisions on the AMIF and on the instrument for financial support for police cooperation, preventing and combating crime, and crisis management.

Article 10.1.d) of the Call for Proposals on Transnational actions on asylum, migration and integration (AMIF-2020-AG-CALL), reaffirms the requirement established in the General Model Grant Agreement by stating that *'Where the implementation of the action requires the award of procurement contracts (implementation contracts), the Beneficiary must award the contract to the bid offering best value for money or the lowest price (as appropriate), avoiding conflicts of interests and retaining the documentation for the event of an audit'*.

The **rules on subcontracting defined in the grant agreements are in line with the 2018 Financial Regulation**. More specifically, the 2018 Financial Regulation states that subcontractors shall provide declarations of absence of an exclusion situation where appropriate (Article 137). This is in line with the obligations included in the Annotated Model Grant Agreement, which states that the beneficiaries *'must ensure that the obligations on proper implementation, conflicts of interest, confidentiality, ethics, visibility, specific rules for carrying out action, information and record keeping also apply to the subcontractors'*.<sup>101</sup> It is also in line with the requirements of the AMIF 2020 Calls that states that subcontracting is permitted when required to implement the action. The AMIF 2020 Calls also states that the rule of best value for money, and of conflicts of interest, and keeping the documentation, apply to subcontracting.<sup>102</sup> However, the 2020 Guide for Applicants does not specifically refer to the obligations of subcontractors.

Article 135.1 of the 2018 Financial Regulation establishes that the early detection and exclusion system of entities that might pose a risk to the financial interests of the Union apply also to subcontractors.

Annex I of the 2018 Financial Regulation indicates that the contracting authority may request information on the part of the contract subcontracted, on the identity of the subcontractors, and on the changes of subcontractors. The financial capacity of the subcontractors may also be verified by the contracting authority when subcontracting represents a significant part of the contract (par. 18.7 of Annex I of the Financial Regulation), as well as their compliance with environmental, social and labour law (par. 23.1).

The **2014 AMIF Regulation and the 2021 AMIF Regulation do not make any specific mention of subcontracting**. However, Regulation 514/2014 laying down the general provisions of AMIF is well in line with the Financial Regulation by stating that the EC and the Court of Auditors have the power of audit over subcontractors who have received Union funds (Article 5.7). Again, this is fully in line with the provisions of the General Model Grant Agreement that states that the ECA has rights of supervision towards the subcontractors.<sup>103</sup>

According to all the stakeholders interviewed, it is very important to note here the **different national rules that apply to subcontracting**. Even if some stakeholders consider that the EU rules on best value, best price and avoiding conflicts of interest sometimes might be very general, they need to be seen **together with the national rules on public procurement, which tend to be stricter** (e.g., in Bulgaria all contracts of over EUR 15 000 are subject to a long and strict public procurement procedure; procurement thresholds vary in each Member State).

In general, the grant agreement, together with the local and national legislation, provide a strong framework for subcontracting.

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<sup>101</sup> EU Grants: AGA- Annotated Model Grant Agreement: VO.2 DRAFT-30.11.2011, p. 33

<sup>102</sup> AMIF 2020 Call for Proposals. AMIF-2020-AG-CALL Transnational actions on asylum, migration and integration. Section 10.

<sup>103</sup> EU Grants: AGA- Annotated Model Grant Agreement: VO.2 DRAFT-30.11.2011, p. 33.

## Erasmus+

DG EAC notes that there is no requirement to register **subcontracts** in grant agreements,<sup>104</sup> but such activities **are auditable**. A typical example of subcontracting in Erasmus+ projects is the subcontracting of training providers who do not 'belong' to any of the beneficiary organisations; in this case, for most Erasmus+ projects, it is necessary to know the country in which these service providers are located and the organisations being subcontracted through this process. DG EAC emphasises that there are clear rules about what can and cannot be subcontracted. For example, **core parts of the contract cannot be subcontracted and therefore must be realised by the consortium members**. In other words, core tasks cannot be externalised with subcontracts.

This understanding is reflected in the Erasmus+ Programme Call for Proposals, which, when outlining consortium roles, states that '*subcontracting should normally constitute a limited part and must be performed by third parties (not by one of the beneficiaries/affiliated entities)*'. Furthermore, '*subcontracting going beyond 30% of the total eligible costs must be justified in the application*'.<sup>105</sup> The Erasmus+ Work Programme guide states that the beneficiary may use subcontracting for specific technical services that require specialised skills (e.g. in areas such as law, accounting, taxation, human resources, IT, etc.) that are part of the action. The costs incurred by these types of subcontracted services can be classified as eligible costs as long as they align with the other criteria in the Grant Agreement.

Interviewed case study NGOs note that subcontracting of other NGOs as service providers is limited to specific tasks, such as making a video. One of the project coordinators suggests the rules on subcontracting could be clearer.

## LIFE

DG ENV and CINEA note that subcontracting mainly relates to the purchase of services. **Details of subcontracting must already be provided in the grant agreement**,<sup>106</sup> although this does not have to include information on specific suppliers, as grantees may need to launch a call for tenders and the specific subcontractors will not be known at the time of signing the Grant Agreement. The actual **subcontractors are subsequently validated by CINEA** *ex post* when reviewing project reports. **Beneficiaries must have the prior approval of CINEA where significant funds are to be subcontracted**. The previous programmes (2014-2020) required grant beneficiaries to launch a call for tenders for subcontracts above a certain threshold, but this no longer applies with new programmes, and grantees must follow national public procurement rules.<sup>107</sup>

One of the interviewed NGOs makes much use of subcontracting for services such as the provision of technical designs or working on site, and it notes that subcontracting is 'very much inspected' by the technical monitoring officer, who always asks for documentation justifying subcontracting.

Feedback from one of the project coordinators confirms that **the distribution of funds shown in the FTS is accurate and corresponds to the budget distribution in the Grant Agreement**.

<sup>104</sup> There is no requirement for subcontracts to be concluded before the grant agreement

<sup>105</sup> European Commission (18/10/2022), [Erasmus+ Programme \(ERASMUS\) Call for Proposals \[Version 1.0\]](#), p25

<sup>106</sup> As noted in the AMA, the tasks to be subcontracted and the estimated cost for each subcontract must be set out in Annex 1 and the total estimated costs of subcontracting per beneficiary must be set out in Annex 2

<sup>107</sup> Public procurement thresholds in the EU are specified in Article 4 of EU Directive 2014/24/EU

## 5.2 Sub-granting (cascading)

### *How clear and consistent are the rules on sub-granting?*

The ECA's 2018 special report on the transparency of NGO funding included findings and recommendations on sub-granting in external policy areas,<sup>108</sup> whereas the present study is limited to internal policy areas. The ECA recommendations are discussed below, where relevant.

In its 2018 Special Report, the ECA found that different EC departments did not apply sub-granting procedures in the same way. In particular, EC Directorate General for European Civil Protection and Humanitarian Aid Operations' (DG ECHO) interpretation of the rules was found to be more flexible than other departments, and it permitted sub-granting without limitation on the sub-granted amounts. **Article 204 (a) of the 2018 Financial Regulation ('Financial support to third parties') limits this to EUR 60 000 with certain exceptions.**<sup>109</sup> Also, it found that audited UN bodies' procedures for selecting NGO grant recipients were not always transparent (this relates to indirect management, which is not covered by this study).

Firstly, it recommended that where *'the implementation of an action under direct management requires sub-granting'*, the EC should *'apply a consistent interpretation of the applicable rules of the Financial Regulation among the different services, taking into account sectorial specificities; in particular, where the implementation of an action requires financial support to a third party, the conditions for such support should be defined in the grant agreement in line with the provisions of the Financial Regulation of 2018.'*

Secondly, it recommended that the EC should *'verify that the UN bodies correctly apply their rules and procedures for the selection of implementing partners'*.

The EC accepted both of these recommendations. Regarding the first recommendation, it considered that changes introduced in the new Financial Regulation would ensure the consistent application of rules regarding sub-granting.

Regarding the second recommendation, the EC noted that it *'actively monitors the implementation of projects and may conduct the necessary checks on the selection of UN implementing partners in accordance with the relevant legal framework.'* Furthermore, where indirect management is concerned, *ex ante* assessment provides the EC with assurance that the rules and procedures of 'entrusted entities' are equivalent to those used by the EC and guarantee the protection of the EU's financial interests. **However, the EC's response is open to interpretation, as it actually stated that such rules and procedures are 'deemed equivalent', which seems to fall short of confirming conclusively that they actually are equivalent.**<sup>110</sup> Furthermore, the EU's financial interests are guaranteed **if such rules and systems are 'assessed positively'**, which leaves considerable room for interpretation, and implies that funding could still be entrusted to entities even where some aspects of their rules and procedures are not 'assessed positively'. It would have been much clearer to state that funding is entrusted to other entities for sub-granting only if their rules and procedures are (1) confirmed as being equivalent to those used by the EC; and (2) they are

<sup>108</sup> European Court of Auditors (2018), [Special Report – Transparency of EU funds implemented by NGOs: more effort needed](#)

<sup>109</sup> European Union (18/07/2018), [Regulation \(EU, Euratom\) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union](#)

<sup>110</sup> In written comments on an extract of the draft study provided by the European Parliament, DG BUDG stated that the text was an incorrect interpretation of the Commission's response and it deleted most of the text in this paragraph. While not disagreeing that the authors' interpretation of the Commission's response is not how the Commission intended it to be understood, the text has been retained, as it provides an example of how imprecisely drafted text can lead to different understandings

assessed positively, and in both cases indicating the basis or criteria for the assessments – **the EC's response seems to leave open the possibility that different criteria might be applied at different times and for different organisations – to avoid the possibility for different interpretations, the wording of the EC's response should have been clearer.**

**Rules regarding the maximum permissible amount of sub-grants should be clear and leave no room for confusion or doubt. However, Article 204 of the Financial Regulation is not clear and leaves room for different interpretations.** It states:

*'Where implementation of an action or a work programme requires the provision of financial support to third parties, the beneficiary may provide such financial support if the conditions for such provision are defined in the grant agreement between the beneficiary and the Commission, with no margin for discretion by the beneficiary.*

*No margin for discretion shall be considered to exist if the grant agreement specifies the following:*

*(a) the maximum amount of financial support that can be paid to a third party which shall not exceed EUR 60 000 and the criteria for determining the exact amount;*

*(b) the different types of activities that may receive such financial support, on the basis of a fixed list;*

*(c) the definition of the persons or categories of persons which may receive such financial support and the criteria for providing it.*

*The threshold referred to in point (a) of the second paragraph may be exceeded where achieving the objectives of the actions would otherwise be impossible or overly difficult.'*

**As it is currently stated, it could be understood that there is discretion if EUR 60 000 is not specified in the grant agreement.** <sup>111</sup> Furthermore, **it could be understood that there is discretion if both of the following are not specified together:** (1) the maximum amount of financial support; **and** (2) the criteria for determining the exact amount. Presumably, sub-paragraph (a) is intended to convey that there is no discretion if either the maximum amount, or the criteria for determining the exact amount of financial support, are specified in the grant agreement. To avoid any doubt, **the EUR 60 000 limit would be better included in the first paragraph, rather than sub-paragraph (a).**

**The wording on this matter in Article 208 of the proposed revision to the Financial Regulation is much clearer and more concise.** Nevertheless, it still states that the limit of EUR 60 000 can be exceeded *'...where achieving the objectives of the action would otherwise be impossible or overly difficult.'* This seems to undermine the purpose of the limit, since any action designed with a budget of EUR 70 000, for example, could be considered as meeting this criterion, on the basis that it could not be achieved with a budget of EUR 60 000. Furthermore, case by case justification is not required *'...in the cases of humanitarian aid, emergency support operations, civil protection operations or crisis management aid'* and no limit is indicated above which case by case justification in these cases is required. **In practice, Article 208 of the proposed revision still leaves much room for interpretation on individual sub-grant limits.**

<sup>111</sup> In written comments on an extract of the draft study provided by the European Parliament, DG BUDG suggested deleting the entire paragraph on the basis that it is an incorrect interpretation of Article 204 of the Financial Regulation. While not disagreeing that the authors' interpretation of this article is not how it was intended it to be understood, the text has been retained, as it provides an example of how imprecisely drafted text can lead to lead to different understandings. Indeed, as noted in the next paragraph, the wording in the proposed revision of the Financial Regulation has been significantly improved, although some aspects still leave room for different interpretations

## AMIF

Neither the AMIF Guide for Applicants 2020, nor the [Commission Implementing Decision of 25.11.2021](#) on the financing of components of the Thematic Facility under the AMIF and adoption of the Work Programme for 2021 and 2022, refers to the possibility of sub-granting.

However, Article 6.2.D.X of the Annotated Model Grant Agreement of 30.11.2021 mentions that the financial support to third countries ‘covers cascading (meaning that the beneficiaries of the EU grant provide themselves a financial contribution to third parties)’.

Moreover, Article 9.4 of the AMIF, ISF<sup>112</sup> and Border Management and Visa Instrument General Model Grant Agreement of 01.06.2021 states that ‘if the action includes providing financial support to third parties (e.g. grants, prizes or similar forms of support), the **beneficiaries must ensure that their contractual obligations under Articles 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) also apply to the third parties receiving the support (recipients).**’

*‘The beneficiaries must also ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF,<sup>113</sup> Court of Auditors (ECA), etc.) can exercise their rights also towards the recipients.’*

Article 10.1.e) of the Call for Proposals on Transnational actions on asylum, migration and integration (AMIF-2020-AG-CALL) states that ‘**the applications may not envisage provision of financial support to third parties**’. In other words, sub-granting is not permitted.

## Erasmus+

No section specifically dedicated to the rules on sub-granting (cascading) was found in the Erasmus+ Work Programme, the Erasmus+ Programme Guide, or in the Model Grant Agreement. This may, in part, be due to limited use of this approach in the Erasmus+ grants. **None of the interviewed NGOs uses sub-granting.** However, the topic is briefly touched on in the Model Grant Agreement, where a section on the financing of third parties includes grants as a possible type of financing.

The application of contractual obligations in cases of financial support to third parties (for example via grants) is emphasised. Specifically, the Model Grant Agreement states that ‘*If the action includes providing financial support to third parties (e.g. grants, prizes or similar forms of support), the beneficiaries must ensure that their contractual obligations under Articles 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping), also apply to the third parties receiving the support (recipients).*’ The beneficiaries must also ensure that the bodies mentioned in Article 25 (e.g. the granting authority, OLAF, the ECA, etc.) are able to exercise their rights towards the recipients.<sup>114</sup> Thus sub-grant beneficiaries are subject to the same scrutiny as the primary grant beneficiaries.

In the Erasmus+ Call for Proposals, it is noted that there are some restrictions for certain bodies that are not eligible to participate in any capacity, including as recipients of financial support to third parties (including, for example, sub-grants). These entities include those subject to EU restrictive measures under Article 29 of the Treaty on the European Union (entities that are sanctioned by the EU), Article 215 of the Treaty on the Functioning of the EU (entities for which the EU has adopted

<sup>112</sup> ISF – Internal Security Fund

<sup>113</sup> OLAF – European Anti-Fraud Office

<sup>114</sup> European Commission (2021), [Erasmus+ Model Grant Agreement](#)

restrictive measures), as well as entities covered by Commission Guidelines No 2013/C 205/5 (guidelines on entities from certain listed states).<sup>115</sup>

## LIFE

Neither the LIFE Programme regulation nor the LIFE Model Grant Agreement includes specific provisions on sub-granting. DG ENV and CINEA note **that sub-granting (cascading), needs to be predefined in the Grant Agreement and there is a maximum amount for this.**<sup>116</sup> This is **not used much in the LIFE programme, and it can only take place if it is explicitly permitted in the call for proposals.** When providing financial support to third parties in this way, the main beneficiary must launch a call for proposals. Sub-granting is not permitted for operating grants. Furthermore, Article 9.4 of the LIFE Model Grant Agreement specifies that *'if the action includes providing financial support to third parties (e.g. grants, prizes or similar forms of support), the beneficiaries must ensure that their contractual obligations under Articles 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) also apply to the third parties receiving the support (recipients). The beneficiaries must also ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the recipients'*.

The use of sub-granting was not mentioned in the context of the two case study projects.

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<sup>115</sup> European Commission (18/10/2022), [Erasmus+ Programme \(ERASMUS\) Call for Proposals \[Version 1.0\]](#)

<sup>116</sup> As noted above, this is EUR 60 000 for each sub-grant

## 6 NGO PUBLIC TRANSPARENCY

### KEY FINDINGS

- EU-funded NGOs generally meet EU visibility and transparency requirements but these are limited and fragmented and do not ensure public transparency. Interviewed NGOs indicate their readiness to further enhance the visibility and transparency of EU grant funding and would welcome more concrete guidance from the EC about this.
- There is more information on project websites and in programme databases about EU funding than at the time of the previous study but this may be due to the different focus of that study, rather than to any actual improvement.
- Grant-funded projects have dedicated websites that provide varying amounts of information about project partners, objectives, actions, and results, limited information about EU project funding, do not indicate the distribution of grant funding between partners, and do not systematically link to partners' websites or to project entries in relevant public EC databases.
- Project partners' own websites (as opposed to project websites) provide less information about EU funding.
- There is limited, unsystematic disclosure of other sources of funding at project or organisational levels.

Main recommendations: EU-funded NGOs are recommended to adopt a more proactive approach to public transparency that goes beyond the minimal existing requirements of EU grant funding. They are recommended to engage actively with the EP and the EC in the Working Group proposed in Recommendation 2 of this study, to develop and implement public transparency best practice guidelines for the EC and NGOs (see Chapter 11.1).

See Chapter 11.5 for further detailed conclusions and recommendations on NGO transparency.

### Chapter overview

This chapter starts with an assessment of how and to what extent EU-funded NGOs publish information about EU and other funding sources. Looking at the level of individual EU-funded projects and the organisations more generally, it considers how clear and comprehensive publicly available information is and how easily it can be cross-referenced with publicly available information on EC systems, aggregated and analysed. Finally, there is a brief review of specific practices of case study NGOs to promote the transparency of EU and other funding.

### 6.1 NGO disclosure of EU and other funding

*To what extent, and how, do NGOs disclose information on EU funding they receive and how grants are distributed between them?*

As already noted, the previous study focused primarily on external policy instruments while the present study focuses on internal policy instruments. These are subject to different management

regimes and it is therefore difficult to conclude whether or not the findings of the present study also apply to external policy instruments, or to what extent the transparency and accountability of the three case study programmes have evolved since the previous study.

The previous EP study offered several suggestions for the EC to enhance the visibility of EU grant funding. These can be grouped into (1) visibility rules for NGOs; and (2) information on EC web pages.

**Regarding visibility rules for NGOs**, the previous study suggested that NGOs could be required to:

- Display a standard, highly recognisable 'EU-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);
- Publish a web page 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;
- Display links to EU-funded project websites;
- Display links to publicly available information on EC systems relating to the actions listed on the web page (e.g. to the LIFE project database, the FTS, and other relevant systems);
- Display other standard information about EU-funded actions in a uniform manner, such as action titles, reference numbers, descriptions, partners, results, evaluations, etc.

The analysis of beneficiary websites undertaken for this study indicates that these suggestions have not been applied by the EC. **Visibility of EU funding is often ensured by project websites, with less information on beneficiary organisations' own websites. This is important, because project websites provide only information about specific projects – they do not provide an overview of each organisation's engagement with EU funding in general**, for example over a five year period. EU logos are visible on project websites, but not always on beneficiary websites. There are links between various pages but these are not systematic and do not always work. We are unable to find any links from project or beneficiary websites to project entries in programme portals, where more information can be found. There is limited information about project funding, very little about the distribution of project funding, and no summaries of beneficiaries' previous EU grant funding on their websites. **There is no evidence that any of this is intentional**, and it could be easily addressed with best practice guidance for beneficiaries when grant contracts are signed, and incorporation of standard code on beneficiary websites to automatically extract funding information from the FTS.

## AMIF

Feedback from case study NGOs suggests they are **not fully aware of general recommendations on transparency**, such as those made by the previous EP study. For example, some beneficiaries were **not aware of the recommendation to publish the amount of funding received**. However, one beneficiary indicates that it will publish this information on its new website in the coming weeks. Another beneficiary was aware of this recommendation but has not published the amount of funds received on its website or in its literature. One interviewee considers that it would be helpful if beneficiaries are provided with a starter package at the start of project implementation with all relevant information and guidelines on transparency, both compulsory and recommended. This is of particular interest to small organisations with limited resources for dissemination and communication activities.

## Disclosure of funding

The HUMCORE and EMVI project websites<sup>117</sup> do acknowledge EU funding, and both specifically identify AMIF as the source of funding. However, **their alignment with the recommendations on visibility and accountability established in the previous EP study could be improved** in terms of quick, easy access to information on EC systems. Only the EU logo on the HUMCORE page links to the AMIF web page, while the EU logo on the EMVI page contains no link. Neither the HUMCORE nor EMVI websites link to other EU-funded project websites, nor do they provide links to publicly available information on EC systems.

The HUMCORE project also includes the EU-funded logo on all products, gadgets, reports, studies, and dissemination materials in the frame of the HUMCORE activities. One interviewed beneficiary **recommends applying the EU-funded logo to a wider range of promotional materials**, as traditional means such as leaflets are no longer widely used.

The HUMCORE project website visibly and prominently displays the Union logo and funding statement with the reference to the project number in the footer [of all pages on the site](#). However, apart from this, there are no other references on the website to the origin of the funding. The project's Facebook page does not display the EU logo or visibly refer to the origin of the funding.

The [EMVI project website](#) prominently displays the EU emblem on each page, and includes the text 'Funded by the European Union' and a small paragraph stating funding comes specifically from AMIF, that the views expressed are those of EMVI only, and that the EC does not accept responsibility for any use of the information it contains. However, there is **no reference to the project number** alongside the emblem, **nor any other references on the website to the origin of that funding**. Moreover, although EMVI is active in five countries<sup>118</sup> with distinct languages, the web page **only provides information in English**.

**Neither the HUMCORE nor the EMVI project websites directly refer to the amount of EU grant funding received.** There is no information about the amount of EU funding received by project partners over time for different projects (e.g. over five years).

**Both projects meet their contractual obligations to the EC, displaying the required 'EU-funded' logo** in the footer of each page of the project websites. However, **not all project communications include references to AMIF or EU funding**. Neither project contains a link to the FTS web page.

One interviewed beneficiary **goes beyond its contractual obligations** by including the 'EU-funded' logo and disclaimer in the organisation's annual reports.

The [Sant Egidio France website](#) identifies its 'partners' with their logos. It is **understood that these include other sources of funding although this is not explicitly stated**, and there appears to be no data on actual funding received over time from these organisations. **This type of information is harder to find on the websites of the other HUMCORE project partners.** The situation is similar for the EMVI project. In this case, a page on the [Symbiosis website](#) displays the logos of many 'partners', some of which are clearly funding organisations (e.g. the EEA & Norway Grants), but there is **no distinction between sources of funding and technical cooperation partners**. Information about other sources of funding is harder to find on the websites of other EMVI project partners.

<sup>117</sup> Humcore (2022), [HUMCore Humanitarian Corridors](#)

EMVI (2023), [EMVI Empowering Migrant Voices](#)

<sup>118</sup> Austria, Italy, Germany, Slovenia, and Greece

## Project partners

Both project websites list all of the project partners, with links to the respective organisations' websites (with the exception of one organisation).<sup>119</sup> However, it is not immediately evident which are the project coordinators, and references to the partners are not included in the [project brochure](#) (PDF document).

The HUMCORE website provides information about the project coordinator (**although it is not explicitly identified as such**) and the other partners, with links to the organisations' websites. There is no publicly accessible information on the project website about the amount of grant funding received, or the distribution of the grant between the project partners.

It was not possible to find references specifically to the HUMCORE project on the project coordinator's own website, and there is no obvious reference to EU funding. This also applies to the websites of other project partners. The same applies to the EMVI project, although at least one project partner does include information about the project on its website, and a link to the [project website](#).

## Results

**Information on the actions implemented and the results** is published in the HUMCORE brochure, and the project homepage provides a general overview of the project, including a few recent activities and events.

Representatives of HUMCORE and EMVI note that information is frequently published about their activities on projects' landing pages. The first page of EMVI's website includes links to short articles about its activities, while HUMCORE has an easily accessible and frequently updated events page, although the **entries are not systematically dated**. These frequent postings give the public a clear idea about each project's activities and mission. However, both HUMCORE and EMVI only publish information in English on their websites.

The EMVI website clearly identifies the project partners and includes links to their websites, and the project coordinator's email address is clearly visible (and the coordinator is clearly identified as such).

The homepage of the EMVI project website provides information about project activities, while other pages provide materials (e.g. research reports), and very brief information about training, participation, and events. The 'Trainings' page states '*Upcoming Trainings for migrant organisations as well as for local authorities will be displayed here starting in autumn 2022*'. However, there are no details here of any planned or past training activities.

## Disclosure challenges and constraints

The interviewed beneficiaries do not identify any specific challenges in disclosing information about EU grant funding and in meeting their contractual obligations in this regard. Nevertheless, one beneficiary noted that collecting all the documents required for the financial reports is sometimes complicated. Moreover, it is not totally clear who is accountable to the EC if a document is missing (the project coordinator or the partner), or who is responsible for repayment of funds received if a partner fails to meet its obligations. This is a high risk for the coordinator, and the beneficiaries consider that the guidelines are too vague and open to different interpretations (e.g. it is not totally clear who – the coordinator or the partner – is responsible to the EC if a document is missing, or who

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<sup>119</sup> There is no direct link to the Bulgarian partner of the project (Institute of Social Policy and Research)

is responsible for paying back funds received if a partner fails). The collection of documentation is even more challenging for small organisations and for municipalities that are part of grant-funded consortia together with NGOs (municipalities have their own rules on data protection, e.g., sometimes it is complicated for municipalities to share payslips). To overcome this challenge, one of the project coordinators has developed a handbook about reporting, alongside conducting specific webinars and one-to-one meetings on how to report.

## Erasmus+

### Disclosure of funding

Erasmus+ case study NGOs display an 'EU-funded' logo on all web pages referring to the projects, but less so on other pages, and references to the projects were not always easy to find on organisational websites. The projects are consistently referred to by the same name ('NEST' and 'SMART-Y') by all the case study NGOs (Active Women Association<sup>120</sup> and Amigos de Europa Leonardo da Vinci<sup>121</sup> within the SMART-Y project and Teach for Bulgaria<sup>122</sup> and Teach for Belgium<sup>123</sup> within project NEST).

All of the case study NGO websites also feature links to the project website. One of the project coordinators emphasises to other consortium members the requirement to display the logo and the desirability of including a statement about EU funding when a project has been funded by the EC.

For one of the case study projects, one of the consortium partners periodically encourages other members of the consortium to submit content for website articles, to promote dissemination between consortium members and to provide open and accessible information about the project in English.

DG EAC confirms that displaying the EU logo is a requirement in the grant agreements, and it suggests that grantees are usually very proud to fulfil this requirement. A team member within DG EAC is responsible for monitoring the use (and misuse) of the logo – rather than omitting the logo, a more common problem is the use of the logo by organisations that do not have the right to display it.

**The project web pages do not feature links to publicly available information on EC web pages and systems relating to the respective projects** (e.g. SEDIA or the Erasmus+ results database), as recommended by the previous EP study. However, one of the project websites includes the project reference number at the bottom of the website (just above the EU logo and funding statement).<sup>124</sup> At the bottom of the other project website, the EU logo and funding statement are displayed, but the project reference number is not.<sup>125</sup>

**DG EAC has not applied the recommendation of the previous study, to require beneficiaries to include on their websites a page linked to the EU logo showing all EU funding the entity has received over a five-year period**, etc. Feedback from DG EAC and interviewed NGOs suggests that the reason for not doing this is that it might convey the impression that NGOs are motivated more

<sup>120</sup> [Active Women Association website](#)

<sup>121</sup> [Amigos de Europa Leonardo da Vinci website](#)

<sup>122</sup> [Teach for Bulgaria website](#)

<sup>123</sup> [Teach for Belgium website](#)

<sup>124</sup> [SMART-Y project website](#). As noted above, the project ID numbers used in SEDIA and the Erasmus+ project results database are different. The project ID shown on the web page mentioned here can be used to find the project very quickly in the Erasmus+ project results database, but it cannot be used to find the project in SEDIA

<sup>125</sup> [Project NEST website](#)

by securing large amounts of funding than by the opportunities presented by participation in the Erasmus+ programme – if this is indeed the case, it suggests a reluctance to be fully transparent. Interviewees note that Erasmus+ beneficiaries typically only derive 5% to 10% of their funding from the EU. However, in some cases this is very significant – the top Erasmus+ beneficiary received approximately EUR 28 million in commitments from the programme over the period 2017 to 2021.

Interviewees representing the NEST project point out that the total amount of funding is clearly displayed on the Erasmus+ platform. However, the distribution of funding between the partners is not shown there. **Neither the total grant amount, nor the distribution of funding between the partners is shown on the project website.**

Three of the **partners' websites** were reviewed.<sup>126</sup> Only one of these appears to include acknowledgement of Erasmus+ funding in a prominent location. On two of the websites, information about the project can be found using the websites' search function, but **only one includes a link to the project website**. The project coordinator's website **does not have a search function and it is not possible to find any reference or link to the project or Erasmus+ funding**, although it does indicate in the footer of each page that the organisation is '*Initiated and financially supported by the America for Bulgaria Foundation*'. The project coordinator's annual financial reports are publicly available on its website in English. These reports include an overview of the proportion of its funding that comes from EU grants (6.2% of funding from EU project funding in the most recently published report covering the period 01 July 2020 to 30 June 2021). The organisation's Annual Financial Statements from 2012-2021 (in PDF format) are available on the same page, and the case study project is listed as one of the organisation's strategic projects and partnerships.<sup>127</sup> The project composition, geographic spread, and expected activities are also explained, and links to the project website as well as the [project page on the project coordinator's website](#) are provided. However, the Annual Financial Statements are not searchable and text cannot be selected, which makes it difficult to find relevant information, and to navigate to web pages that the links point to.

As for funding received from other sources, a page on the Teach for Belgium [website](#) displays the **logos of multiple funding organisations**, but they are **not linked to specific projects** and there is **no information about actual funding** received. The [Teach for Bulgaria website has a page dedicated to the support it has received from the America for Bulgaria Foundation](#). [Another Teach for Bulgaria web page](#) lists **other organisations** that have supported it, but they are **not linked to specific projects** and **funding information is not provided**. The Teach for Austria website provides the names of partners under the heading '[Our Biggest Partnerships](#)' with links to the relevant organisations. **No distinction is made between funding organisations and technical cooperation partners**, and it is **not clear what actions the different partners have supported or what funding or other support they have provided**. Rather than showing all partners, the web page **shows only five partners at time** – left and right arrows are provided to scroll through the list of partners one at a time. The organisation of the information in this way makes it difficult for the reader to get an overview, and assumes that website visitors have time to click through the list in this way. This is a **good example of how the presentation of information affects transparency**.

The Amigos de Europa Association's website [lists projects on one page](#) and **limited information can be found about other sources of funding by following individual project links** (some of these links display EU logos, but not in all cases where the project is funded by the EU).

<sup>126</sup> Teach for All, Teach for Austria, Teach for Bulgaria

<sup>127</sup> Teach for Bulgaria (undated), [Annual Financial Statements](#) [Annual Financial Statements 2021]

## Project partners

Consortium partners and project leaders are clearly identified on both the NEST and SMART-Y project websites. One website does this through a tab labelled 'our partners', and for each partner, a separate tab labelled 'role in the project'.<sup>128</sup> The other project website also ensures clarity through the inclusion of a 'partners' tab on the website, which describes the role and contribution of each partner.<sup>129</sup>

While the project partners are listed on the project website, **there are no links to the organisations' own websites**, and these had to be searched for manually.

## Disclosure challenges

Representatives of the NEST project have not faced significant challenges in disclosing information about EU grant funding and meeting their contractual obligations in this regard. They note that relevant information disclosure is ensured by all members of the consortium – they prepare the interim report together and make it publicly available on the project website for all to see. **However, only the three-page executive summary of the interim report appears to be available on the project website and this does not include any financial information.** Interviewees suggest that, as many of the NGOs within the project consortium are part of the same network, their similar internal procedures and high level of familiarity with each other helps to ensure that all contractual obligations are met.

## LIFE

The Model Grant Agreement states that *'The beneficiaries must engage in the following additional communication and dissemination activities: present the project (including project summary, coordinator contact details, list of participants, European flag and funding statement and special logo and project results) on the beneficiaries' websites or social media accounts'*.

One of the project coordinators indicates that, at a minimum, information about EU grant-funded activities must be visible on the project coordinator's website.

## Disclosure of funding

NABU notes that in addition to the EU logo, on some presentation materials they sometimes include the amount received, although this is not required. The LIFE logo is visible in all communication materials produced by the project, and depending on space there is also explicit recognition of EU funding. However, neither the total project funding, nor the distribution of funding between project partners, is evident on the MULTI PEAT project website, and there appears to be no information about project funding (including NABU's share) on NABU's website. Furthermore, there appear to be no links on either the project or the organisational websites to the project's entry in SEDIA or the LIFE project database.

One of the project coordinators notes that it ensures that the EU contribution is always visible, and it disseminates information about the funding received on all possible platforms, such as different social media platforms.

The LIFE MULTI PEAT [project coordinator's website](#) displays the EU-funded logo on one page providing information about the project, **but not on other pages**, and there is **no link here to the**

<sup>128</sup> [SMART-Y Project website](#)

<sup>129</sup> [Project NEST website](#)

**CINEA/ LIFE website.** The information is generally structured by projects, rather than by funding instruments (a funding overview would support transparency). The [dedicated project website](#) **gives prominent visibility to EU and other funding and there are links to the LIFE programme page**, and to the other funding sources. However, there is **no link to the specific entry in the LIFE database or SEDIA**.

The [Eurosites website](#) provides a summary of the LIFE MULTI PEAT project, and several other projects, but there is **no information about the amount of funding** for any of the projects listed and there is so far no link to the MULTI PEAT project website. It mentions the countries in which the project is active but does not mention the project partners. There is so far no link to the project's entry in the LIFE database, although for another EU-funded project the same page does provide such a link. The start and end dates are provided for some of the projects listed here, but not for the MULTI PEAT project.

The NABU website includes a [link to the previous LIFE-funded project](#). As of mid-March 2023, there was no link on the organisation's website to the current project's website, as the latter was under development and has only recently been launched. As of early May, the [project website](#) is publicly accessible, but there still appears to be no link from the organisation's website to the project website, although the organisation's website does include an informative page about the project. The MULTI PEAT **entry in the LIFE Public Database includes a link to the project, but this actually points to a page about the project on the project coordinator's website, not to the actual project website**.

The dedicated LIFE ETX website includes the LIFE logo and a funding statement. It includes links to the project partners' websites. Carbon Market Watch's website includes [a page about the LIFE ETX project](#), which also displays the LIFE logo and a funding statement. However, neither the amount of EU grant funding for the project, nor the distribution of the grant between the project partners, is indicated on the dedicated project website or on Carbon Market Watch's website. The website of another project partner, the Association for International Affairs, **displays the European Commission's logo** near the bottom of its [landing page](#), but there **appears to be no LIFE logo, or any reference to the LIFE ETX project** on its website.

Regarding funding received from other sources, the [NABU website](#) **identifies two organisations that are co-financing the MULTI PEAT project** (Narodowy Fundusz Ochrony Srodowiska i Gospodarki Wodnej and Provincie Verijssel) but there appears to be **no information about the actual funding received or specifically what it covers**, and the two organisations' logos are **not linked to their websites**. On the [dedicated project website](#), both the 'Project partners' and 'Project funding' pages show only the logos of the project partners, together with the LIFE logo – **the two other funding organisations mentioned above are not identified here**, although the [project leaflet](#), downloadable from another page, does identify them.

The [dedicated website of the LIFE ETX project](#) includes the logo of the European Climate Foundation (ECF) alongside that of the LIFE programme, suggesting that **the ECF is also supporting the project**. This is explicitly confirmed on the [project page on Carbon Market Watch's website](#). The [list of the ECF's grantees](#) **includes one of the LIFE ETX project partners, Germanwatch, but it is not clear if this is how it is supporting the LIFE ETX project**. The amount and purpose of ECF support do not appear to be indicated on the LIFE ETX project website. The Association for International Affairs lists several other funding organisations [on its website](#), although these are not linked to specific projects and there is no specific funding information.

## Project partners

The [‘Project partners’ page](#) of the project website shows just four logos, which appear to be sources of funding, including the LIFE. The **project partners are not listed on this page**, but are listed in the project’s entry in the LIFE database. The **‘Project facts’ page** shows the same four logos, although it **does list the seven project partners, but there are links to only two of the partners’ websites**. The **names of the partners listed in the LIFE database are not identical to those shown on the project website**, which complicates following up information on different websites. The **landing page shows eight logos and lists eight project partners but the logos do not correspond fully to the organisations listed, and there are no links**. Moreover, both the [LIFE Public Database](#) and the data downloaded from the FTS indicate that **there are seven, not eight, project partners**.

## Results

One interviewee notes that project visibility and dissemination of project results are important elements of the project proposal. Project activities and outputs should be made available to the public and disseminated as much as possible. One NGO considers websites to be one of the most effective dissemination tools, as they reach a wide external audience.

The recently-launched LIFE MULTI PEAT website will include information on the project results and detailed activities of the project. The interim reports include a lot of information but they are not publicly accessible.

## Disclosure challenges and constraints

Feedback from the interviewed case study NGOs indicates that they do not encounter specific challenges or constraints regarding the disclosure of information about the EU grant funding. While the LIFE programme’s requirements in this regard are considered demanding, the interviewed NGOs are accustomed to them and they understand the reason, namely, to ensure accountability in the use of public funds.

## 6.2 Other NGO actions to promote transparency of EU and other funding

*Aside from the steps recommended in previous studies, what else are EU-funded NGOs doing to ensure transparency of EU and other funding they receive?*

### AMIF

Interviewed NGOs note that they follow both EU and national accounting practices. They follow national accounting laws for the book-keeping system for the whole organisation and they use different reporting tools for EU-funded projects. This can be challenging at times, but some interviewees note that such challenges can be overcome with relative ease. For example, the HUMCORE project coordinator notes that the organisation’s internal accounting system does not allow the allocation of costs to different projects. It uses the St.Egidio-ACAP accounting practices regulated by the corresponding Italian regulation <sup>130</sup>

<sup>130</sup> DRP 445/2000: [Disposizioni legislative in materia di documentazione amministrativa](#). (Testo A), 20 December 2000

The **application of both EU and national systems increases transparency, but also increases the administrative burden** for the NGOs. One interviewee suggests that it would be desirable to have a single set of guidelines to follow in the EU.

One of the EMVI project partners notes that **in Greece the organisation shares all EU contracts with its bank and with the tax authorities, so that there is full transparency**. The organisation includes all invoices in an online system managed by an independent agency. All transactions are registered in that platform and are immediately connected (and checked) against all the bank accounts.

### Erasmus+

The NEST project coordinator's accounting processes include an **internal mock audit twice a year. This is not an EC requirement**, but as project manager, the organisation feels a strong sense of responsibility to ensure the correct and transparent use of funds. Audits are explained by the secondary case study NGO as a common step to ensure transparency, and the accounts for each project are audited upon the termination of the project. Even before the end of a project, it consults its auditor to verify its approach, and it consults the auditor and/ or the project coordinator if there are any doubts.

All grant beneficiaries are, in addition to the EC requirements, obliged to comply with their national transparency and accountability frameworks and guidelines.

Another means of accountability is through an **ISO 9001:2015 certificate**, which is held by the [NEST project coordinator, Teach for Bulgaria](#). The [ISO website](#) states:

*'ISO 9001:2015 specifies requirements for a quality management system when an organization:*

*a) needs to demonstrate its ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements, and*

*b) aims to enhance customer satisfaction through the effective application of the system, including processes for improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements.'*

Outputs and activities are published on both the NEST and SMART-Y project websites under headings such as 'News', 'Activities' and 'Deliverables'. The NEST project website provides detailed **articles (at least one published each month), and it provides brief information about all project work packages**. The executive summary of a NEST interim report is published (as part of WP1) on the [NEST website](#), but it is undated. NEST interviewees also point to **independent evaluation** as a means of disseminating project results – the title of WP5 is 'Evaluation', although none of these deliverables are so far available.

## 7 NGO MANAGEMENT AND DECISION-MAKING CULTURE

### KEY FINDINGS

- NGOs use a range of governance and management approaches from different sectors including corporate business and public administration.
- The huge diversity in organisational purposes and cultures means that it is difficult to define, or establish compliance with, a firm set of 'minimum standards' for NGO governance and management.
- NGOs often use a combination of both formalised and more fluid policies and systems to establish and maintain organisational accountability cultures.
- In other cases organisations demonstrate more 'reactive' approaches to accountability, in which they largely follow the demands of donors and regulators.

See Chapter 11.6 for detailed conclusions.

### Chapter overview

This chapter starts by explaining the challenges in identifying a specific set of measurable minimum standards. It then looks at general models of governance, and the factors that influence their application and adaptation in different organisational settings.

*To what extent do NGO management and decision-making systems and processes meet minimum standards, and to what extent do they ensure accountability and transparency?*

**Identifying what might be called 'minimum standards' in NGO governance and management is problematic, as these depend on, amongst many other factors, the organisational form of an NGO as registered at national level.** For example, both an association and a foundation can be not for profit and non-governmental. But even only these two types of organisation will have different governance requirements, as set out in EU Member States' **NGO-related regulatory regimes**, which vary across the 27 Member States. A [detailed comparative analysis of association laws and regimes](#) was completed in 2022 for the EC by the Research, Analysis and Strategy Institute.<sup>131</sup> This analysis shows important similarities in the regulatory regimes for associations across a range of Member States, but it also identifies significant variations. However, this overview covers only member-based associations, which is just one of multiple possible legal formats of non-governmental and not-for-profit organisations. Furthermore, as with most private organisations, NGOs are free to determine their internal management structures.

**Transparency and accountability standards or principles that NGOs adhere to at present are largely the result of self-regulation**, with some, but overall limited, compliance regimes.

There is great diversity in how not-for-profit organisations are governed and managed – probably more so than in any other sector. This is due to a number of factors, including: the diversity of cultural

<sup>131</sup> European Commission (2022): [Comparative legal analysis of association laws and regimes in the EU](#), written by the Research, Analysis and Strategy (RAS) Institute, doi 10.2873/05056

and political histories that inform how civic organisations are formed across different communities, societies and countries; the significant diversity in the aims and purposes of organisations; and the multiple, and at times contradictory, pressures that most not-for-profit organisations face. They must:

- Account for their impact in terms of their mission;
- Remain financially viable;
- Where necessary and possible increase their resource base<sup>132</sup> in a competitive environment;
- Meet increasing demands of care for the environment in their operations;
- Navigate often complex and multi-layered regulatory requirements;
- Manage relationships from local to international level across various dimensions of their work;
- Prove themselves overall to be ‘good citizens’ in their sector and wider society, which also increasingly means reflecting values of openness, diversity and inclusiveness not only in discourse but also in organisational practice.

Governing and managing NGOs is hard work, there are no standard solutions, let alone common minimum legal standards, and only part of what makes successful governance and management in the sector can be taught or learned.<sup>133</sup>

It is therefore preferable not to look for a definition of, or adherence to, formalised minimum standards in governance and management. Rather, it is better to understand general models of governance, and the factors that influence their application and adaptation in different organisational settings. Table 12 below presents some of these general models and summarises their key governance and management features, and strengths and weaknesses. The purpose is to provide an overview to assist with understanding the diversity of governance and management approaches in the sector.

Table 12: General models of not-for-profit governance and management

Basic Model	Governance and management	Main strengths/ weaknesses
Local/ simple issue-based association	Often a board plus members assembly, limited staff, limited brand and strategy control	Maintains strong roots in local or issue-based community Limited wider policy advocacy capacity
National centralised programme-focused organisations	Often board/ executive management controlled with limited member powers, unified and centrally controlled brand and strategy	Capable of swift decision-making in response to external dynamics Frequently capable of focused national advocacy and lobbying May face challenge of limited local support

<sup>132</sup> 'Resource base' refers to income, supporters, activists and volunteers, and public visibility and credibility, among other things

<sup>133</sup> David Lewis describes NGO management not as a separate discipline, but a practice that involves significant levels of improvisation and requires management approaches from a range of fields and sectors including corporate business and public administration. (Lewis, D. (2019): NGOs and Management Studies, chapter 12, in: Davies, T., ed. (2019): Routledge Handbook of NGOs and International Relations, London, Routledge

Basic Model	Governance and management	Main strengths/ weaknesses
National decentralised service delivery or programme focused organisations	Management often subject to significant power of regional chapters, shared but negotiated brand and strategy	Often enjoys strong local support due to broad local visibility Slow central decision-making Can achieve strong national level brand recognition
Nationally registered policy/ research organisations with national or international focus	Management often focused on business continuity and impact, and together with board on alignment with mission, often no additional membership oversight	Legitimacy and funding arises from quality of policy/ research work Often with some substantive priority areas, but no centralised control over outputs or findings
National organisations working with international but local partners	Decision-making, including on brand, funds and strategy sits with national organisation but requires partner participation for social legitimacy	Governance and management often spend significant time in remedying real power differentials between centre and partners Often capable of raising significant funds for smaller partners
International federated organisations	Varying degrees of international board and management control, often heavily negotiated shared strategy and brand	Governance system often involves many independently governed organisations under a common brand and strategy Resource and power distribution issues often at the core of facilitative governance and management work
International confederated organisations	Strong sense of shared purposes but no unified brand or strategy, limited international governance and management control over member chapters but with important convening role	Governance bodies often more important for cohesion than international management, which often focuses more on secretarial/ standards and protocol issues and issue-focused coalition building

In practice, many different factors will lead organisations to follow governance and management models that differ somewhat from the above basic models. Key questions that shape organisational governance and management include:

- Where is the final legal/ fiduciary responsibility for the organisation located in the governance and management system, and how is it delegated?
- Are there specific public regulatory requirements regarding the form of governance and management?
- Does governance involve political/ mission oversight, alongside fiduciary oversight, for example through a broad members' body?

- How is overall governance maintained in case of additional affiliated or subsidiary organisations which may need their own governance and management?
- Are there necessary elements of negotiated/ facilitated leadership involved in governance and/ or management.<sup>134</sup> In other words, how much can central management decide in a setting where, for example, a shared secretariat or international office coordinates the activities and management of independently governed and managed affiliates?
- What is the risk appetite of organisational leadership, in relation to what issues, and is there a shared approach to risk between board and management, or between different departments or structures in a network?
- What kind of legitimacy is the organisation seeking, and with whom?
- What organisational 'type'<sup>135</sup> is aimed for and adopted, what are the principal features the organisation seeks to realise in its management or coordination of activities to achieve its aims?
- What type of funding model underlies the work of the organisation? Do funders have an explicit or an implicit role in decision-making, and is this desired?
- What are the organisational and social norms and expectations regarding leadership culture?
- What role do volunteers play in organisational activities, including programme implementation and/ or advocacy?

Furthermore, organisations are frequently subject to contractual requirements, such as those applied by donors, that also influence organisational governance and management in practice.

In the case of the EU as a donor, **accountability requirements and systems are seen as relevant and helpful in meeting the conditionalities that come with the grant agreements.** From the point of view of administrative systems, most grant recipient organisations found it possible to work with them, even if onerous and involving repeated data input operations that could be streamlined and reduced overall. Project coordinators express some exhaustion due to having to both work internally in the consortium to ensure alignment of reporting with EU requirements, and then going through the reporting process themselves as primary contact points. Experience gained with multiple EU grants helps to meet all obligations.

**The majority of interviewed case study NGOs generally describe their approach to accountability as reactive,**<sup>136</sup> in that they work towards implementation of systems required of

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<sup>134</sup> Facilitated leadership is a relatively common challenge in federated/ confederated internationally networked NGOs. For example, a network agrees a common strategy, including on resourcing, but the national boards and directors decide whether they will effectively do what has been agreed and/ or share money. The international office's role here is to negotiate and facilitate the adherence to what has been politically agreed, without being able to force compliance. The 'soft' leadership capabilities of the international management and board is key to achieving compliance.

<sup>135</sup> The concept of organisational type used here follows the ideas of Henry Mintzberg on organisational structure and strategy outlining organisations that build themselves around six fundamental concepts for their effective coordination or management: (1) entrepreneurial organisations built around flexibility and personal decision-making – often start-ups, (2) 'machine' organisations, focusing on reproduction of processes and products – often producing industries or bureaucracies, (3) professional organisations coalescing around skills and standards – often academic institutions or think tanks, (4) divisionalised organisations working across very different industries – often industrial conglomerates or government services contractors, (5) adhocracies focusing on tasks and innovation – often involving risk taking on new projects, and (6) idealist organisations whose coordination is supported by adherence to core beliefs across the workforce – such as faith based organisations. (originally set out in Mintzberg, H. (1979): *The Structuring of Organizations: A Synthesis of the Research*. United Kingdom, Prentice-Hall)

<sup>136</sup> 'Reactive' in this context means that organisations address accountability by meeting specific donor requirements (for example), rather than taking a more 'proactive' approach by defining accountability in their own terms and meeting self-set criteria

them and they rely on EC grant contact officers for guidance about individual reporting issues and systems. A competent and experienced EC contact officer is repeatedly described as a key asset in the relationship. Challenges emerge when there are changes in contact officers, due to the loss of experience. Time constraints are also a major challenge. Meeting EC accountability requirements to the safest standards possible is repeatedly described as a strategy to maintain the relationship with the donor, and is an important enabler of grantees' work.

**A key point of concern for some organisations is the state of their national regulatory environment**, which several organisations describe as:

- Cumbersome;
- Vague in terms of the data that must be provided;
- Lacking interconnections between different parts of the administration;
- Lacking any capacity to analyse and use any data coming from NGOs;
- Poorly adapted to the evolving nature of NGOs and their work.

**EU regulatory requirements add to these burdens, to the point that mission delivery risks becoming a smaller part of NGO focus.** This suggests that it may be desirable for the EC to engage with national authorities to ensure that, together, EC and national accountability requirements do not become unmanageable.

In contrast, **feedback from other case study NGOs indicates highly proactive engagement with the accountability issue**, reflecting the diverse nature of the accountability clients<sup>137</sup> they respond to. These organisations have proactively developed cultures and practical frameworks for their employees, and governance structures to ensure mission delivery while engaging with the different groups of stakeholders. Some organisations have put in place concrete instruments such as codes of conduct, policies around procurement and conflicts of interest, as well as regularly-reviewed team agreements that are used to induct people into the organisation. Together, these signal a considered organisational attitude to accountability, they regulate behaviour, and they reduce the need for customised engagement with different donors on accountability questions. Some interviewees stress that, for their organisations, communication and stakeholder engagement are the main tools for ensuring accountability and legitimacy.

This focus on relationships for social legitimacy links to a more internal challenge raised by organisations that implement EU grant-funded projects, and at the same time work more widely with a wider voluntary membership or activist base. These organisations often have a professional structure that is the main interlocutor for the EC, and may be the only part visible to the EC. However, the implementation of the funded work may involve significant numbers of volunteers. Volunteers are formally subject to accountability policies including codes of conduct and formal reporting systems, but the NGO has less effective control over them than over employed staff. **Trends towards the imposition of more rigid regulatory policies are described as both anathema to the ethos of volunteering and not cost-effective.** Maintaining motivation in the volunteer base is fundamental to organisational identity and success, and involves *'some necessary negotiation between efficiency and compassion'*.<sup>138</sup>

<sup>137</sup> Accountability clients are external stakeholders who place accountability demands on an organisation, and in some cases may have significant power to bring the organisation to prioritise their specific needs.

<sup>138</sup> Interview with case study organisation

While EC **systems are seen as relevant, legitimate and even necessary** to ensure accountability for funding received, they are also seen as missing the point, as they **focus almost exclusively on process and financial accountability**. Some interviewee feedback indicates that, in their view, the EC's accountability systems **do not sufficiently address impact, or fail to address more fundamental risks to the transparency of policy-making arising from the involvement of a variety of actors engaging with the EU. This includes corporate business and media, which often do not disclose any vested interests, and when they do not receive funding, are not obliged to do so.**

## 8 GOOD PRACTICE APPROACHES TO REGULATION

### KEY FINDINGS

- Top-down government-imposed regulatory approaches lead to perceptions that governments are effectively controlling NGOs.
- There is already heavy emphasis in EU grant funding to NGOs on the verification of proper use of EU funding, but less on impact and sustainability. Other major grant giving bodies tend to focus more on impact and sustainability. Case study NGOs would welcome greater EC emphasis on impact.
- The accountability considerations of EU-funded NGOs are driven largely by EU funding requirements.
- There are diverse regulatory mechanisms across the 27 EU Member States.
- The EC engages directly with thousands of NGOs and provides grants covering a huge range of values down to a few thousand Euro. Other significant donors tend to engage directly with fewer grantees, and they provide grants within relatively limited bands covering several years.

Main recommendation: The EC is recommended to consider the adoption of a co-regulation approach to NGOs, which builds on a self-regulation approach agreed by the EC and the European NGO sector, but with added independent third-party validation and recourse to systems such as certification and ombuds systems supported by the EU.

See Chapter 11.7 for detailed conclusions and recommendations.

### Chapter overview

This chapter starts with an overview of different regulatory approaches to accountability and transparency. It then introduces the concept of co-regulation and discusses how this might be operationalised in the EU context. This is followed by a discussion of grantee accountability systems of large civil society funding bodies, and some specific examples of good practice from the three case study programmes. Finally, there is a brief discussion of specific interview concerns and suggestions regarding dialogue between EU institutions and NGOs.

### 8.1 Overview of regulatory approaches to accountability and transparency in a diverse sector

**As far as NGO transparency and accountability are concerned, there are strong arguments for evolving from a largely self-regulatory approach for NGOs active in EU internal and external policy areas.**

Based on good practice the **aim should be a co-regulation model based on a tri-partite design involving NGOs, the EU, and independent assessors** (for example fundraising certification organisations that are members of the [ICFO/ International Committee on Fundraising Organizations](#)). This co-regulation model involving verification of compliance should address the

increasing cross-border functioning and role of NGOs in a supranational or international space. NGOs should have a substantive and active role in the design of the co-regulation model, on an equal footing with other actors. It is essential that individual assessors/ certifiers have **no business relationship with the EC or grant recipients**.

With a **co-regulation approach**, NGO accountability standards are supported through a **recognised set of sector-specific self-regulation principles**. Compliance would be regularly assessed and validated by independent assessors (explained above), and this would be overlaid with an EU-level sector-specific mechanism to act in cases of breaches of such accountability principles or related complaints.

Such a tri-partite co-regulation model can be introduced into existing processes of consultation, and development of a status for NFPOs such as European Associations/ European Cross Border Associations (ECBA), which are able to work across all Member States' jurisdictions, and would be able to move their locus of registration from one Member State to another to assist with their work. These are important initiatives, even if they still have some key shortcomings in their present form. Options for moving the co-regulation approach forward are discussed below (see Chapter 8.3).

**NGO accountability has risen as a topic of research and policy concern in tandem with a recognition of the influence and role of institutionally organised civil society** since the late 1990s, but with a notable spike in the mid-2000s, and then again in **response to major scandals** such as those around sexual abuse in field operations by humanitarian NGOs in 2018 onwards. The **original considerations were around the role of these actors** particularly in a diversifying global governance landscape, in which beyond the traditionally established intergovernmental organisations, global corporate business entities and international NGOs were also recognised as legitimate participants<sup>139</sup> in an increasingly plural system of governance.<sup>140</sup> A **subsequent focus emerged on the dynamics in the NGO sector from local to national and international levels due to its pivotal role in social organising, development and humanitarian aid**<sup>141</sup>. The positive vibrancy of civil society made it clear that **top-down regulatory approaches by government would generally not only be ineffective**, but might also lead to accusations of abusing civil society regulation measures as a means of politically controlling civic activities. As a result, **NGO self-regulation emerged**, particularly in the late 2000s and the following decade, **as a broadly supported framework for preserving the necessary freedoms of the sector, and driving standards of organisational accountability** against which compliance could be tested. These standards could be used as hallmarks of quality and trust with the public, and in a number of cases also with governments and other major donors. **Examples of such self-regulation instruments** that have developed traction with donors as a stepping stone towards eligibility, or even a pre-condition for funding, include the [Global Standard for CSO Accountability](#), [InterAction's Standards for US NGOs](#), the [Australian Council for International Development \(ACFID\) Code of Conduct](#), the [Core Humanitarian Standard on Quality and Accountability](#), or the [International Aid Transparency Initiative \(IATI\) standards](#).

<sup>139</sup> See for instance Take, I. (2012), Legitimacy in Global Governance: International, Transnational and Private Institutions Compared. *Swiss Political Science Review*, 18: 220-248.

<sup>140</sup> Koenig-Archibugi, M. (2019) [Global governance](#), in: Michie, J., ed. (2019): *The Handbook of Globalisation*, Third Edition, chapter 19, pages 334-346

<sup>141</sup> Bies, A. L. (2010), Evolution of Nonprofit Self-Regulation in Europe, in: *Nonprofit and Voluntary Sector Quarterly*, 39(6), 1057-1086

This list is not exhaustive, and in some ways obscures the vast number of self-regulation tools used by NGOs across their many thematic areas of concern.<sup>142</sup> Yet these most recognisable headline standards frameworks show that **reliable verification of proper use of EU funding can already be supported by a range of existing instruments, without the addition of a significant bureaucracy by the EU institutions themselves.** As Alice Obrecht also points out in her overview, there are options to achieve a more formalised and tighter level of compliance with self-regulation initiatives, for example through the use of independent third-party certification. These include existing standards on fundraising transparency and accountability, coordinated in their principles across a range of countries, for example by the [ICFO](#).

At the same time, reviews of the NGO accountability field have shown that, despite a prominence of organisational values/ ethics and performance-driven arguments for structured NGO accountability, **one of the main factors for NGOs adopting and engaging with accountability regimes is the relationship with major donors and public reputation in major public donor markets.**<sup>143</sup> Building on club-theory and constructivist approaches to understand motivations and efficacy of self-regulation, Angela Crack concludes that the signalling of virtue, and the incentives provided by a sense of shared values and opportunities for peer learning, are not enough to motivate different actors (e.g. major donors) to accept the outputs of the self-regulation mechanisms as sufficient or relevant for their purposes. In Crack's view, NGOs must do more to engage with their principals (e.g. major donors) to promote their involvement in the design of certification and verification mechanisms.<sup>144</sup>

Interviews conducted for this study confirm that, especially for organisations with less predictable incomes, **donors such as the EU, large private philanthropic donors, and multi- and bilateral funders remain a primary focus of their accountability considerations, and both their accountability practices and policies are largely reactive in response to donor requirements.** From a political ethics perspective, EU accountability requirements are not considered problematic. Rather, they are considered generally helpful as they provide a positive, albeit administratively onerous, framework. **Organisational accountability cultures largely follow external pressures or incentives.** Notable exceptions are organisations that are very confident of their financial sustainability based on a diverse and established funding environment, and have social or political legitimacy grounded in their longer-standing relationships with the public and other key policy stakeholders, in which they consciously invest much energy. Such organisations are more likely to question onerous, mainly donor, accountability systems that are perceived as unhelpful in building trust with key substantive stakeholders, such as beneficiaries, implementation or policy partners. **The bureaucratisation of formal accountability processes in favour of donors might even undermine the development of meaningful accountability relationships with arguably more mission-relevant stakeholders.** This echoes research by Keating and Thrandardottir who challenge the assumption that *'the pursuit of [heavy, formal, bureaucratic] accountability measures [solves] issues of trustworthiness.'*<sup>145</sup>

<sup>142</sup> Obrecht, A. (2012), Effective accountability. The drivers, benefits, and mechanisms of CSO self-regulation, One World Trust Briefing Paper 130, One World Trust, London, and Civicus – World Alliance for Citizens Participation (2014): Accountability for Civil Society by Civil Society: A Guide to Self-Regulation Initiatives, Johannesburg

<sup>143</sup> Kaba, M. (2020), NGO Accountability: A Conceptual Review across the Engaged Disciplines, in: International Studies Review (2021) 23, 958–996

<sup>144</sup> Crack, A. (2018) The Regulation of International NGOs, Assessing the Effectiveness of the INGO Accountability Charter, in: Voluntas (2018) 29:419–429

<sup>145</sup> Keating, V. C.; Thrandardottir, E. (2017), NGOs, Trust, and the Accountability Agenda, in: British Journal of Politics and International Relations, 19(1),

Indeed, the majority of NGOs with which the EU has, or may in future have, structured deliberative, policy or funding or service delivery relationships will likely be organisations for which reliance on a single accountability regime may not be sufficient.

Within the EU there are 27 **diverse, national regulatory regimes**, and there are many others in countries outside the EU. Any harmonisation of all of these national systems is likely to remain very difficult to negotiate. Therefore, **establishment of 'reliability' in the direct relationships of the EU with civic organisations may best be ensured through a co-regulation approach** in which the accountability standards of NGOs are supported through a recognised set of sector specific self-regulation principles whose compliance is regularly and independently validated. This would be overlaid with EU-level sector-specific rules in case of breaches of such accountability principles.

A full self-regulation approach was originally promoted with the idea that an accountability regime, driven exclusively by the sector itself, would not only improve delivery of the organisation's mission and accountability towards its beneficiaries,<sup>146</sup> but also stave off additional, possibly differently motivated, regulatory pressures from powerful actors such as donors and governments. There are clearly limitations to the effectiveness of a full self-regulation approach, and there is a risk of regulatory capture by NGOs themselves.<sup>147</sup> At the same time, top-down imposition of a rigid accountability regime at EU-level would be perceived as risk averse, and it would be poorly adapted to the highly dynamic civil society environment – its contribution to good governance would be undermined.

### 8.1.1 Overcoming challenges of self-regulation of NGO accountability

*'Self-regulation amongst civil society organisations (CSOs) is driven by the idea that the successful setting of shared norms and standards has a positive impact on the accountability and effectiveness of CSOs.'*<sup>148</sup> During the decade up to 2010, there was a significant proliferation of self-regulation initiatives in the civil society sector across many countries and areas of activity. The first major comparative reviews of their effectiveness published since 2010 revealed that a strong empirical evidence base to support the claim of effectiveness of self-regulation was still missing, prompting calls for further research.<sup>149</sup>

A decade later, such evidence remains sparse. What research there is generally points to significant weaknesses of relying on a self-regulatory approach alone for standard-setting and accountability practices for and by NGOs. Two aspects stand out. Firstly, the effect of the virtue-signalling which results from simply signing up to and reporting on self-regulation standards is weak – key stakeholders such as major donors, the broader supporting public, and NGO beneficiaries are unlikely to have knowledge about an NGO's performance against such a self-regulation initiative.

<sup>146</sup> Better delivery on the organisation's mission, importantly put beneficiaries, i.e. the people the organisation makes public claims about serving, at the centre of its organisational accountability concerns

<sup>147</sup> 'Regulatory capture' (explored as a concept significantly by Stigler, G. (1971), *The theory of economic regulation*, in: *The Bell Journal of Economics and Management Science*. 2 (1): 3–21) describes a setting where a specific industry dominates the discourse on its own regulation to a degree that the formal oversight authority leans to acceptance of standards that by intent or neglect serve the minority interest of the industry rather than the wider common good. In the case of NGO regulation case studies of self-regulation practices such as of the Ugandan QuAM (Quality Assurance Mechanism) have shown that beyond ineffectiveness, over-reliance on self-regulation can lead to window-dressing and reputational damage as the sector seeks to protect itself from regulation by talking up the benefits of self-regulation and covering up failures. This in turn can lead to misguided and ineffective imposition of state regulation driven by political intent to reduce civic space for NGOs (Burger, R. (2012): *Reconsidering the case for enhancing accountability via regulation*, in: *Voluntas*, 23(1), 85-108.)

<sup>148</sup> Obrecht, A. (2012), 'Effective Accountability? The drivers, benefits and mechanisms of CSO self-regulation', Briefing Paper No 130, One World Trust, London, p.7

<sup>149</sup> Gugerty, M. K.; Prakash, A.; eds. (2010), *Voluntary Regulation of NGOs and Nonprofits: An Accountability Club Framework*. Cambridge, Cambridge University Press

Secondly, despite the incentive of peer learning implicit in the necessarily open-access self-regulation initiatives, organisations are reluctant to be candid about failures, for fear that it undermines reputational standing with organisational principals, i.e. others who have significant power over it.<sup>150</sup>

Similar lessons arise from other sectors, such as environmental standards, commercial industry, data protection, or internet content governance. Most self-regulation initiatives are seriously at risk of being toothless and ineffective without a ‘shadow of authority’ or ‘shadow of hierarchy’, and tripartite negotiation of standards and their monitoring (i.e. involving those submitting to standards), a public oversight authority responsible for ensuring compliance, and independent assessors. This leads to a loss of trust in the self-regulated sphere of work.<sup>151</sup>

In the context of NGOs in the EU, the necessary assurance and verification could be ensured by commissioning independent assessors to undertake regular compliance reviews. Self-regulation systems and the work of independent reviewers need to evolve based on dialogue between NGOs, donors and formal regulators about the desirable points of compliance and methods of verification.

As Domenico Carolei points out, there are multiple routes to establishing an independent review system, including handling complaints. The applicability of **different approaches could be tested**, such as the **OECD guidelines** for multinational enterprises,<sup>152</sup> supported by the ISO 26000:2010 standard for social responsibility,<sup>153</sup> or options for **ombuds systems** capable of adjudicating on complaints brought against NGOs.<sup>154</sup> The sexual exploitation and harassment scandals that have rocked some major international non-governmental organisations (INGO), especially since 2018, have reignited debate about the potential added value of an ombuds system for INGOs in the development and humanitarian sphere.<sup>155</sup> Something along the line of an ombuds system may be worth considering for EU grant-funded NGOs operating across internal and external EU policy fields.

### 8.1.2 Addressing challenges arising from regulatory frameworks out of step with the evolving role of NGOs

There is growing misalignment of the evolving role of NGOs and the existing regulatory framework, which is often outdated.

Firstly, the EU, like other multilateral or even national level governmental bodies, has a wide range of significant relationships with civil society organisations, and these are both desirable and desired, reflecting the important role of the sector in good governance. These relationships can be broadly categorised as deliberative, political, and financial. The legitimacy of these relationships arises from an assumption of the public trustworthiness and integrity of the organisations involved. The

<sup>150</sup> Crack, A. (2018), The Regulation of International NGOs: Assessing the Effectiveness of the INGO Accountability Charter, in: *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, Vol. 29, No. 2, Aid Reduction and Local Civil Society: Causes, Comparisons, and Consequences (April 2018), pp. 419-429, p.428

<sup>151</sup> McEntaggart, K.; Etienne, J.; Uddin, J. (2019), Designing self- and co-regulation initiatives: evidence on best practices- a literature review, BEIS Research Paper Number 2019/025, United Kingdom Government Department for Business, Energy and Industry, October 2019; Medzini, R. (2021): Credibility in enhanced self-regulation: The case of the European data protection regime, in: *Policy Internet*, 13, pp. 366– 384; Cusumano, M.A.; Gawer, A.; Yoffie, D.B. (2021): Can self-regulation save digital platforms?, in: *Industrial and Corporate Change*, Volume 30, Issue 5, October 2021, Pages 1259–1285; Héritier, A.; Eckert, S. (2008): New Modes of Governance in the Shadow of Hierarchy: Self-Regulation by Industry in Europe. *Journal of Public Policy*, 28(1), 113–138

<sup>152</sup> Organisation for Economic Cooperation and Development (OECD): (2011), *Guidelines for Multinational Enterprises*, Annex to Declaration on International Investment and Multinational Enterprises, OECD Doc. C (76) 99 (Final) (1976) subsequently amended in 1979, 1982, 1984, 1991, 2000 and 2011

<sup>153</sup> International Standards Organisation / ISO (2010), *26000:2010 Standard for Social Accountability*

<sup>154</sup> Carolei, D. (2022): An International Ombudsman to make non-governmental organizations more accountable? Too good to be true ...., in: *Leiden Journal of International Law*, 35(4), 867-886

<sup>155</sup> Hilhorst, D.; Naik, A.; Cunningham, A. (2018), *International Ombuds for Humanitarian and Development Aid – Scoping Study*, International Institute of Social Studies, Erasmus University Rotterdam

question of how to define NGOs eligible for such relationships should therefore encompass all of these dimensions and should not be driven only by the question of funding transparency. The shared space of the EU offers to its citizens and businesses important freedoms of information exchange, collaboration, access to markets and societies, as well as to EU policy making fora across member state boundaries. Through a joined-up regulatory approach to NGOs, a similarly productive framework could also be created for the recognised important task of NGOs in relation to citizens' engagement with social, cultural and political dynamics across the EU. This would further strengthen the EU's democracy, rule of law and human rights value framework. In contrast, leaving NGO regulatory frameworks exclusively to the national level is likely to lead to continuing fragmentation, and potentially to curtailment of NGO work in specific jurisdictions.

Secondly, the array and role of civil society organisations and the way they organise themselves are constantly evolving, both in the promotion of human rights, democracy and the rule of law for which these organisations are considered key partners, and in response to the pressures that civic organisations are under in a number of jurisdictions worldwide, including within the EU itself. Any definition and regulation of NGOs affecting the establishment of recognised relationships between the EU (and its institutions) and civil society organisations should therefore remain as open and flexible as possible to avoid a curtailment of voice and access to EU institutions, processes and support. A top-down imposition of rigid 'NGO performance criteria' by the EU could be perceived as risk averse, and would be poorly adapted to the highly dynamic civil society environment. This would devalue the contribution of any such EU-wide definition to good governance.

Thirdly, many NGOs focus on policy areas that can only be addressed productively with common approaches by Member States, such as environmental protection, migration, internet content, data protection, and others. On these shared topics the EU already recognises and works on the challenge of EU regulation and governance. It should actively connect with the role of NGOs in these areas through a common regulatory approach to them, too. However, today NGOs are largely regulated through national level frameworks only. This leads to a highly variable civic landscape for civil society to operate within. The risk for the EU is that some NGOs that are highly desirable for the EU to work within the context of established policy priorities, might not be able to engage with the EU, or access EU funding because of nationally imposed barriers.

Fourthly, the increased involvement of NGOs in EU and international policy deliberations and judicial proceedings has demonstrated its benefits in terms of democratising and generating transparency in such processes. It has also shown the gaps in the definition of their status at such international or EU processes. As Rebasti and Vierucci point out in view of the increasing role of NGOs in spaces beyond the nation state, the question is not when, but how, NGO participation is to be managed, including higher degrees of regulation.<sup>156</sup> At international level Lindblom,<sup>157</sup> Dupuy and Vierucci<sup>158</sup> and others argue that there is first and foremost a gap in the understanding and in the definition of legal status of INGOs, while these organisations directly contribute to open deliberative, formal consultative, and judicial processes at international or, for the EU, supranational level.

Fifthly, there are also significant gaps in NGO regulation at regional and national levels, often resulting from policy neglect as regulatory frameworks are outdated and the relationship between

<sup>156</sup> Rebasti, E.; Vierucci, L. (n.d., likely 2006), *A Legal Status for NGOs in Contemporary International Law?*, paper drawing on the outcomes of the Workshop on 'A Legal Status for NGOs in Contemporary International Law? A Contribution to the Debate on "Non-State Actors" and Public International Law at the Beginning of the Twenty-First Century' which was held at the European University Institute (EUI) of Florence on 15 and 16 November 2002, p. 18

<sup>157</sup> Lindblom, A. (2009), *Non-Governmental Organisations in International Law*. Cambridge: Cambridge University Press

<sup>158</sup> Dupuy, P.-M.; Vierucci, L., eds (2008), *NGOs in International Law, Efficiency in Flexibility?*, Edward Elgar, Cheltenham

the state and NGOs is stagnant. With 27 different national regulatory regimes in the EU alone, and many others in countries outside the EU, harmonisation based on specific administrative characteristics underpinning national registration status is likely to remain very difficult to negotiate, and might arguably be contrary to principles of subsidiarity. A co-regulation approach might be a better way to establish 'reliability' in relationships with civic organisations with which the EU and its bodies might wish to have structured deliberative, political and/ or financial relationships. As Anheier and Toepler put it '*Nonprofits have long outgrown their regulatory frameworks, and it is up to policymakers to provide adequate environments [...] while realizing the potential of civil society and taking into account the functional differences among nonprofits and the various organizational forms underlying them*'.<sup>159</sup>

## 8.2 Co-regulation of NGO accountability – key lessons from practice

Based on an overview of a limited but key set of self- and co-regulation frameworks with direct or indirect applicability to NGOs, we have identified some important elements to consider for retaining for future work on the topic of NGO co-regulation. The full table underlying this analysis can be found in Annex 7.

The regulatory strength of the various initiatives arises largely from the purpose that they are designed for and their ways of working. There is no single existing initiative that would meet the demands of a co-regulation model for NGO accountability in the EU. None of the reviewed initiatives is therefore better than others. Nevertheless, some useful features stand out:

1. **Standards must be credible and require demanding organisational accountability performance levels.** A regulatory initiative needs to push its participants to meet a common set of standards that meet both sector needs and priorities. There should also be safeguards against potential regulatory capture by the sector itself, and potential overregulation which risks politically motivated imposition of rules to curtail NGO activity.
2. **Simplicity and manageability are fundamental to acceptance and uptake:** initiatives risk becoming over-complicated over their life cycles. When open to participants across a large span of activities, they may remain either too abstract or become vague. Less is more, and frameworks do well to focus on few elements of data that capture larger issues.
3. **Convening power matters:** whether in a national, regional, or international context, a self- or co-regulatory initiative should be able to bring together stakeholders around the concepts and focal areas of accountability that it uses. Often this involves significant peer learning/ mutual support opportunities, dialogue capability, and transparent governance of the initiative itself.
4. **There must be clear added value for participating organisations:** the benefits must outweigh the burdens of engagement. Benefits could be unified sector voice, or access to resources (such as funding), or demonstrable positive reputational impact. The added value must be maintained through regular updating of concepts and ways of working to avoid loss of buy-in and interest from stakeholders.
5. **The credibility of the published compliance status is key:** external stakeholders, such as donors, beneficiaries and public regulators must be able to trust the data involved and the

<sup>159</sup> Anheier, H.K.; Toepler, S. (2019), Policy Neglect: The True Challenge to the Nonprofit Sector, in: Nonprofit Policy Forum, vol. 10, no. 4, 2019-0041, p.7

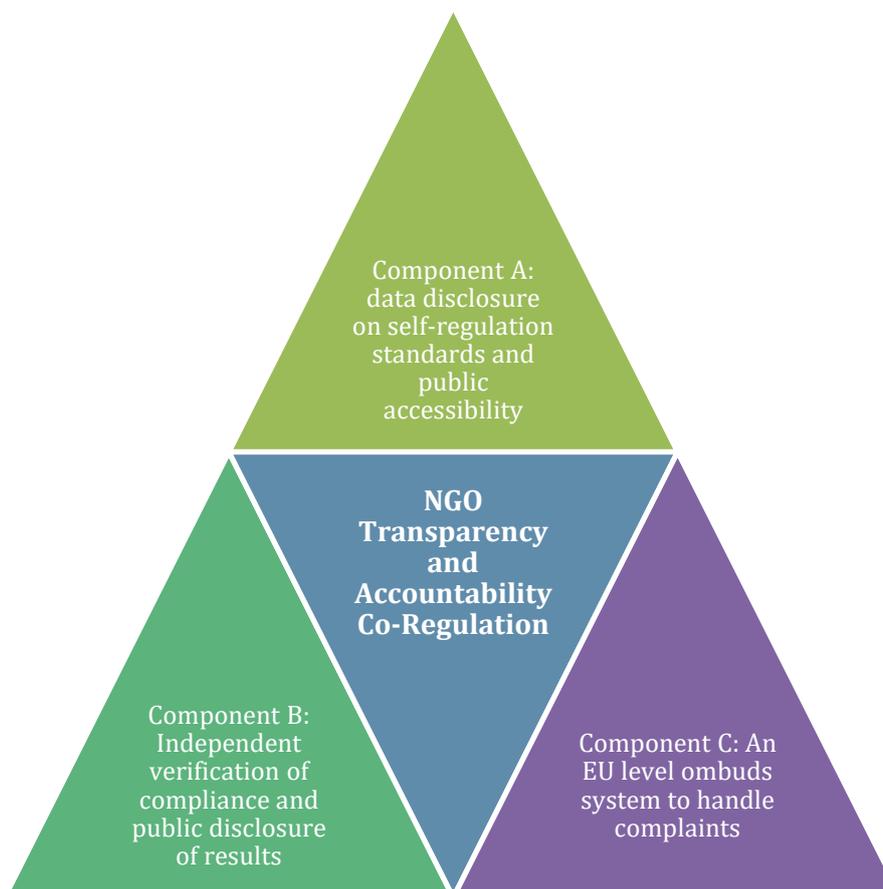
assessment resulting from reporting, review or certification processes. This requires that assessors are independent and results are transparent.

6. **Explicit complaints and sanctions mechanisms, or indirect penalisation for significant compliance failure, must be part of the system:** participating organisations must understand that poor compliance and/ or complaints will result in sanctions or significant disadvantages, such as exclusion, withdrawal of certifications, loss of funding, and the like.
7. **Funding must be assured:** different business models of co-funding are possible. However, there must be a shared commitment to meet the costs of the regulatory initiative over a longer period of implementation by all, or at least a key set of, stakeholders. If not, the initiative is likely to be neglected and the standards will not be updated to address changing external demands. The initiative will lose relevance and buy-in, and with that the capacity to achieve the aims of the regulatory initiative.

Based on the above discussion the following basic architecture for a co-regulation framework for NGO transparency and accountability in the EU might be useful to consider as an input into a consultation process. This builds on existing, broadly accepted, self-regulation standards in use in the wider NGO sector within and beyond the EU, and experiences of effective compliance systems:

- **Component A: a system focusing on transparency, with NGOs sharing data** on funding, programmes, impact, sustainability and adherence to core accountability principles. The approach used by the IATI could be a starting point for realising such a disclosure-focused component. Over time this would generate empirical data about sector performance.
- **Component B: Setup of an independent verification and/ or certification system** focusing on compliance with accountability principles and public disclosure of results, and sanctions for severe compliance failures. The shared principles on fundraising monitoring operated by the ICFO network might be a useful starting point.
- **Component C: Creation of an EU level complaints handling and ombuds system** to support investigation, adjudication and mediation in cases of complaints involving NGOs. The model proposed by Hilhorst, Naik and Cunningham in response to the 2018 sexual abuse scandals in humanitarian aid, combined with experiences from the World Bank Inspection Panel, could provide conceptual starting points.

Figure 3: Suggested architecture for an NGO transparency & accountability co-regulation model



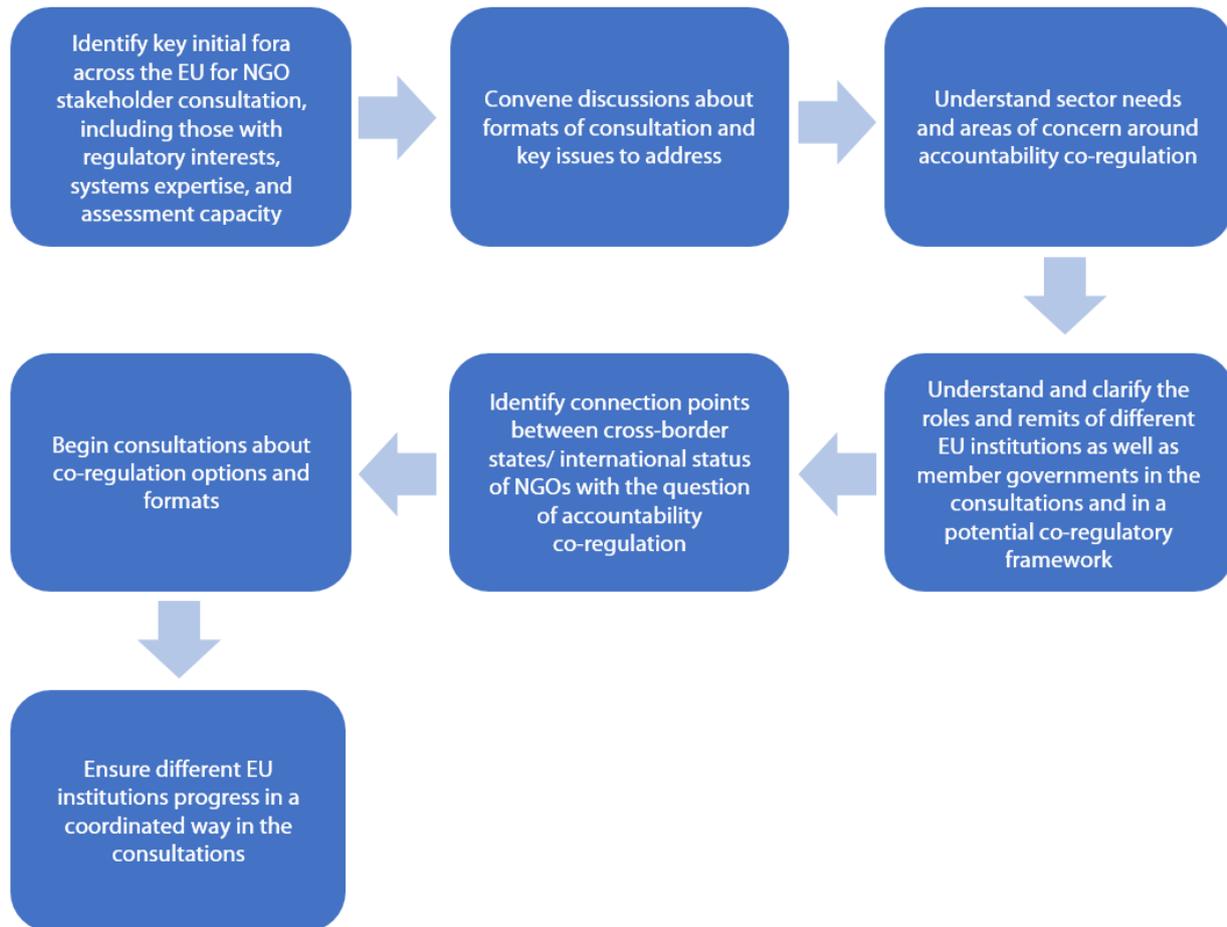
Source: Michael Hammer / ROCsalt 2023

### 8.3 What steps might the EU wish to undertake to get started with this task?

The above analysis has identified the gaps in the current regulatory approach to NGO accountability in the EU and the benefits of moving to a shared EU approach involving co-regulation, and it has identified some key features that could well be considered for inclusion in a new regulatory policy on NGO accountability. It is clear that the diversity of the sector, the number of stakeholders involved, and the need to balance effective regulation with protection of the space for NGOs to realise their potential and support EU policy aims, requires significant dialogue on this matter.

The EP could initiate the following steps to engage relevant actors. These include the EC and other EU institutions, and NGOs and umbrella groups themselves. Also, independent experts and organisations could contribute expertise and serve as assessors in an eventual tri-partite designed co-regulation transparency and accountability framework for NGOs active in internal policy areas of the EU. Work in this area may also have value for structuring relations between the EU and NGOs working on EU external policy areas.

Figure 4: Suggested steps for the EP to initiate dialogue on a co-regulated transparency and accountability framework for NGOs



Source: Michael Hammer / ROCsalt 2023

A number of difficult questions would need to be addressed in consultations and require full dialogue:

- How could an EU NGO co-regulation framework address the very large and loosely defined set of organisations to be governed, which are often characterised in varying and overlapping terms such as: non-governmental and independent, including of commercial interests; not-for-profit, charitable or public benefit oriented?
- Is it politically and legally feasible to come to a shared EU definition of the organisational form of NGOs, given the significant cultural and political histories that inform how civic organisations are formed life across the member states of the EU?
- What role should the 27 national regulatory frameworks governing NGOs play?
- How can NGO independence be supported, given the existing and rising risks of government oriented NGOs (GONGO), astroturfing, and sock-puppetry (see Chapter 9.2)?
- How can the role of civil society, and NGOs as its more identifiable organisations, be supported today and in the future as a key sector in relation to the promotion of EU values of democracy, human rights, and the rule of law more broadly, and in different policy areas of the EU more specifically?

Finally, as already suggested in step five of Figure 4 above, **there are connection points (and arguably synergies) between the proposed co-regulation approach on transparency and accountability of NGOs and existing initiatives around the creation of a cross-border status for NFPOs.** These latter initiatives are designed to enable NGOs to work across all Member States' jurisdictions without added administrative and financial burdens, and to enable them to move their locus of registration from one Member State to another to assist with their work, and thus enlarging the potential contribution of the social economy sector in the wider internal market.

A key entry point for discussion might be the proposal put forward in Article 5 of the EP's Resolution of 17 February 2022 with recommendations to the EC on a statute for European cross-border associations and non-profit organisations.<sup>160</sup> This article puts forward the creation of a European Association Board, assisted by a Secretariat. Such a board, independent of its eventual form, could be an appropriate initial locus to deal with complaints and breaches of the standards, namely a complaints mechanisms/ ombuds-system (Component C). The proposed supporting Secretariat could be the place for managing the independent compliance review system (Component B), as well as assisting the European Association Board to review the data published by NGOs (Component A). Board and Secretariat could finally be a key convener for development and review of NGO accountability principles together with NGOs as external dynamics inevitably require such regular review.

We note that the very recent proposals by the Commission for a Directive of the European Parliament and of the Council on European cross-border associations<sup>161</sup> follow a different path regarding the practical implementation of a system to enable European (not for profit) cross border associations as part of the enhancement of the internal market and effectiveness of the social economy in the EU. These proposals rely on: national registration authorities to enable organisations to acquire ECBA status (and a certificate facilitating the mobility of ECBAs) (Article 16ff); mutual information exchange between the competent national authorities (Article 28); and a top level information pooling by the EC (Article 27), and reporting (Article 29).

Much of this approach builds on the valuable analysis done by Antonio Fici for the EP Committee on Legal Affairs (JURI) in 2021.<sup>162</sup> However, the analysis done for the present study suggests some disadvantages in relying on the registration of ECBAs at national level. It may be helpful to consider the following initial points at this stage:

- a) Experience set out in this study (see Chapter 8.1.1) shows that without systematic compliance verification and a system to address complaints and compliance breaches, transparency and accountability performance of the NGO sector will remain very variable. This entails a range of accountability and transparency risks in both financial and political terms. The accountability of future ECBAs under the new EC proposals is therefore unlikely to be enhanced since the proposals lack a relevant oversight and compliance approach. While the mobility and cross border work of NGOs would be supported, the strengthening of transparency and accountability would not.

<sup>160</sup> European Parliament (2022): [European Parliament resolution of 17 February 2022 with recommendations to the Commission on a statute for European cross-border associations and non-profit organisations \(2020/2026\(INL\)\)](#)  
[A statute for European cross-border associations and non-profit organisations, P9\\_TA\(2022\)0044](#)

<sup>161</sup> European Commission (2023): [Proposal for a Directive of the European Parliament and of the Council on European cross-border associations](#), COM(2023) 516 final

<sup>162</sup> Fici, A. (2021): [A statute for European cross-border associations and nonprofit organizations Potential benefits in the current situation](#), Study for the European Parliament JURI Committee, PE 693.439-May 2021

- b) With a growing number of NGOs already working constructively across borders and engaging with the EU through funding relationships, deliberative inputs and involvement in policy formulation, the transparency and legitimacy of NGOs in their work with the EU is essential. However, the reliance of the current EC proposals on national registration processes and administrations does not address the increasing risk of 'coordinated inauthentic behaviours' in which NGOs and their representation in social media are used as vehicles to advance private, and often obscured, interests (see discussion of this risk in Chapter 9).
- c) The reliance on national authorities for the administration of ECBA status is unlikely to address the significant concern expressed by many NGOs about the burden of multiple layers of accountability, and in some cases confusing and ineffective national not-for-profit regulation and administration (see Chapter 7).
- d) The EC's role in managing information about competent authorities and monitoring implementation remains vague. This may contribute to a lack of clarity on what the role of the EC would be in case of specific challenges or complaints by not-for-profit organisations about consistency in national level implementation.

**Both the EP and the EC proposals around the creation of European associations or ECBAs envisage NFPOs as member-controlled associations. This is a problematic limitation given the varied nature of organisational forms in the social economy/ not for profit sector across the EU.**

As recognised in the proposals, this model of association is the most common form for NFPOs across many Member States and has many advantages. However, it is not the only model that NGOs and other NFPOs use. For example, many NFPOs and/ or NGOs operate on the basis of a foundation model or other legal forms. Antonio Fici highlights both associations and foundations as [...] *the ordinary legal forms of non-profit organizations almost everywhere in Europe*<sup>163</sup> and recommends in his report a broad approach to the definition of a European cross border status for NFPOs to include wider forms of public benefit organisations to maximise the potential contribution of the social economy sector in the EU internal market.

The apparent exclusion of foundations from eligibility for European association or ECBA status would be an unhelpful limitation on the work of civil society since, in order to benefit from a cross border status in either of the proposed forms (European association or ECBA), organisations operating with a foundation model would need to alter their organisational form, or remain subject to nationally fragmented regulation and all the drawbacks that the European Association/ ECBA approach seeks to overcome. It is not clear if this limitation is intentional, as Article 5 of Part I of the Annex to the EP's resolution of 17 February 2022 also covers not-for-profit foundations and other organisational types, and Article 18 of Part II of the Annex supports their cross border mobility and continuity.<sup>164</sup> However, the current EC proposal on ECBAs does not reflect such an inclusive approach and therefore does not capture the diversity of the sector. This weakness was also picked up by commentators in the 2022 public consultation,<sup>165</sup> which drew limited response from a somewhat

<sup>163</sup> Fici, A. (2021): [A statute for European cross-border associations and nonprofit organizations Potential benefits in the current situation](#), Study for the European Parliament JURI Committee, PE 693.439-May 2021, p. 56

<sup>164</sup> European Parliament (2022): [European Parliament resolution of 17 February 2022 with recommendations to the Commission on a statute for European cross-border associations and non-profit organisations \(2020/2026\(INL\)\)](#)

<sup>165</sup> European Commission, [Single market – Proposal for a legislative initiative on cross-border activities of associations](#)

incongruent group of commentators. A more structured approach to consulting on the cross border status issue and accountability co-regulation set out in Figure 4 might be of benefit.

As noted above, these are preliminary reflections. The co-legislators should conduct further analysis during the legislative procedure.

## 8.4 Grantee accountability systems of large civil society funding bodies

**In the context of civil society funding, the European Union is globally unique** in relation to the size of its financial commitments to the sector, the variety of the agencies, funding programmes and modalities that it employs, for instance in relation to internal and external action, but also the provision of support through member governments alongside direct management of grants and other kinds of relationships, which for example involve collective learning and exchange opportunities. As a supranational organisation, its accountability relationships with Member States are different from a multilateral intergovernmental organisation such as the **World Bank**. The latter, through its Global Partnership for Social Accountability (GPSA), has funded civil society organisations across a current set of 55 opt-in countries<sup>166</sup> with an estimated USD 63 million in direct grants over 13 years (2013 to 2026).<sup>167</sup> The **ACFID** is equally relevant, as compliance with its Code of Conduct is required to be eligible for Australian government funding. It currently covers 128 organisations and 80% of all Australian international development funding allocated through NGOs.<sup>168</sup> **Different funding organisations employ different accountability systems, which are influenced by the type of work they fund.**

While the **EU funds civil society from its budget**, overseen by the EP, the **GPSA is essentially a multi-donor trust fund** administering commitments from the World Bank but also other bilateral and independent foundation contributors. **Impact is the key focus of GPSA grantee selection and reporting.**<sup>169</sup> There is a culture of **results-based financing** which emphasises the outcomes of grant funding or lending to motivate additional investment by others. The **ACFID's code focuses on beneficiary accountability.**<sup>170</sup> Through its formal use as an eligibility threshold for government funding, it pushes funded NGOs to proactively focus their accountability culture towards people they affect and serve.

**The EU's directly managed NGO funding prioritises process accountability**, which is described by most grant recipients interviewed for this study as the main factor influencing the EU's grant systems and requirements. Interviewed **NGO representatives express disappointment about the limited interest in the impact of grant funding**, and the inability of reporting systems to record impact, which could then be used in EU policy deliberations.

The **GPSA focuses on a small number of larger scale recipients**. The volume of each grant generally ranges between approximately USD 400 000 and USD 800 000 and grants cover multiple years. The number of grantees, which may include consortia, ranges from two to 12.<sup>171</sup>

<sup>166</sup> The GPSA designates 'opt-in countries' as (World Bank member) countries which have agreed for NGOs from their jurisdictions to apply to, and receive funding from, the GPSA

<sup>167</sup> Informal estimate provided in the interview

<sup>168</sup> Estimates provided in the interview

<sup>169</sup> Global Partnership for Social Accountability (2020), Operation Manual, World Bank Group, Washington DC

<sup>170</sup> Australian Council for International Development (2023), [Good Practice Toolkit](#)

<sup>171</sup> Global Partnership for Social Accountability (2023), [First to Fifth Call for Proposals information](#)

In contrast, **directly managed EU grant funding programmes support thousands of NGOs.** There is a **huge range in the size of grants**, including very small grants, and these are individually managed on the same system.

GPSA certainly emphasises the importance of grantee administrative capacity and accountability, but there is also a strong emphasis on results. This seems to be absent in the context of directly managed EU grant funding.

The GPSA's operational guidelines state *that 'annual GPSA financing may not exceed fifty percent of the recipient CSO's total organizational annual budget'*.<sup>172</sup> The main aim of this provision is to **ensure financial sustainability of the funding recipient and the sustainability of impact** beyond the GPSA as part of the focus of impact focused risk management. Interviewed **case study NGOs vary in their dependency on EU funding.** For some, most of their funding comes from EU funding across different programmes and projects and is essential for their survival. Other organisations seek to diversify their sources of income – EU funding plays an important role but they are not dependent on it for their survival. For some organisations EU funding is important in specific thematic areas, but overall it accounts for a small proportion of their turnover. **A greater focus on the sustainability of impact and organisational viability may have advantages over the present EU approach, which prioritises financial accountability, and neglects impact and sustainability.**

It is a challenge to identify other significant NGO funders that come anywhere close to the EU in terms of volume of directly managed funding to civil society grantees, let alone overall annual civil society funding commitments. Nevertheless, important insights can be gained through engaging with senior GPSA staff, analysis of its operational systems, and exploration of its accountability client ecosystem.<sup>173</sup> Further relevant insights are provided by ACFID's code of conduct, and reflection on how it has managed its role between a membership wishing to stay in control of its regulatory accountability focus (beneficiaries), and the nationally most important funder of development NGOs in the shape of government. ACFID's collaboration with the Australian government shows the potential of a composite regulatory approach, where sector-driven standards can be combined with donor power, to focus accountability systems on the interests of less powerful accountability clients, such as beneficiaries and local partners.

The current **very strong financial and process accountability focus of the EU systems**, reflected also in the concerns of the 2018 ECA report,<sup>174</sup> **may not provide the greatest support to the substantive policy reasoning behind the engagement with civil society organisations in support of democracy, human rights and the rule of law.**

## 8.5 Good practices in EU NGO funding

*What examples can be provided of good practices regarding transparency and democratic accountability in the use of EU funds?*

This section provides examples of good practice highlighted by interviewees during the course of the research conducted for this study.

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<sup>172</sup> Global Partnership for Social Accountability (2020), Operation Manual, World Bank Group, Washington DC, paragraph 13

<sup>173</sup> An apt term used by the GPSA interlocutors

<sup>174</sup> European Court of Auditors (2018), Transparency of EU funds implemented by NGOs: more effort needed,

## AMIF

DG HOME has dedicated AMIF project officers dealing with one or several projects, and interviewees note that they are always approachable and helpful, and they respond in reasonable time. Stakeholder feedback suggests that it would be helpful to reduce the rotation of the project officers to ensure continuity.

Dedicated meetings in Brussels on exchange of good practices provide substantial support and practical feedback to the project beneficiaries.

Continuous reporting by beneficiaries to the EC helps to ensure that deliverables are regularly updated and project partners find this helpful.

## Erasmus+

DG EAC highlights a number of areas of its work that it considers to be examples of good practice:

- A new DG EAC supervision strategy helps national agencies deal with a multitude of beneficiaries, the vast majority of which are universities;
- Improved systems to make better use of data, enabling better flagging of potential problems and improved scrutiny of NGO practices. DG EAC continuously reviews how to improve analysis of data collected;
- Use of simplified lump sum grants to reduce the administrative burden on beneficiaries;
- The detailed communication and ticketing system between DG EAC and national agencies acts as an open channel through which national agencies can ask for clarification about the interpretation of rules. DG EAC's answers are a resource that can be viewed by all national agencies and thus help to ensure consistent and harmonised implementation of Erasmus+;
- On-site visits by DG EAC for audits and checks that ensure that the national agencies are receiving the money they need and that their decision-making is aligned with DG EAC's rules;
- For all Erasmus+ grants, research outputs [must be made freely available](#): *The materials should be easily accessible and retrievable without cost or limitations, and the open license must allow the public to use, reuse, adapt and share the resource.*

## LIFE

Project websites provide much visibility and contribute to transparency in how funds are used, with information about which organisations are using the funds, where, and for what purposes. Websites provide visitors with regularly updated information about activities. However, as noted above (see 6.1) there are some shortcomings in what information is provided and how it is provided.

Having an external monitoring entity (NEEMO EEIG) and internal CINEA/ DG ENV technical monitoring officers interacting with NGOs is identified by one NGO as a good practice, as this enables beneficiaries to resolve problems without the need to contact CINEA.

The LIFE programme portals are comprehensive, publicly available and relatively easy to navigate. They enable grant-funded projects and entities to be quickly traced. However, the three portals identified during the course of the present study<sup>175</sup> have different user interfaces and they provide

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<sup>175</sup> The [LIFE Public database](#), the [CINEA dashboard](#), and the [LIFE programme 2014-2020 data hub](#)

different types of data. One interviewee identified the [Interreg portal](#) as an example of a well-structured portal with information about projects presented in a more centralised manner. (The copyright notice in the portal's footer indicates that INTERact is running the portal, and that it is co-financed by the European Regional Development Fund. There is also a hyperlink to the INTERact website. However, the purpose and management of the portal are not obvious, contact information seems to be missing, and it is not clear where to find links to the portal, or further information about the portal, on the INTERact website).

## 8.6 Dialogue between EU institutions and NGOs

This section presents specific observations on dialogue made interviewees during the course of the study. The issue of dialogue is addressed at length in the discussion of co-regulation above (Chapter 8.2 and Chapter 8.3) and also in Recommendation 2 and Recommendation 22.

*How can dialogue between NGOs and EU institutions (especially the EP) be improved?*

### AMIF

Interviewees did not provide any suggestions regarding improvement of dialogue and communication between NGOs and the EU institutions, as dialogue between the EC and grant beneficiaries is well established and considered to be smooth (e.g. the correspondence with the dedicated AMIF project officer is fluid and helpful).

A representative of the HUMCORE project suggests that each programme should have its own annotated grant agreement to help the beneficiaries clearly understand all implementation rules. On this point, it is important to note that the previous EP study was critical of the existence of multiple sets of guidelines for different programmes, which led to duplication and different interpretations of overarching rules and regulations.

### Erasmus+

Representatives of one case study project highlighted various areas in which dialogue between NGOs and the EC could be improved. These can be grouped into operational and strategic concerns. These are discussed further below.

#### Strategic concerns

- Enhanced and wider promotion of the TR;
- More systematic analysis of results and impact at programme level, including best practices and lessons learned. This should be done collaboratively (co-created) with beneficiary representatives.<sup>176</sup> A more predictable and transparent plan for discussion of results by the EC would be highly desirable. This is important because the main motivation for many Erasmus+ beneficiaries is not the money, but the opportunity Erasmus+ provides to engage with national authorities;
- Development of a system by the EC to showcase projects within Member States to promote dissemination and exploitation of results within Member States. This would help to raise the profile of Erasmus+ projects with national authorities. This is particularly important where

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<sup>176</sup> Indeed, good evaluation practice emphasises the involvement of stakeholders not only as sources of information, but as key actors in the evaluation process with a central role in interpreting findings and generating actions for continuous incremental improvement

there are frequent changes of government, as it helps to promote continuity and sustainability in evidence-based policy development;

- Greater transparency in overall EU investment at sector level (e.g. education) within each Member State across different EU instruments. This information is not easy to find but it would help to promote results-driven strategies, rather than output-driven strategies, and enforce discipline in achieving long-term goals.

### Operational concerns

- Looking for calls and deciphering technical language in order to understand precisely the EC's requirements is very time-consuming and thus a barrier to participation;<sup>177</sup>
- Streamlining of interim reports to avoid time-consuming duplication of information already provided in the project proposal, and elsewhere in the interim report;
- Greater transparency regarding how, and which, organisations are invited by the EC to dissemination events in Brussels – the approach is described as 'enigmatic';
- More communication between EC programmes operating in the same area would be desirable to avoid potential duplication and competition between beneficiary organisations. An example was provided of EU-funded projects competing to provide the same type of support to the same target group within the same city.

DG EAC notes that, since Erasmus+ is mainly indirectly managed, it is engaged in dialogue primarily with national agencies. It indicates that there is good communication with national agencies and between national agencies and grantees. DG EAC considers that, while it is sometimes criticised for the high level of scrutiny of grant funding, it has found a good balance between monitoring and giving independence to its grantees, and it is reluctant to change its approach to dialogue with beneficiaries as this would complicate project implementation. However, this does not address strategic dialogue between DG EAC and NGOs in the education sector.

DG EAC does, however, consider that dialogue between it and the EP could be improved, as it considers that there is a general misunderstanding within the EP about the type of funding done by the Erasmus+ programme, which is evident in 'misdirected' questions addressed by the EP to DG EAC about the programme. Specifically, DG EAC perceives that the EP does not understand that DG EAC rarely provides operating grants. It only does so to designated organisations, and relationships between DG EAC and grant recipients under Erasmus+ are generally not continuous or long-standing. Rather, applicants receive funds upon the acceptance of a strong project proposal with a specific framework and timeline; the relationship ends at the conclusion of the grant agreement. This point was emphasised by DG EAC as the EP sometimes gives it the impression that it is concerned that funds are fed continuously to beneficiary organisations and that there is some issue of funds being 'captured' by an NGO constituency. DG EAC stresses that this is not the case at all. The DG EAC estimates that approximately 80% of the beneficiaries receive around 20% of the funds, with the big interlocutors being the universities (rather than NGOs). Erasmus+ is funding projects rather than the organisations themselves – a grant is not awarded if the project proposal does not meet the criteria, regardless of who the applicant is. The authors of this study suggest that

<sup>177</sup> The use of technical language in often poorly drafted documents, and the fragmentation of information across different documents and web pages, is highly problematic and opaque, and can be found in, for example, the explanations of the FTS and of the TR. Regarding the latter, even members of the TR Secretariat appeared unclear about whether specific types of organisation need to register in the system. Fragmentation of information leads to inconsistencies and gaps between different sources of information that further reinforce overall opacity.

this misunderstanding could perhaps be addressed by clearer communication about the programme – as noted elsewhere in the study, communication by EU institutions is often not as clear, concise, and complete as it should be, and there appear to be some gaps in FTS data relating to Erasmus+.

## **LIFE**

Feedback from LIFE grantees suggests that dialogue would be enhanced through the improvement and streamlining of reporting systems. Various concerns are discussed in 3.3 above.

## 9 NGO DEFINITION

### KEY FINDINGS

- The same terms to describe or categorise diverse civil society organisations may have different meanings in different countries, legally and in general public perceptions.
- The proposed recast of the Financial Regulation (still subject to inter-institutional negotiations at the time of writing) introduces an EU definition of 'NGO' that explicitly excludes trade unions, without any explanation. This appears to be out of step with the concept adopted by the Council of Europe and may not be in line with the European Convention on Human Rights.
- Governments and corporations increasingly impersonate civil society structures to promote their interests through digital social media mobilisation techniques.
- The EC's proposed definition of 'NGO' emphasises the independence of NGOs from government.

Main recommendation: Rather than attempting to define what an 'NGO' is, based on legal form at the point of registration, it is recommended that the EU institutions instead consider adopting a co-regulation approach (proposed in Recommendation 21) that focuses not so much on what an NGO is in terms of legal form, but on what they do and the principles and standards they adhere to in their interactions with the EU.

See Chapter 11.8 for detailed conclusions and recommendations.

### Chapter overview

This chapter starts by making the case for a common EU definition of 'NGO'. This is followed by a discussion on the current state of the definition and the debate on different options.

*What developments have there been in the development of a standardised definition of NGO for use by EU institutions?*

### 9.1 Why a shared EU definition?

**Globally, the EU is one of the largest funders of civil society organisations.**<sup>178</sup> This is rooted in its commitment **to civil society actors** as *'essential to upholding the rule of law, fundamental rights and democratic accountability – the Union's founding values – as enshrined in Article 2 of the Treaty on European Union (TEU).'*<sup>179</sup> EU funding in this regard is delivered mainly through budget allocations to Member States for the support of civil society, and direct funding agreements with organisations, often organised in consortia, through EC programmes managed directly by different EC departments and executive agencies (direct management). EU connected grant making schemes

<sup>178</sup> European Commission (2020), Joint communication to the European Parliament and the Council, EU Action plan on human rights and democracy 2020-2024

<sup>179</sup> European Parliament; LIBE Committee (2020), Protecting civil society space: strengthening freedom of association, assembly and expression and the right to defend rights in the EU, PE 659.660 Brussels, p.9

such as the [EEA and Norway grants](#) also provide significant support to civil society organisations across many Member States.

The **significant diversity of civil society and the way it organises itself involves some challenges when the different bodies of the EU seek to structure their relationships with the sector**, including, but not limited to, funding relationships. These challenges are evident in the **variety of terms used to describe civil society organisations across various EU instruments** and publications, such as civil society, non-governmental organisations, not-for-profit organisations, social enterprises, charities, public benefit organisations, etc. The difficulty is compounded by the rich diversity of languages used in the EU, in which terminology used in one country sometimes does not have an adequate translation in another language, or very **similar terms used to describe civil society organisations have very different meanings legally, or in public perception**. For example, the understanding and use of the term 'charity' may vary between countries. The current focus on legal form at the point of national registration<sup>180</sup> therefore fails to capture the varied nature of NGOs, and leaves unresolved both increasing NGO cross-border activity, and direct engagement with the EU. As the discussion on NGO accountability regulation (see Chapter 8) shows, NGOs are increasingly outgrowing the regulatory systems that apply to them as they make a wide range of positive contributions to citizens' engagement in the EU beyond national spheres of work. This is also increasingly seen and supported by citizens, as illustrated by their support for internationally active NGOs.

**Both the regulatory definition of organisational forms, and public understanding of what civil society organisations are, therefore matter, because public trust and support is one of the key assets of civil society organisations.** Public support for civil society organisations is translated in different ways. For example:

- Tax exemptions;
- Privileged access to deliberative fora, such as in voluntary and open consultations, or even formal democratic policy processes;
- Involvement in more formally constituted advisory groups (which may involve limitations on disclosure of proceedings, etc.);
- Formal participant status in European fora.<sup>181</sup>

Therefore, beyond the fundamental aspects of being not for profit (i.e. not distributing profits), having a declared public benefit purpose, being independent from government and self-governing,<sup>182</sup> a common definition for use by the EU that focuses on its direct deliberative, political or financial relationships with civil society organisations has the advantage of enabling a common understanding of what these partners are in relation to the EU and its bodies in different contexts. This goes beyond the question of financial support for an NGO or its legal status in the country where it is/ was first registered.

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<sup>180</sup> See point 9 of the financial transparency system [FAQ web page](#)

<sup>181</sup> Direct service delivery relationships are not mentioned here as they would fall under commercial procurement regimes, even though such relationships also offer opportunities for policy influencing by contracted NGOs.

<sup>182</sup> These are basic criteria for not-for-profit status already in place in most EU Member States, which are documented for example in the studies by Fici and the Research, Analysis and Strategy Institute (see above)

## 9.2 Current state of definition and debate on options

In a current proposal for a recast of the financial rules applicable to the general budget of the Union, a change is proposed for the definition of non-governmental organisations, to read '*non-governmental organisation means a voluntary, independent from government, nonprofit organisation, which is not a political party or a trade union*',<sup>183</sup>

In comparison to the concept adopted by the Council of Europe in 2007,<sup>184</sup> this circumscribes the nature of an NGO with an **additional limitation that excludes trade unions**. Although not explicitly stated, the reasoning may be that in some cases trade unions are affiliated with, or recognisably close to, political parties and/ or that some trade unions benefit in some Member States from special status.<sup>185</sup> However, this may not be true for all trade unions and unless the reasoning for the exclusion is made explicit in the definition itself, it is **problematic, because the forming of trade unions is in many ways no different from the forming of other voluntary and self-governing associations** which undertake influencing and mutual support activities. This is **protected as a civic human right under article 11 (freedom of assembly and association) of the European Convention of Human Rights**.<sup>186</sup> If the level of institutionalisation of trade unions were the matter of concern, then other types of highly institutionalised non-governmental entities would also need specific exclusion, such as faith-based groups, or educational organisations. It would therefore be highly desirable to explore and **explain more clearly the reasoning behind the specific exclusion of trade unions from the proposed NGO definition**, while implicitly including other types of highly institutionalised organisations.

**The proposed definition also emphasises independence of NGOs from government.** In theory, such independence, if it could be properly ascertained, might guard against the abuse of NGO status to promote concealed government interests. However, **without full transparency of NGOs' sources and levels of funding**, it will remain difficult to understand **whether NGOs are economically (and thus likely politically) highly dependent on governments**. This is a risk if NGO organisational or programme sustainability depends largely on funding by a national government, or any other single sponsor. Further, research on 'astroturfing' and 'sock-puppetry'<sup>187</sup> and the role of so called GONGOs (government oriented NGOs)<sup>188</sup> suggests that despite attempts to regulate such abuse of status, the practice of both **governmental and corporate impersonation of civil society** structures to promote their interests persists. In fact it is gaining significant traction through digital

<sup>183</sup> European Commission (2022), [Proposal for a Regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union \(recast\)](#), COM(2022) 223 final 2022/0162 (COD)

<sup>184</sup> Council of Europe (2007), [Recommendation CM/Rec\(2007\)14 of the Committee of Ministers](#) to member states on the legal status of non-governmental organisations in Europe, (Adopted by the Committee of Ministers on 10 October 2007 at the 1006th meeting of the Ministers' Deputies)

<sup>185</sup> This last reason is alluded to in point 17 of the background section ('Current situation') of the [EP's 2022 Resolution recommending a statute on European cross-border associations and non-profit organisations](#). Point 13 of the preamble to Part I of the Annex indicates that churches and other religious or philosophical organisations should be excluded from eligibility for European association status.

<sup>186</sup> While political parties are in themselves also private associations of citizens they have under many democratic settlements a formal role in political governance. Their exclusion from the NGO definition is therefore uncontroversial.

<sup>187</sup> **Astroturfing** can be broadly defined as deliberate activities by entities seeking to artificially create an impression that there is widespread sentiment in favour of or against a product, policy, or concept, when in fact no such sentiment exists, at least not to the extent imputed (Schill, D. (2014): *Astroturfing*, in *Encyclopedia of Social Media and Politics*, edited by Kerric Harvey, 383-385. Thousand Oaks, SAGE Publications. **Sock-puppetry** refers to the creation of fake accounts by the same user, for the purposes of supporting a person or organisation to manipulate public opinion (Yamak, Z.; Saunier, J.; Vercouter, L. (2018): *SocksCatch: Automatic detection and grouping of sockpuppets in social media*, in: *Knowledge-Based Systems*, Volume 149, 2018, Pages 124-142)

<sup>188</sup> Bakker, C.A.; Vierucci, L. (2008), Introduction: A Normative or Pragmatic Definition of NGOs? in: DUPUY, M.P; VIERUCCI, L. , eds. (2008): *NGOs in International Law: Efficiency in Flexibility?*, Cheltenham, Edward Elgar

social media mobilisation techniques, with an emerging broader typology of ‘coordinated inauthentic behaviours’<sup>189</sup>.

The **proposed definition also fails to address** the concern raised by the ECA in 2018 about what the ECA perceives to be **the ‘unreliable’ nature of self-declaration of NGO status**, and the **unclear boundaries between NGOs and civil society organisations more broadly**.<sup>190</sup>

The EC’s response to the ECA push for a clearer and more ‘reliable’ NGO definition raises two important points that work against the technically laudable desire for greater verification of status:

- Negotiating the **harmonisation of NGO definition across Member States, and for EU external action well beyond this, is likely to be a major if not insurmountable challenge** with no commensurate benefit in terms of accountability.
- In terms of financial controls, the EC considers that there is enough flexibility in the regulations to exercise a higher level of due diligence controls in cases of significant financial commitments and risks. The EC therefore applies a ‘balance of risks’ approach to its control systems. Importantly, the **EC emphasises the ‘pre-requisite that the legal entity concerned is flagged as both a private and not-for-profit organisation’** i.e. clarifying that only organisations that can demonstrate a verifiable legal status are eligible for funding.<sup>191</sup> This **narrows the NGO definition significantly in comparison with the 2007 Council of Europe definition** which states that *‘NGOs can be either informal bodies or organisations or ones which have legal personality’*<sup>192</sup> which is very broad in scope and would make it very hard to trace the use of funds or establish other accountabilities in the relationships with the EU.

In conclusion, there is **benefit in working on a common definition of NGOs for use across the EU** based on a limited set of criteria including not-for-profit operation, public benefit motivation, independence, and self-governance, supported by effective accountability and transparency standards. However, this definition **should not focus so much, or solely, on organisational form** at the point of national registration, but **should also focus on the ways the organisation seeks to engage with the EU**, such as in open deliberative, financial or formal political consultative processes. Doing so also implies that a **relationship between an NGO and the EU on the basis of cross-border activities** within the EU territory should be open to **formalisation, independent of national registration at national level**. From this angle the EU has an interest to connect the question of NGO definition closely with how it would seek to regulate NGO accountability, and as proposed in this study using a co-regulation model.

<sup>189</sup> Chan, J. (2022), Online astroturfing: A problem beyond disinformation, in: *Philosophy and Social Criticism* 2022, Vol. 0(0) 1–22

<sup>190</sup> European Court of Auditors (2018), [Transparency of EU funds implemented by NGOs: more effort needed](#), paragraph 24–27

<sup>191</sup> European Court of Auditors (2018), [Transparency of EU funds implemented by NGOs: more effort needed](#), Para 64 to 68

<sup>192</sup> Council of Europe (2007), [Recommendation CM/Rec\(2007\)14 of the Committee of Ministers](#), to member states on the legal status of non-governmental organisations in Europe, (Adopted by the Committee of Ministers on 10 October 2007 at the 1006th meeting of the Ministers’ Deputies), point I.3

## 10 DEVELOPMENTS IN THE TRANSPARENCY REGISTER

### KEY FINDINGS

- The main developments in the 2021 interinstitutional agreement (IIA) are the inclusion of the Council of the European Union in the agreement, and the introduction of conditionality requirements and complementary measures, which promote the use of the Transparency Register (TR) by the three main EU institutions, and place requirements on top decision-makers to publish information about meetings with interest representatives (lobbyists).
- The new agreement also introduced the possibility for other EU bodies to introduce similar requirements and measures without becoming a signatory to the IIA, although none had done so by the time of publication of the 2022 annual report on the TR.
- As far as the TR itself is concerned, the main development is the introduction of three organisational categories with different financial disclosure requirements. This has made working with the TR more complicated and burdensome for NGOs, but no evidence has been provided to suggest that recent developments have enhanced the reliability of the register.
- Some feedback suggests that this development has made the TR less reliable, as it increases the possibility of errors and creates a distorted picture of the value of interests represented by different organisations in the register.

Main recommendations: The EU institutions are recommended to harmonise their conditionality requirements and complementary measures. The same disclosure requirements should be applied to all types of organisation registered in the TR, in particular, they should all be required to disclose their income and the amount spent on lobbying. All transparency data, including the data in the TR and registers of meetings between representatives of EU institutions and lobbyists, should be available via application programming interfaces so that researchers and other external users can develop tools to undertake and publish dynamic real-time analysis.

See Chapter 11.9 for detailed conclusions and recommendations.

### Chapter overview

This chapter starts with an overview of the TR. Following this, recent developments in the TR and the IIA are introduced. Finally some shortcomings of the TR and the overall transparency system are discussed.

*What developments have there been in the Transparency Register since the 2016/17 EP study and how have these affected the reliability of the register?*

### 10.1 Overview of the TR

The TR is intended to promote transparency in lobbying activities towards EU institutions. It is described by Transparency International as a tool to help representatives of EU institutions to know about the lobbying organisations that approach them and that they interact with. It is not a financial

system, although it does require registrants to provide financial information. It is not connected to the FTS or the [Participant Register](#) (see Chapter 3.2), and registration in the TR is not a requirement for the award of EU grant funding.

The [Annual report on the functioning of the Transparency Register 2021](#) states that the TR *'...is a public database holding up-to-date information about interest representatives actively engaged in activities aimed at influencing the formulation or implementation of policies or legislation at EU level. It gives individuals, the media, stakeholders and EU staff the possibility to track interests represented through the EU institutions, find out who is representing those interests on whose behalf, as well as to see what resources are devoted to the related lobbying activities and efforts. It is one of several transparency tools that aims to improve the transparency and openness of the EU decision-making process.'*<sup>193</sup>

The TR on its own cannot guarantee transparency. Its usefulness also depends heavily on how and to what extent EU institutions make use of it, what other transparency data is publicly available, and how it is made available.

The TR was originally established in 2011 by the EP and the EC through an IIA. The IIA was revised in 2014<sup>194</sup> and again in 2021.<sup>195</sup>

Day to day management of the TR is undertaken by the TR Secretariat, which is comprised of staff of the three institutions, nine in total, working together. Overall oversight of the TR is performed by the Management Board, which is comprised of the Secretaries-General of the EP, the Council and the EC.

The 2021 annual TR report indicates that registration in the TR increased steadily between 2012 and 2021, from 5 431 to 13 366. However, while there were 1 817 new registrations in 2022, the total number of entries in the TR fell by 7% to 12 425 due to the operationalisation of the 2021 IIA and more eligibility checks. This implies that 2 758 existing entries were cancelled in 2022.

## 10.2 Recent developments

The Council became a signatory to the IIA for the first time in 2021. The other main change introduced in the 2021 IIA is that, for the first time, registration in the TR became a mandatory requirement (precondition) for carrying out specific lobbying ('interest representation') activities, with each of the three institutions specifying its own 'conditionality' requirements (i.e. activities for which prior registration by lobbying organisations in the TR is mandatory). These are the so-called 'conditionality measures'. As of 2021, the possible 'voluntary involvement' of other EU institutions, bodies, offices and agencies is envisaged – they too can, at their own discretion, apply the 'conditionality principle', without becoming signatories to the IIA. The 2022 annual TR report states that such other institutions or bodies *'...may notify the Management Board of conditionality or complementary transparency measures that they adopt and ask for these to be published on the Transparency Register website.'* No such notifications were made, although *'...discussions did take place at service level with a number of other EU bodies in response to inquiries.'*<sup>196</sup>

<sup>193</sup> Transparency Register Management Board (2022), [Annual report on the functioning of the Transparency Register 2021](#)

<sup>194</sup> Official Journal of the European Union (19/09/2014), [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](#)

<sup>195</sup> Official Journal of the European Union (11/06/2021), [Interinstitutional Agreement of 20 May 2021 between the European Parliament, the Council of the European Union and the European Commission on a mandatory transparency register](#)

<sup>196</sup> Transparency Register Management Board (2023), [Annual report on the functioning of the Transparency Register 2021](#)

The three institutions may each also adopt 'complementary transparency measures' to enhance transparency – these are measures applicable to the representatives and staff of the institutions themselves.<sup>197</sup>

The main conditionality and complementary measures for the three institutions are listed below.<sup>198</sup>

### **Conditionality measures** (activities requiring prior registration of interest representatives in the TR)

- EP
  - Participation in intergroups or other unofficial groupings' activities;
  - Speaking at EP committee hearings;
  - Provision of long-term access badges for entry into the EP;
- Council
  - Meetings with Permanent Representative and Deputy Permanent Representative to the EU, when acting in their capacity of acting or incoming Presidency of the Council, during the respective Member State's Presidency of the Council and in the preceding six months;
  - Meetings with the Secretary-General of the Council or Directors-General;
  - Participation in thematic briefings organised by the General Secretariat of the Council;
  - Speaking at public events organised by the General Secretariat of the Council.
- EC
  - All meetings with Members of the EC, members of their Cabinets and Directors-General of the EC;
  - Membership of EC expert groups. The EC must suspend expert group members if they are suspended or removed from the TR, until their registration in the TR is re-established.

### **Complementary measures**

- EP
  - Members the EP (MEP) are recommended to meet interest representatives only if they registered in the TR, and they are encouraged to publish online all meetings scheduled with lobbyists on their individual profile pages of the EP's official website;
  - Rapporteurs, shadow rapporteurs and committee chairs must publish online all scheduled meetings with interest representatives for each parliamentary report;

<sup>197</sup> In the wake of the so-called 'Quatargte' case, the EP adopted, on 13 July 2023, a [resolution on recommendations for reform of its rules on transparency, integrity, accountability and anti-corruption](#). This includes a number of observations and recommendations that are directly relevant to the discussion of the TR in the study here. However, they are not analysed in detail as the resolution was approved some time after the research for the study was concluded and the subject of parliamentary ethics is outside the scope of the study.

<sup>198</sup> This information is extracted from the 2021 annual report on the functioning of the TR. Further details are provided on the Transparency Register website, but the information is fragmented and it is difficult and time-consuming to establish the picture from the information provided there. See Transparency Register (undated), [Conditionality and other transparency measures](#)

- MEPs are recommended to check if the interest representatives with whom they want to co-host or co-organise an event on the EP's premises, are registered;
- EP staff are recommended to check if interest representatives are registered in the TR before meeting them or accepting an invitation to an event;
- Council
  - Staff are requested to check if interest representatives are registered in the TR. If not, staff should carefully consider the appropriateness of meetings, and consult with their line manager;
- EC
  - Obligatory publication of meetings of members of the EC, members of their Cabinets and Directors-General of the EC with interest representatives. This information is systematically published by the EC in a standardised format on the websites of the Members of the EC, and of Directorates-General of the EC respectively, within two weeks following the meeting. A list of published meetings is made available in the TR on the profile of the concerned interest representatives;
  - All EC staff are recommended as a matter of course to check if interest representatives are registered in the TR. If they are not, staff are advised always to invite them to register before engaging in any further contact.

**Of particular relevance in the present context**, the 2021 annual report notes that the new IIA introduced '*...a broadened and clearer scope of coverage to include, **activities carried out on behalf of non-EU country governments**....*'.

Entries in the TR are now categorised as one or other of the following (and explained on):

- Interest representatives promoting their own interests or the collective interests of their members ;
- Interest representatives advancing interests of clients (intermediaries) ;
- Interest representatives that do not represent commercial interests.

According to the Transparency Unit, the TR is being used more than before by MEPs and staff, although it also notes it does not monitor its use. This assessment appears to be based on an increase in the number of complaints received from within the EP about entries in the TR. The Transparency Unit notes that validation of the data in the TR has changed significantly, and is now done before an entry goes live in the TR. It can take between a few hours and several weeks to validate new applications, and this depends on the number of applications at any time, and the time it takes applicants to respond to questions of the TR Secretariat.

### 10.3 Analysis

Each category of organisation is required to provide different financial information in the TR. The EP's Transparency Unit reports that civil society groups consider that this has introduced an anomaly, and this point was also made to the study team directly by Transparency International: associations can register as 'representing own interests' and are therefore required to provide less information, even though they may be representing commercial interests. Other feedback suggests that **the introduction of these categories potentially undermines the reliability of the register**

**as it creates the possibility for mis-categorisation.** This is important, because the **different categories of organisation are required to provide different financial information:**<sup>199</sup>

- Interest representatives promoting their own interests or the collective interests of their members are invited to provide *'an up-to-date estimate of annual costs relating to activities covered by the Register'*;
- *'Intermediaries must declare the estimated total annual revenue generated that is attributable to covered activities (i.e. lobbying of EU institutions) for the most recent financial year closed, as of the date of registration or of the annual update'*;
- Organisations not representing commercial interests, including NGOs, must declare: their main sources of funding, *and* the amount of each contribution above EUR 10 000 exceeding 10% of its total budget and the name of the contributor, *and* the total budget for the most recent financial year closed.

Thus **'own interest' organisations are requested to provide only an estimate of costs relating to lobbying of EU institutions**, even though they may be representing interests amounting to billions of Euro, whereas **organisations not representing commercial interests, including NGOs, must indicate their entire annual budget** (covering all of their activities, not only lobbying of EU institutions), **sources of funding**, and they must **identify individual contributions** above EUR 10 000 where these exceed 10%.

**The reasoning behind the introduction of these categories is not clear.** Transparency International notes that there was **no opportunity to provide feedback on the practical implications of the 2021 IIA before it was published**, or on changes to the TR. Transparency International was also unaware that a new TR website is planned. Substantive and timely consultation with the NGO sector on these matters could benefit the functioning and effectiveness of the overall transparency system.

From a **public perspective the TR currently offers limited benefits**, as it is only possible to inspect entries one at a time, and it is **not dynamically linked to data on interest representatives' meetings with decision-makers in EU institutions. Bulk downloadable data is updated only every six months**, and although it includes a lot of information about the registered organisations, it **does not include any information about the meetings they have had with representatives of EU institutions.**

A major shortcoming of the overall transparency system at present is that **MEPs publish information about their meetings with interest representatives on their individual EP web pages** (and on the relevant parliamentary file's entry in the Legislative Observatory if the meeting is linked to such a file) and there is **no possibility to analyse the data in bulk**, preventing the identification of patterns and trends that would provide insights into institutional culture and practice within the EP, and the intensity and reach of lobbying activities by different organisations. Therefore, Transparency International has scraped the data from each page and created [its own publicly accessible database](#). Furthermore, approximately half of all MEPs have not published any information about meetings with interest representatives.

<sup>199</sup> See pages 21 to 28 of the [Transparency Register Guidelines for Applicants and Registrants of 01 September 2021](#), and [Annex II.III Financial Information of the IIA](#). The [Statistics page](#) on the Transparency Register website shows the number of each category that this registered in the TR.

The EP's Administration notes that **approximately 50 000 meetings have been declared by MEPs during the current Parliament, and approximately 75% of all MEPs have declared meetings** (i.e. 25% have not). The EP's administration also notes that *'Work is ongoing to create a central search tool for all declared meetings on the EP website, which will also allow for a search of all meetings declared with a specific lobby organisation to be launched from that organisation's entry on the Transparency Register.'* It is unclear to what extent these developments will address the shortcomings described in the previous paragraph.

## 11 CONCLUSIONS AND RECOMMENDATIONS

### 11.1 Visibility and transparency requirements

*What are the key visibility and transparency requirements in legal documents and programme guidance?*

The visibility provisions of the 2018 Financial Regulation addressing grant beneficiaries are reflected in the three programme regulations and the respective Model Grant Agreements. However, these **provisions are generally very limited and highly specific**. There is **no explanation of the principles or purpose of public transparency** more generally, **nor is there any requirement for the EC or grant beneficiaries to maximise public transparency**. In practice, regulations and guidelines provide minimum requirements, and compliance with these by the EC and grant beneficiaries does not ensure public transparency. Indeed, the emphasis on 'promotion' could work against public transparency. Transparency requirements for grant beneficiaries relate to transparency towards the EC to support decision-making relating to individual grants, rather than public transparency. **The EC's proposed revision of the Financial Regulation does not include significant changes with respect to visibility and transparency, with the possible exception of the FTS.**

There appear to be **no requirements for grant beneficiaries to publish information about funding received from other sources for EU-funded projects, or more generally for funding received over time from the EU and other sources**. In practice, disclosure of other sources of funding is generally limited and unsystematic (see Chapter 11.5). This is problematic, as it is important to understand where and to what extent powerful interests might be seeking to influence EU policy by funding NGOs whose legitimacy and profile may be strengthened by their EU grant funding. The risks are greater in the case of NGOs awarded grants by intermediate bodies under indirect management, for which details are not published in the FTS (see Chapter 11.2).

Feedback from the EC suggests that its approach to public transparency is guided primarily by Article 38 of the Financial Regulation, which includes minimal specific requirements and does not require the publication in the FTS of information about grants awarded under indirect management – the FTS currently includes only information about funds committed to intermediate bodies, such as Member State agencies and UN agencies that are responsible for awarding grants to NGOs with these funds under indirect management.

The proposed update of the Financial Regulation introduces the requirement to publish FTS data *'...in an open, interoperable and machine-readable format, which allows data to be sorted, searched, extracted, compared and reused'*. This is a potentially significant development if it is referring to the introduction of a public API. However, it may simply be referring to the already available FTS data downloads.

**Recommendation 1.** The EP is recommended to propose an amendment to the EC's proposed revision of the Financial Regulation (a) explaining the principles and objectives of public transparency, (b) introducing a general over-arching requirement for both the EC and grant beneficiaries to maximise public transparency in line with these principles, and (c) requiring that public transparency addresses the needs of different stakeholders, including the EP, the general public, researchers, and the EC and the NGO sector themselves.

**Recommendation 2.** To operationalise the transparency principles that are the subject of Recommendation 1 above, the EP is recommended to propose an amendment to the EC's proposed

revision of the Financial Regulation requiring the establishment of a public transparency working group ('Working Group'), led by the EP, and comprised of representatives of the EP, the EC, and the NGO sector, assisted by academic researchers and IT, data, and legal experts. The mandate of the Working Group should be to: develop public transparency best practice guidelines ('Transparency Guidelines') applicable to EU-funded **grant beneficiaries and the EC**; monitor and report on their implementation; undertake research on public transparency in EU grant funding; disseminate information on new trends and approaches towards public transparency applicable to EU-funded grant beneficiaries and grant management bodies; and undertake other activities to promote learning and exchange of experience regarding public transparency in the context of EU grant funding, such as conferences and the publication of monitoring and research undertaken by the Working Group. The Transparency Guidelines should cover, among other things, the organisation, consistency, level of detail, accuracy, format, and general accessibility, and timeliness of published information. The transparency guidelines should also cover the coherence of different sources of information (EC and grant beneficiary) and links between them.

The Financial Regulation should require the publication of the Transparency Guidelines on an EU-funded public transparency best practice website ('Best Practice Website'), managed by a third party under contract to the EC, and steered by the Working Group.

The Financial Regulation should require the Working Group to review and revise the guidelines at least every two years to respond to emerging trends, gaps, and opportunities in public transparency relating to EU grant funding.

The EC and grant beneficiaries should be required to adapt their transparency practices to respond to the Working Group's evolving Transparency Guidelines.

**Recommendation 3.** The EP is recommended to consider proposing an amendment to the EC's proposed revision of the Financial Regulation requiring NGOs awarded EU grants to publish details of funding received from other sources over a five-year period, for any individual source of funding that accounts for more than a certain percentage of the recipient's budget in any year. This should apply both to grants awarded to NGOs under direct management and indirect management. The percentage should be determined and periodically reviewed and updated by the Working Group proposed above (see Recommendation 2). The standard for the publication of this information, to ensure ease of access and analysis, should be determined by the Working Group and specified in the Transparency Guidelines proposed above (see Recommendation 2).

## 11.2 EC Grant Management Systems

*To what extent does the FTS clearly show for all NGOs participating in EU grants via consortia how funds are distributed within grant-funded consortia?*

Despite continuing shortcomings, the FTS is by far the richest source of publicly available data for large scale analysis of grants and contracts managed directly by the EC. FTS data is more complete than at the time of the [2016/17 EP study on NGO funding](#). This improvement is reportedly due to the mainstreaming of the eGrants system. Interview feedback indicates that all case study project grant beneficiaries are listed in the FTS. All entries in the FTS study subset identify the beneficiaries except in two cases where they appear to have been hidden for security reasons. There is no evidence to suggest that entire commitment records are missing from the FTS, although it is impossible to validate this. Although 30% of 2021 Erasmus+ entries in the FTS do not show the

beneficiary's contracted amount, the percentage of entries missing this information is generally no more than 2.6%, which is lower than for all other programmes.

However, the **FTS does not provide any information about how indirectly managed grant funding is distributed amongst NGOs, on what basis, or for what purpose.** This is a significant gap, considering that **both AMIF, and especially Erasmus+, commit large amounts of funding through indirect management.** Regardless of the checks undertaken by intermediate bodies in each Member State, the lack of transparency at EU level makes it **possible for powerful actors to establish, fund, and/ or co-opt EU-funded NGOs in multiple Member States to promote particular narratives, including misinformation, to influence EU policy while remaining effectively hidden at EU level.** Publication of details of indirectly managed NGO grants would not prevent this, but it would make it easier to detect, especially if EU-funded NGOs are required to publish details of organisational funding from other sources. The EC's proposed update of the Financial Regulation introduces new text on the publication of information about indirectly managed funds but it is unclear if the proposed changes simply reflect current practice, or to what extent they will address the issue discussed here.

Public transparency is considerably constrained by the fact that, depending on month in which grants are awarded, there is a **delay of between six and 18 months in publishing the information** in the FTS.

There are also **other aspects of the published FTS data where public transparency could be improved:**

- The 'benefiting country' data is potentially useful but requires significant additional processing, and appears to be unreliable in some cases.
- The FTS shows commitment amounts as indicated in grant agreements but it does not show actual amounts used by each grantee, and this inevitably makes analysis of FTS data less reliable.
- Annual validation by the EC of the data in the FTS is time-consuming and consumes a lot of human resources.
- The FTS web interface has very good search functionality but the way the results are displayed on the web interface is of limited use. The only way to analyse FTS data in any meaningful way is to download it in bulk as a spreadsheet.

Grant beneficiaries must provide the EC with detailed information at the time of application and periodically during project implementation, on the planned and actual utilisation of grant funding, including the planned actual distribution of grant funding between project partners. Thus the EC collects information from grant beneficiaries that could support public transparency, but which is currently not published in the FTS.

A revision to Article 38 of the Financial Regulation proposed by the EC suggests that it may be moving towards the implementation of a public API for the FTS, although the wording of the proposal can be understood in different ways. This would be a significant positive development if this is indeed the case, as it would open up the possibility for third parties to publish their own real-time analyses of FTS data. However, the proposal may simply be referring to data downloadable in spreadsheet format, which is already available.

**Recommendation 4.** The EP is recommended to consider proposing an amendment to the EC's proposed revision of the Financial Regulation requiring published FTS data to include details of

grants made to NGOs under indirect management by intermediate bodies such as (but not only) Member State agencies and UN agencies. If this is already envisaged in the EC's proposed revisions to the Financial Regulation, it should be stated explicitly and the relevant parts of Article 38 and other articles referenced by it should be rewritten in clear and concise language so as to leave no doubt or room for misunderstanding or different interpretations.

**Recommendation 5.** The EP is recommended to consider proposing an amendment to the EC's proposed revision of the Financial Regulation requiring that the EC publish information about EU grants to NGOs no later than six months after the date on which the grant was awarded.

**Recommendation 6.** The EC is recommended to integrate the FTS more tightly into the SUMMA accounting system (the replacement for ABAC) and the eGrants system so that contracted amounts and actual utilisation for all entities are reflected in real time (or with a small delay e.g. 30 days) in the FTS.

**Recommendation 7.** The EC is recommended to develop and integrate data validation tools so that the FTS data validation process is automatic and continuous, and consumes less time and fewer resources.

#### *How consistent is the data in existing EC transparency portals and systems?*

Work on **consolidating grant management systems** started amongst the EC's 'research family' of programmes (e.g. Horizon) in 2013. This **consolidation has evolved into the eGrants system**, and in 2018 the EC decided that, starting with the 2021-2027 MFF, all grants under direct management should be managed using the eGrants system. This is effectively a single, centralised system (comprised of various integrated modules, including the SEDIA funding and tenders portal), as recommended by the previous EP study on NGO grant funding in 2016/17. Nearly all programmes are now using the eGrants system, except for a small number of external policy programmes, which are expected to move to eGrants by early 2024.

The transition to eGrants should greatly facilitate grant management and transparency, and improve exploitation of data, for calls from 2021 onwards. Some programmes were already using the eGrants system by the end of the previous MFF but others were not, and it is **not feasible to transfer information from legacy programmes to the eGrants system**. This means that **it will remain necessary to consult various portals and databases for information about older projects** launched during the 2014-2020 MFF and before. In time, the SEDIA portal (which is a module of the eGrants system) is expected to be the single external point of entry for information about all grant-funded projects under direct management, although it is expected that **some standalone programme-specific databases will continue to be used to provide more detailed information about projects**.

It is **difficult to reconcile information in different publicly accessible EC portals and databases** because they use different conventions to identify projects and grant beneficiaries – there is a lack of common identification keys between different systems and the FTS does not include unique identification keys for projects or grant beneficiaries. The **purpose of, and relationship between, different public EC portals and databases is unclear**, and it is unclear where to look for information about projects funded under different multiannual financial frameworks.

**Finding and extracting data from SEDIA for analytical purposes is currently highly constrained.** It is very difficult to find projects in SEDIA without knowledge of specific details, such as the project number or project acronym, and overall search and data download functionality is

currently very limited. The EC notes that the portal is being continuously developed and new functionality is planned to share more information about project results, as the first projects funded under the 2021-2027 multiannual financial framework are completed. The EC aims to continuously improve SEDIA functionality for grant beneficiaries and other external and internal users with innovative tools, such as artificial intelligence to help detect anomalies in grant applications, and QR<sup>200</sup> codes to facilitate uploading of information by grantees.

NGO feedback indicates general satisfaction with transparency of the grant application and reporting processes but aspects of the EC's reporting requirements and tools are cumbersome, unnecessarily time-consuming, are not well aligned with how NGOs function, and in some cases not contextualised to the differences between action grants and operating grants. **The use of technical language in sometimes poorly drafted documents, and the fragmentation of information across different documents and web pages, is highly problematic.**

The EC is open and receptive to external feedback on its systems. For example, during the course of this study, it has announced that it will publish an FTS 'dictionary' to explain the content of the downloaded data. However, there appears to be no systematic process for consulting external users, and it appears to be reactive rather than proactive.

**Recommendation 8.** The EC is recommended to use common unique entity and project identification keys across all portals and databases to facilitate reconciliation of publicly available information provided by different systems. The use of common unique identification keys between systems will enable bulk data from different systems to be merged for more complex analysis to support policy dialogue.

**Recommendation 9.** The EC is recommended to simplify the SEDIA public user interface.

**Recommendation 10.** The EC is recommended to improve SEDIA's search functionality to make it easier to find specific projects and entities. It should also be possible to download data in bulk for further analysis, both from SEDIA and programme-specific project databases, where these continue to be maintained outside SEDIA.

**Recommendation 11.** The EC is recommended to publish, and periodically update, information about the development of the eGrants system and what it covers. It should also explain what other public-facing portals and databases are available (e.g. programme-specific project databases), why they exist, and what information they provide. It should provide guidance on where to look for different information. For example, it is not clear what information can be found in SEDIA about projects funded under the previous multiannual financial framework.

**Recommendation 12.** Where standalone publicly accessible programme-specific databases and portals continue to be maintained, the EC is recommended to standardise their layout and functionality to make it easier for external users to interact with them and find the information they need.

**Recommendation 13.** The EC is recommended to establish a panel of external users, including representatives of the EP, the NGO sector and researchers, to consult proactively and systematically on the functionality and user-friendliness of its public-facing systems.

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<sup>200</sup> QR – [Quick Response](#)

## 11.3 NGO funding

*Which are the top 10 NGO recipients of grant funding for each of the case study programmes?*

During the years 2020 to 2022, the three case study programmes made 7 487 grant commitments to 4 310 NGOs amounting to approximately EUR 1 billion covering 2 266 projects. This equates to 5.8% of all grants (all EU budget programmes included in the FTS) to NGOs and 0.3% of all EU budget commitments. AMIF accounts for just 6% of grant commitments made to NGOs by the three case study programmes under direct management, while Erasmus+ accounts for 49% and LIFE 45%.

**There are significant differences between the three case study programmes in the split of commitments to NGOs between action and operating grants.** 57% of Erasmus+ commitments (by value) to NGO from 2020 to 2022 cover operating grants while 98% of LIFE commitments and all AMIF commitments cover action grants.

There are also **significant differences** in the percentage of funding managed by each of the three case study programmes under **indirect management**. This is important when considering the **transparency of EU grant funding** for NGOs because **grants awarded to NGOs by intermediate bodies** (such as, but not only, Member State agencies and UN agencies) under **indirect management are not recorded in the FTS** (although commitments to the intermediate bodies are shown). 81% of Erasmus+ commitments (approximately EUR 8 billion) and 35.1% of AMIF commitments (approximately EUR 2 billion) from 2020 to 2022 are managed under indirect management, and presumably this includes grants made to NGOs by intermediate bodies.

**Belgium is by far the top beneficiary country** of the three case study programmes, with EUR 200 million in directly managed grant commitments to NGOs from 2020 to 2022. This is double the amount awarded to Spain, the next largest recipient of funds. Six Member States appear in the list of the top 10 recipients of directly managed NGO grants for all the three of the case study programmes: Belgium, Spain, France, Italy, Netherlands, and Germany (these are listed by value of total grant commitments in descending order). **13 Member States do not appear** amongst the top 10 beneficiary countries of any of the three case study programmes. **This raises important questions** about the geographic distribution of NGO grant funding, who it benefits, and the extent to which its distribution corresponds to EU policy priorities.

**Recommendation 14.** Due to the emphasis of this study on the distribution of directly managed grants within multi-beneficiary projects, the EP is recommended to consider commissioning additional research into (a) operating grants (mono-beneficiary grants) to NGOs, and (b) grants awarded to NGOs by intermediate bodies under indirect management. It is recommended that these two subjects are addressed as two distinct pieces of research.

**Recommendation 15.** The EP is recommended to consider commissioning analysis of the geographic distribution of EU NGO grant funding to assess the extent to which it corresponds to EU policy priorities.

## 11.4 Rules and guidance

*What are the key visibility and transparency requirements in legal documents and programme guidance? How clear and consistent are the rules on subcontracting and sub-granting?*

This is another area where the **EC has addressed concerns raised in the previous EP study** on NGO grant funding. While there are some variations in grant agreements used by different

programmes, they are all now based on a single, **centralised Model Grant Agreement**. Moreover, there is now a **single grant management regime** covering all programmes. As far as the three case study programmes are concerned, there is a **high level of consistency** in the rules and guidance in key areas, such as visibility and transparency, subcontracting, and sub-granting (cascading), although sub-granting is rarely used in the three case study programmes.

The use of **complex or technical language** makes it harder for grant applicants and beneficiaries to understand some rules, and some interviewees suggest that interpretation of specific rules and guidance can sometimes vary between members of EC staff.

Rules and guidance on the visibility of EU funding relate almost exclusively to the display of the EU logo, but there is little guidance on promoting systematic accessibility to more substantive information on EU funding.

**Recommendation 16.** It is recommended that the EC screen the language used in rules and guidance to ensure that it is clear and concise and leaves no room for uncertainty or different interpretations. The EC is recommended to establish a panel of external users to help identify and clarify problematic text, as this may be difficult for staff and experts who are constantly immersed in the subject.

## 11.5 NGO public transparency

*To what extent, and how, do NGOs disclose information on EU funding they receive and how grants are distributed between them?*

While the previous study noted a lack of information about project results and outcomes, the present study has found much more information on project websites. However, this observation may be due to the different focus of the two studies, rather than improvements in transparency – the previous study focused more on external policy areas, while the present study exclusively looks at internal policy areas.

In practice, the **rules for grant beneficiaries on visibility and transparency are limited, fragmented**, and do not address transparency in a systematic or comprehensive way. Interviewed NGOs indicate their readiness to further enhance the visibility and transparency of EU grant funding and would welcome more concrete guidance from the EC about this.

EU-funded **NGOs generally meet EU visibility and transparency requirements** but the presentation and organisation of information on NGO websites **does not ensure public transparency**. Grant-funded projects have dedicated websites that provide information about project partners, objectives, actions, and results. The type and amount of **information** provided on project websites, and how it is presented, **varies between projects**. They provide varying amounts of information about project funding, and **do not indicate the distribution of grant funding** between partners. Project websites **do not systematically link to partners' websites** or to project entries in relevant public EC databases. Project partners' **own websites (as opposed to project websites) provide less information about EU funding**, and none provides a summary of EU funding over several years, as recommended by the previous EP study on NGO funding.

**Disclosure of other sources of funding** at both project and organisational levels is generally **limited, unsystematic and unclear**. This is problematic, as it potentially hides powerful interests that might be making systematic efforts to influence EU policy. This is particularly problematic where links between EU-funded project websites and individual beneficiary websites are missing or

do not work. While some organisations identify 'partners', **no distinction is made between funding organisations and technical cooperation partners**. Where the logos of other funding organisations are displayed they are not linked to specific projects and there is **no information about actual funding received**.

Interviewed case study NGOs indicate their readiness to further enhance the visibility and transparency of EU grant funding and would welcome more concrete guidance from the EC about this.

**Recommendation 17.** EU-funded NGOs are recommended to adopt a more proactive approach to public transparency that goes beyond the minimal existing requirements of EU grant funding. There should be clearer and more systematic presentation of information on organisational and EU-funded project websites covering EU and other grant funding (covering specific projects and more generally), and project objectives, results and impact. There should be consistency between the information provided on organisational and project websites, and information about EU-funded projects should be included on all grant beneficiaries' websites – not only on project websites. Project and organisational websites should be systematically linked to each other and project websites should include links to information about the project on EC portals and databases. Project and organisational websites should clearly show the organisational Participant Identification Code (PIC) and the project identification number.

**Recommendation 18.** EU-funded NGOs are recommended to engage actively with the EP and the EC in the Working Group proposed in Recommendation 2 (above) to develop and implement public transparency best practice guidelines for the EC and NGOs.

**Recommendation 19.** It is recommended that the EC provide all NGO grant beneficiaries with code that extracts five years of funding data directly from the FTS and includes links to the corresponding projects' entries in the EC's programme databases. The code should be incorporated into grantees' own websites (rather than project websites) and should ensure that the information is consistently displayed.

*To what extent do NGO management and decision-making systems and processes meet minimum standards, and to what extent do they ensure accountability and transparency?*

NGO governance and management systems are as diverse as the sector itself and it is **questionable whether there is a benefit in attempting to define common minimum standards for general NGO governance and management** (the way the organisations are overseen and administered internally). This is connected to, but different from, the question of setting minimum standards in the regulatory frameworks of Member States to enable the work and freedoms of NFPOs, and which a range of initiatives at the level of the EP and the EC are rightfully seeking to establish. In the more specific field of NGO accountability standards, the current predominant self-regulation approach has significantly raised the bar over the past two decades, but retains critical weaknesses which might be overcome with a dialogue on a co-regulation approach. Some NGO accountability and transparency systems and processes are driven by **EC requirements, which focus almost exclusively on financial accountability**. Others go beyond this by focusing on impact and social legitimacy, which are conspicuously absent from EC rules and guidelines. There are concerns that **compliance with combined national and EC requirements** is excessively burdensome and **constrains NGO mission delivery**. There are also concerns that heavy regulatory requirements create tension with the ethos of organisations that rely heavily on volunteers. Any potential co-regulation approach would need to address and achieve a fair balance between accountability

burdens and benefits for both NGOs and the EU, and maintain a focus on enabling NGOs as key actors in support of fundamental EU values of democracy, rule of law and human rights.

**Recommendation 20.** It is recommended that the EC engage in dialogue with the NGO sector to introduce greater emphasis on impact, sustainability, and social legitimacy into its grant funding accountability framework. At the same time the EC is recommended to initiate dialogue with Member States and the NGO sector to explore how greater synergy and reduction of effort can be achieved across EU and national regulatory burdens and other frameworks, including through an efficient co-regulation approach. This will allow NGOs to devote more resources to core mission delivery and realise their positive potential for civic engagement.

## 11.6 NGO management and decision-making culture

*To what extent do NGO management and decision-making systems and processes meet minimum standards, and to what extent do they ensure accountability and transparency?*

As a field of practice, **NGO governance and management works with a range of approaches** from different sectors including corporate business and public administration. **Defining or establishing compliance with a firm set of 'minimum standards' for NGO governance and management is problematic** given the huge diversity in organisational purposes and also the different cultural and political histories that inform how civic organisations are formed in EU member states. Nevertheless, some general models with key characteristics can be identified, which in turn are adapted by organisations in response to key external dynamics and multiple accountability demands that organisations need to meet. NGOs across the spectrum, including several of the case study organisations, often **use both formalised and more fluid policies and systems to establish and maintain organisational accountability cultures**. Such instruments range, for example, from formal Code of Ethics and procurement policies to team agreements and value frameworks. In other cases organisations demonstrate more 'reactive' approaches to accountability, in which they largely follow the demands of donors and regulators. The decisions that organisations make about their approach to accountability are often a function of leadership culture, risk appetite, and an assessment of how to best balance the workload and opportunities that come with a more proactive or reactive stance with regards to meeting external accountability demands.

## 11.7 Good Practice Approaches to Regulation

*What examples of good practice can be found regarding transparency and democratic accountability in the use of EU funds, and transparency in public funding of NGOs beyond the EU?*

The issue of NGO accountability has become more prominent in view of their influence and role, and in response to scandals in recent years. **Top-down government-imposed regulatory approaches lead to perceptions that governments are effectively controlling NGOs**. Reliable **verification of proper use of EU funding can already be supported** by a range of existing instruments, without the addition of a significant bureaucracy by the EU institutions themselves. The accountability considerations of EU-funded NGOs are driven largely by EU funding requirements. The bureaucratisation of formal accountability processes in favour of donors risks undermining the development of meaningful accountability relationships between NGOs and their beneficiaries or target groups. There are diverse regulatory mechanisms across the 27 EU member

states. **The way forward may be a co-regulation approach** in which funders build on existing, recognised self-regulatory systems.

Globally, the EU is by far the largest funder of civil society organisations. **Other significant donors tend to engage directly with fewer grantees, and they provide larger grants within relatively limited bands covering several years.** In contrast, the **EC engages directly with thousands of NGOs and provides grants covering a huge range of values** down to a few thousand Euro, and these are all managed in the same way. Accountability in the context of grants managed directly by the EC focuses almost exclusively on financial accountability, which consumes enormous resources on the part of the EC and grant beneficiaries. Thus there is **already heavy emphasis on verification, by the EC**, of proper use of EU funding by NGOs, although much of the information is not publicly available. Some organisations have limited diversity of funding and are heavily dependent on grants managed directly by the EC.

**Other major grant giving bodies tend to focus more on impact and sustainability** – sustainability is ensured by limiting NGO reliance on any single donor. Some organisations have limited diversity of funding and are heavily dependent on grants managed directly by the EC.

NGOs would welcome greater EC emphasis on impact, and suggest that the EC could do more to showcase their work to wider audiences, and especially to key national actors, as NGOs' EU-funded work generates results and learning that has implications for national policy debate.

**Recommendation 21.** The EC is recommended to consider undertaking a strategic review of its grant-giving strategy in consultation with the NGO sector to identify possible options for streamlining the strategy and strengthening impact and sustainability of organisations, sectors and the change they work for.

**Recommendation 22.** The EC is recommended to consider the adoption of a co-regulation approach, applicable to all NGOs with which it has a grant funding, policy making or service delivery relationship. This co-regulation approach should build on a self-regulation approach agreed by the EC and the European NGO sector, but with added third party validation and recourse to systems such as certification and ombuds systems supported by the EU.

## 11.8 NGO definition

*What developments have there been in the development of a standardised definition of NGO for use by EU institutions?*

The significant diversity of civil society and the dynamic way in which it organises itself involves some challenges when the different bodies of the EU seek to structure their relationships with the sector, and this can be seen in the variety of terms used to describe civil society organisations across various EU instruments. **A common EU definition of 'NGO' is therefore an attractive idea.**

The **proposed recast of the Financial Regulation** introduces an EU definition of 'NGO' for the first time, but this **explicitly excludes trade unions**, without explanation. This appears to be out of step with the concept adopted by the Council of Europe and may not be in line with the European Convention on Human Rights.

**Governments and corporations increasingly impersonate civil society structures to promote their interests** through digital social media mobilisation techniques. The proposed definition of 'NGO' emphasises the independence of NGOs from government. However, **without full**

**transparency of NGOs' sources and levels of funding, it will remain difficult to understand to what extent NGOs are financially dependent on governments and corporations**, and thus subject to their influence and instrumentalised to influence public opinion to promote their agendas.

Finally, **rather than defining what an 'NGO' is** solely on the basis of its legal form at the point of national registration, the **concept of EU co-regulation** of NGO accountability proposed in this study **may offer a better approach** for regulating the EU's engagement with civil society organisations. This would include a formalised status independent of national registration to reflect the increasing levels of cross-border activities of NGOs.

**Recommendation 23.** Rather than attempting to define what an 'NGO' is based solely on legal form at the point of registration, it is recommended that the EU institutions instead consider adopting a co-regulation approach (Recommendation 22) that focuses not so much on what an NGO is in terms of legal form, but rather on what they do, and the principles and standards they adhere to in their interactions with the EU. This should include a formalised status independent of national registration to reflect the increasing levels of cross-border activities of NGOs.

## 11.9 Transparency Register

*What developments have there been in the Transparency Register since the 2016/17 EP study and how have these affected the reliability of the register?*

**The TR on its own cannot guarantee transparency.** Its usefulness also depends heavily on how and to what extent EU institutions make use of it. There is **considerable scope for the EU institutions to strengthen the overall transparency system** by strengthening internal rules and their application, and adjusting internal systems to make information about meetings with interested representatives more easily accessible.

**From a public perspective the TR currently offers limited benefits**, as it is only possible to inspect entries one at a time, and it is not dynamically linked to data on interest representatives' meetings with decision-makers in EU institutions. Bulk downloadable data is updated only every six months, and although it includes a lot of information about the registered organisations, it does not include any information about the meetings they have had with representatives of EU institutions.

**The main developments since the previous EP study on NGO funding relate to the 2021 IIA.** The Council of the European Union became a signatory to the agreement, which also introduced conditionality requirements and complementary measures, to promote the use of the TR by the three main EU institutions, and place requirements on top decision-makers to publish information about meetings with interest representatives. However, **each institution has different conditionality requirements and complementary measures**, which in itself is an obstacle to transparency, and with the exception of top decision-makers, the **complementary measures tend to be advisory rather than mandatory**. The new agreement also introduced the possibility for other EU bodies to introduce similar requirements and measures without becoming a signatory to the IIA, although none had done so by the time of publication of the 2022 annual report on the TR.

As far as the TR itself is concerned, the main development is the introduction of three organisational categories with **different financial disclosure requirements**. This has made working with the TR more complicated and burdensome for NGOs, but no evidence has been provided to suggest that recent developments have enhanced the reliability of the register. Some feedback suggests that this

development has **made the TR less reliable, as it increases the possibility of errors and creates a distorted picture of the value of interests represented** by different organisations in the register.

The EP and the EC use different, unconnected systems for recording and publishing information about meetings with interest representatives. This is also a barrier to public transparency. A single common system dynamically linked to the TR would be more efficient and transparent and would also make it easier to track and analyse the lobbying activity of different organisations across EU institutions and bodies. Transparency would be further enhanced if lobbyists (interest representatives) were to publish lists of meetings held with representatives of EU institutions and bodies but this would be difficult to enforce and the information would likely be difficult to find and/or inconsistently presented. In any case, a well-functioning transparency system for EU institutions and bodies should capture all the relevant information in a systematic and comprehensive manner.

While this study focuses on EU-funded NGOs, it is important that the same requirements apply equally to all types of lobbyist. Indeed, NGOs receiving grants from the EC under direct management are subject to extensive scrutiny as part of the grant awarding process. For this reason, it could be argued that there may be greater risk of hidden influence over organisations that engage with EU institutions where there is no direct funding relationship with the EC.

**Recommendation 24.** To promote transparency, it is recommended that:

- 24.1. All EU bodies be required to participate in the Interinstitutional Agreement.
- 24.2. The EU institutions harmonise their conditionality requirements and complementary measures, and systems for recording meetings with lobbyists – ideally there should be a single, global set of conditionality requirements and complementary measures, and a single, centralised system for registering the meetings of all EU institutions and bodies with interest representatives.
- 24.3. Information about EC and MEP meetings with interest representatives be made available for bulk download and analysis in a standardised machine-readable format.
- 24.4. The same disclosure requirements are applied to all types of organisation registered in the TR; in particular, they should all be required to disclose their income and the amount spent on lobbying.
- 24.5. Where organisations have been assigned a unique Participant Identification Code (PIC) as a result of engagement with the EC's eGrants system, this number should be included in a separate field in the TR to enable rapid and accurate reconciliation of information in the TR with information in other EC systems.
- 24.6. Entries in the TR are dynamically linked to information about interest representatives' meetings with representatives of EU institutions.
- 24.7. Bulk data can be downloaded from the TR in real time to ensure that it is always up to date. Ideally, all transparency data should be available via application programming interfaces so that researchers and other external users can develop tools to undertake real-time analysis.

**Recommendation 25.** To improve the functionality and effectiveness of transparency systems, it is recommended that the EP and the EC engage more proactively with external stakeholders regarding the content and functionality of such systems, including the TR and registers of meetings with lobbyists.

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## **ANNEXES**

## Annex 1. Methodology

### General approach

The findings, conclusions, and recommendations in this study are based on: interviews with staff of EU institutions (mainly the EC, but also the EP and the ECA), grant-funded NGOs, and NGO umbrella organisations; analysis of EU regulations, and programme rules and guidance; analysis of grant-funded NGO websites; analysis of EC portals and databases relating to NGO grant funding; and analysis of the bulk FTS data downloaded from the FTS web page.

The research focused on three case study programmes, Asylum, Migration and Integration Fund (AMIF), Erasmus+ (EU programme for education, training, youth and sport), and the Programme for Environment and Climate Action (LIFE), and two case study projects within each of these three programmes. The case study projects were selected using a statistical methodology on the downloaded FTS data, filtered on 2021 financial commitments only, and projects involving multiple organisations and implemented in multiple countries. For the selection of the case study projects, 2021 commitment data was used, as this was the most recent data available from the FTS during the study, and the first year of the current Multi-Annual Financial Framework (MFF). As such, it was considered more likely than older data to provide an up to date picture of the completeness of data in the FTS. Older data may not reflect changes that have been introduced in the current MFF. Furthermore, had older projects been selected, there would have been a possibility that relevant NGOs might not have up to date experience of EU grant funding. The focus on multi-beneficiary projects reflects the concern in the terms of reference regarding the distribution of funding between project partners. This means that the research and analysis undertaken for the study focuses on action grants, as operating grants are limited to single beneficiaries. Within each case study project, the research focused on two case study NGOs, namely the project coordinator and a secondary NGO. When selecting secondary NGOs, the study team aimed to maximise the geographic diversity. It was not possible to engage with one of the selected Erasmus+ projects and this was replaced with another project. The case study organisations are listed in Annex 3 below.

Analysis of the FTS data covered financial commitments from 2020 to 2022.

Although no longer a member of the EU, the UK is included in the analysis of the FTS, as it was amongst the top 10 beneficiary countries for both the Erasmus+ and LIFE programmes between 2020 and 2022.

### FTS analysis

The complete FTS data for 2020 to 2022, consisting of 289 484 records, was downloaded. This was then filtered to include only records meeting all of the following criteria:

- Record relates to the AMIF, or Erasmus+, or LIFE programmes;
- The beneficiary is flagged as either an NGO or NFPO;
- The type of contract is either an action grant or an operating grant;
- The funding is subject to direct management.

FTS data can be downloaded in the form of a spreadsheet which has 39 columns. The primary financial column used for the analysis covered in this document is **Column Q, 'Beneficiary's contracted amount (EUR)'**. This column shows the amount committed from the EU budget in a specific year to cover the costs of a given beneficiary for the implementation of a given project. In

the case of a multi-beneficiary project, for example where the project is implemented by an NGO consortium, this column shows the amount allocated to each NGO, as specified in the grant contract at the time that the project is first registered in the FTS. Once this amount has been registered in the FTS, it is not subsequently updated. The sum of the amounts shown in this column for a given project equate to the total commitments to the project. The amount in Column Q is not updated in the FTS after it is first registered in the FTS.

Table 13 below summarises key attributes of the downloaded data for the case study programmes. There are 7 487 commitments, but only 2 656 unique commitment reference numbers (this is explained below). These cover 2 266 projects, with 4 310 unique beneficiaries,<sup>201</sup> and total funding amounting to EUR 1 013 702 658. In Table 13, the total number of unique beneficiaries is not 4 310, but 4 425 because some beneficiaries have received grants under more than one programme and are counted under each programme in this table.

Table 13: Key attributes of FTS data used for the analysis

Programme	Entries	Commitment reference numbers ('Reference (Budget)' in the FTS)	Projects ('Subject of grant or contract' in the FTS)	Beneficiaries ('Name of beneficiary' in the FTS)	Beneficiary's contracted amount (EUR)
	(Count)	(Count of unique)	(Count of unique)	(Count of unique)	
AMIF	385	79	73	279	61 773 739
Erasmus+	5 532	1 849	1 635	3 289	494 904 233
LIFE	1 570	728	558	857	457 024 686
<b>Total</b>	<b>7 487</b>	<b>2 656</b>	<b>2 266</b>	<b>4 425*</b>	<b>1 013 702 658</b>

Each record represents a grant commitment to a beneficiary in a given year for a specific project. In the case of multi-beneficiary projects, the same commitment reference ('Reference (Budget)') is repeated for each beneficiary of the project. This explains why there are more unique commitment reference numbers than there are projects. For example, the project 'SECTOR SKILLS ALLIANCES: DIGITAL TRANSFORMATION MANAGER: LEADING COMPANIES IN FURNITURE VALUE CHAIN TO IMPLEMENT THEIR DIGITAL TRANSFORMATION STRATEGY' has seven beneficiaries, which all share the same commitment reference (see Table 14 below).

<sup>201</sup> Some beneficiaries appear multiple times in the data. 'Unique beneficiaries' means that each beneficiary is counted only once.

Table 14: Example of single commitment reference covering multiple beneficiaries

Year	Reference (Budget)	Name of beneficiary	Beneficiary's contracted amount (EUR)
2018	D45.B1818.002841.1	ASOCIACION EMPRESARIAL DE INVESTIGACION CENTRO TECNOLOGICO DEL MUEBLEY LA MADERA DE LA REGION DE MURCIA*CETEM	83 105
2018	D45.B1818.002841.1	ASSOCIACIO AGRUPACIO MOBLE INNOVADOR DE CATALUNYA-AMIC	84 504
2018	D45.B1818.002841.1	CENTRE DE DIFUSIO TECNOLOGICA DE LA FUSTA I EL MOBLE DE CATALUNYA FUNDACIO*CENFIM CATALONIAN WOOD AND FURNITURE DISSEMINATION CENTER	145 494
2018	D45.B1818.002841.1	FEDERAZIONE ITALIANA DELLE INDUSTRIE DEL LEGNO DEL SUGHERO DEL MOBILEE DELL' ARREDAMENTO ASSOCIAZIONE*FEDERLEGNO-ARREDO	105 315
2018	D45.B1818.002841.1	OGOLNOPOLSKA IZBA GOSPODARCZA PRODUCENTOW MEBLI	37 104
2018	D45.B1818.002841.1	U.E.A. ZS	43 944
2018	D45.B1818.002841.1	WOODWIZE	117 650
<b>Total for project in 2018</b>			<b>617 116</b>

In general, one project is associated with a single unique commitment reference number.<sup>202</sup> However, some projects are each associated with 2 or more unique commitment reference numbers. This might, for example, occur where a project receives commitments in different years.

### 'Management type'

While the FTS includes both direct and indirect management funding, FTS data for the three case study programmes includes only direct management funding. Thus analysis of the three case study programmes below relates only to direct management funding.

### Project and NGO sampling methodology

To perform the project sampling, the FTS data was further filtered to include only 2021 commitments. For each of the three case study programmes, the FTS data was further filtered to include only projects with three or more grant beneficiaries located in the three or more countries. This was done to reflect the emphasis in the terms of reference on the distribution of funding between project partners. The projects at several quantiles within each programme were then identified. The quantiles used were 0.25, 0.30, 0.35, 0.4, 0.75, 0.8, 0.85, and 0.90.

The starting point was to select projects at the 0.35 and 0.85 quantiles within each programme (i.e. two projects per programme). The aim was to engage with projects at the lower and higher ends of

<sup>202</sup> Projects are identified by their title in the column 'Subject of grant or contract'.

the 2021 commitment range for each programme, in order to ensure that the research would encompass diverse experiences. The selection process also aimed to ensure that the case study research would cover as many Member States as possible. This meant that in one or two cases projects at other quantiles were selected. In the case of Erasmus+, it was not possible to engage with one of the selected projects, and this meant selecting an alternative project at another quantile.

For each case study project, the research team engaged with the project coordinator and a secondary NGO. Selection of the secondary NGO again took geographic coverage into consideration. The case study organisations are listed in Annex 3.

## Annex 2. Overview of the structure of data downloadable from the FTS

The downloadable FTS data provides financial information at two levels, namely:

- **Project level** ('commitment level' in DG BUDG terminology). It is important to note that a project may be covered by more than one commitment,<sup>203</sup> but one commitment relates to just one project. For the purposes of the FTS analysis in this report, each project is considered as equating to a single commitment reference.
- **Beneficiary level:** Four columns provide information about project-level funding and three columns provide information about beneficiary funding in the case of multi-beneficiary projects (e.g. an NGO consortium).

References to Columns Q to W below refer to the columns in the FTS data download spreadsheet.

### The four project-level financial columns are:

- **Column T – Commitment contracted amount (EUR) (A):** Once entered in the FTS, this amount is not subsequently updated. This is the amount reserved from the EU budget to cover the costs of a given project in the financial year of reporting. It represents the total funding reserved for a project from the EU budget or European Development fund at the time the project is first registered in the FTS. It is the total amount that the EC has committed to a project in the year of reporting. In the case of a multi-beneficiary project (e.g. a project implemented by an NGO consortium), the total amount committed to each project is replicated for each beneficiary and it is therefore important not to sum the amounts in this column, as this results in an inaccurate, and greatly inflated picture of project value.
- **Column U – Additional/Reduced amount (EUR) (B):** Project implementation usually takes place over several years. This column shows changes in the amount reserved from the EU budget for a given project resulting from changes in the project cost notified after the project was first registered in the FTS. This amount may be positive (reflecting an increase in project cost) or negative (reflecting a reduction in project cost). This amount is updated in the FTS on a quarterly basis. Due to a technical issue, the last quarterly update of the FTS was in March 2022 and as of the time of writing, end users of the FTS can see only the latest quarterly update as of the date of the annual FTS update and publication on 29 June 2022. The next annual publication of the FTS is scheduled for June 2023. Thus, as of March 2023, the amounts in this column show the picture as of 29 June 2022. As with Column T, the amounts in this column are replicated for each beneficiary in the case of multi-beneficiary projects and should not be summed, as this results in an inaccurate, and greatly inflated picture of project value.
- **Column V – Commitment total amount (EUR) (A+B):** This is the sum of columns T and U above and is therefore automatically updated on a quarterly basis. It shows the revised commitment to a project (amount reserved from the EU budget), at the time of the quarterly and annual updates and publication of the FTS.
- **Column W – Commitment consumed amount (EUR):** This column shows the sum of payments already made for a given commitment. The amount shown in this column evolves over time and is updated in the FTS on a quarterly basis. As with Column U, end users of the FTS can at present see only the latest quarterly update as of the date of the annual FTS update and publication on 29 June 2022. Thus, as of March 2023, the amounts in this column show the picture as of 29 June 2022. The amount shown in this column cannot be greater than the amount shown in Column V.

<sup>203</sup> The commitment reference is stored in Column D 'Reference (Budget)' in the FTS data download spreadsheet

### The three beneficiary-level columns are:

- **Column Q – Beneficiary’s contracted amount (EUR):** This column shows the amount reserved from the EU budget to cover the costs of a given beneficiary for the implementation of a given project. In the case of a multi-beneficiary project, for example where the project is implemented by an NGO consortium, this column shows the amount allocated to each NGO, as specified in the grant contract at the time that the project is first registered in the FTS. As in the case of Column T, once this amount has been registered in the FTS, it is not subsequently updated. The sum of the amounts shown in this column for a given project equate to the total project cost shown in Column T. As with Column T, the amount in Column Q is not updated in the FTS after it is first registered in the FTS.

In the case of multi-beneficiary projects, the amounts allocated to each beneficiary are not always available in ABAC. It is understood that the reason for this is that the information is not always provided by the relevant EC department. In these cases, the entire project commitment is assigned in Column Q to the project coordinator, with no amount recorded for the other project beneficiaries. If there is no project coordinator registered in ABAC, the amount shown in Column Q for each beneficiary is the total project commitment divided by the number of project beneficiaries (i.e. the total project commitment is notionally divided equally between all the project beneficiaries).

- **Column R – Beneficiary’s estimated contracted amount (EUR):** This shows the revised commitment to each beneficiary and is calculated using Column V and Column Q. In the case of a multi-beneficiary project (e.g. NGO consortium), the revised project-level commitment (Column V) is automatically divided between the beneficiaries according to their share of the project-level commitment first published in the FTS. Any amendments to the grant contract are not taken into account (e.g. change of beneficiary responsibilities within a consortium, bankruptcy of beneficiary, etc.). For example, a project has an initial commitment of EUR 100 000 and the grant contract specifies that this will be distributed between three beneficiaries on the following basis: EUR 60 000 (60%), EUR 20 000 (20%) and EUR 20 000 (20%). The project value is subsequently reduced to EUR 80 000. The share of each beneficiary shown in Column R is automatically adjusted as follows: EUR 48 000 (60%), EUR 16 000 (20%), and EUR 16 000 (20%). Column R is updated quarterly but as noted above, due to a technical issue, the most recent quarterly update visible to end users of the FTS is from 29 June 2022.
- **Column S – Beneficiary’s estimated consumed amount (EUR):** This is calculated using Column Q 'Beneficiary's contracted amount' and Column W 'commitment consumed amount' (total payments made by the EC for a given project). It is a calculated estimate of the total payments made to a given beneficiary, based on the initial percentage of the project budget reserved for that beneficiary. It is understood that it does not factor in any change of responsibility after the date on which the commitment is first published in the FTS **i.e. it does not factor in any internal redistribution of a project's budget within a multi-beneficiary project (e.g. within an NGO consortium).**<sup>204</sup> It is updated on a quarterly basis. As of March 2023, the most recent update publicly available in the FTS is from 29 June 2022, i.e. the date of the last annual FTS update and publication.

<sup>204</sup> DG BUDG notes that such changes *can* be recorded in ABAC but it remains unclear to what extent they are actually recorded in ABAC and to what extent, if any, they are recorded in the FTS. DG BUDG notes that Article 38 of the Financial Regulation does not oblige the EC to update or revise the annual FTS publications retroactively. It further notes that the FTS annual publications are subject to data quality checks and controls which assure the correctness and completeness of the published data, although it does not explicitly state if these checks lead to updating of the FTS to take account of internal redistribution of grant commitments over the preceding 12 months.

To facilitate the analysis for the study, two calculated columns were added to the downloaded dataset:

- A 'Programme' column was added with the following values: 'AMIF', 'Erasmus+', 'LIFE', or 'All other programmes' based on the value in the original 'Programme name' column;
- A 'Type of NFPO/ NGO' column was added with the following values: 'NFPO & NGO', 'NFPO', 'NGO', or '-' based on the values in the 'Non-governmental organisation (NGO)' and 'Not-for-profit organisation (NFPO)'. In the new column '-' was used to denote beneficiaries that are not flagged as NGO or NFPO.

### Annex 3. Details of case study projects and beneficiary organisations

The data in the following table is extracted from the 2021 commitment data downloaded from the FTS July 2023.

The first column indicates the organisations that were selected for interview. For each project, two of the consortium partners were selected as case study organisations. In all cases the project coordinator was selected. The selection of the second case study organisation in each case aimed to ensure diverse geographic coverage across all projects, and diversity of commitment amounts within each project.

Table 15: Case study projects and beneficiary organisations

Selected as case study organisation	Name of beneficiary	Country	Type of NFPO/ NGO	Coordinator	Beneficiary's contracted amount (EUR)
<b>AMIF – JAG.865583.1 – HUMANITARIAN CORRIDORS INTEGRATION PATHWAYS PROGRAM: FOSTERING BETTER INTEGRATION OPPORTUNITIES FOR PEOPLE IN NEED OF PROTECTION THROUGH STRENGTHENED PRIVATE SPONSORSHIP SCHEMES – (HUMCORE) – (0.85 quantile)</b>					<b>1 703 812</b>
Yes	COMUNITA DI S EGIIDIO ACAP ONLUS ASSOCIAZIONE*ASSOCIAZIONE CULTURA ASSISTENZA POPOLARE	Italy	NFPO	Yes	399 931
	ASSOCIACION COMMUNAUTE SANT'EGIDIOFRANCE	France	NFPO & NGO	No	189 268
	COMUNITA PAPA GIOVANNI XXIII	Italy	NFPO	No	188 401
	CONSIGLIO NAZIONALE DELLE RICERCHE	Italy	-	No	178 059
	SODERTORNS HOGSKOLA*	Sweden	-	No	136 457
	FORSKINGSCENTRUM FOR EUROPEISK FLERSPRAKIGHET OPPET BOLAG	Finland	-	No	131 834
	SOCIETA DANTE ALIGHIERI	Poland	NFPO	No	104 341
	FUNDACION BLANQUERNA*FB	Spain	NFPO	No	100 152
Yes	INSTITUTE OF SOCIAL RESEARCH AND POLICIES	Bulgaria	NFPO & NGO	No	97 937

Selected as case study organisation	Name of beneficiary	Country	Type of NFPO/ NGO	Coordinator	Beneficiary's contracted amount (EUR)
	SANT EGIDIO BXL EUROPE	Belgium	NFPO	No	95 049
	INSTITUTO POLITECNICO DE BRAGANCA*	Portugal	-	No	82 384
<b>AMIF – JAG.887705.1 – 101038549 - EMVI - EMPOWERING MIGRANT VOICES ON INTEGRATION AND INCLUSION POLICIES – (EMVI) – (0.35 quantile)</b>					<b>715 514</b>
Yes	SUDWIND VEREIN FUR ENTWICKLUNGSPOLITIK UND GLOBALE GERECHTIGKEIT*SUDWIND ASSOCIATION FOR DEVELOPMENT POLICY AND GLOBAL JUSTICE	Austria	NFPO & NGO	Yes	217 707
Yes	SYMBIOSIS ASTIKI MI KERDOSKOPIKI ETAIREIA*SYMBIOSIS CIVIL NON PROFIT SOCIETY	Greece	NFPO & NGO	No	125 459
	MOVEGLOBAL BERLINER VERBAND MIGRANTISCHER DIASPORISCHER ORGANISATIONENIN DER EINEN WELT EV	Germany	NFPO & NGO	No	117 177
	COOPERAZIONE PER LO SVILUPPO DEI PAESI EMERGENTI ONLUS	Italy	NFPO & NGO	No	98 110
	MIROVNI INSTITUTE ZAVOD*PEACE INSTIUTE	Slovenia	NFPO & NGO	No	57 645
	KULTURNO DRUSTVO GMAJNA	Slovenia	NFPO & NGO	No	50 441
	MARKTGEMEINDE LUSTENAU	Austria	-	No	9 206
	AFRICAN DIASPORA YOUTH FORUM IN EUROPE ADYFE	Austria	NFPO & NGO	No	8 532
	BERLIN*LAND FEDERAL STATE OF BERLIN	Germany	-	No	8 532
	COMUNE DI EMPOLI	Italy	-	No	7 569
	MIGRANTINNENBEIRAT GRAZ*MIGRANTS ADVISORY COUNCIL GRAZ	Austria	NFPO & NGO	No	7 569
	SKUPNOST OBCIN SLOVENIJE*SOS	Slovenia	-	No	7 569

Selected as case study organisation	Name of beneficiary	Country	Type of NFPO/ NGO	Coordinator	Beneficiary's contracted amount (EUR)
<b>Erasmus+ – PEG.B2121.005558.1 – EUROPEAN POLICY EXPERIMENTATION:NOVICE EDUCATOR SUPPORT AND TRAINING – (NEST) – (0.85 quantile)</b>					<b>1 989 704</b>
	FUNDACION EMPIEZA POR EDUCAR	Spain	NFPO	No	394 779
	UNIVERSITAT DUISBURG ESSEN*	Germany	-	No	321 405
Yes	TEACH FOR BELGIUM	Belgium	NFPO & NGO	No	222 797
	TEACHFORAUSTRIA GEMEINNUTZIGE GMBH	Austria	NFPO	No	195 715
Yes	ZAEDNO V CHAS*TEACH FOR BULGARIA	Bulgaria	NFPO	Yes	184 237
	ASOCIATIA TEACH FOR ROMANIA	Romania	NFPO	No	176 932
	TEACH FOR ALL NETWORK	United Kingdom	NFPO & NGO	No	151 993
	REPUBLIKA BALGARIA*REPUBLIQUE DE BULGARIE REPUBLIC OF BULGARIA	Bulgaria	-	No	110 375
	KONFEDERATSIA NA TRUDA PODKREPA SDRUZHENIE*CONFEDERATION OF LABOUR PODKREPA SD	Bulgaria	NFPO & NGO	No	68 412
	REPUBLIK OSTERREICH* REPUBLIQUE D AUTRICHE REPUBLIC OF AUSTRIA	Austria	-	No	41 597
	COMUNIDAD DE MADRID*COMUNIDAD AUTONOMA DE MADRID	Spain	-	No	40 130
	GENERALITAT DE CATALUNYA*GENCAT	Spain	-	No	40 130
	ROMANIA*ROUMANIE	Romania	-	No	22 673
	KONINKRIJK BELGIE*ROYAUME DE BELGIQUE KONIGREICH BELGIEN KINGDOM OF BELGIUM	Belgium	-	No	6 427

Selected as case study organisation	Name of beneficiary	Country	Type of NFPO/ NGO	Coordinator	Beneficiary's contracted amount (EUR)
	VLAAMSE GEMEENSCHAPSCOMMISSIE*COMMISSION COMMUNAUTAIRE FLAMANDE	Belgium	-	No	6 427
	SECRETARIAT GENERAL DEL ENSEIGNEMENT CATHOLIQUE ENCOMMUNAUTES FRANCAISE ET GERMANOPHONE	Belgium	NFPO	No	5 675
<b>Erasmus+ – PEG.B2121.005834.1 – EUROPEAN YOUTH TOGETHER:YOUTH TOGETHER FOR GREEN AND SUSTAINABLE EUROPEAN SMART VILLAGES – (SMART-Y) – (0.35 quantile)</b> (Not interviewed - not possible to engage with the project coordinator or secondary case study organisation)					<b>398 105</b>
Yes	STOWARZYSZENIE AKTYWNE KOBIETY*ACTIVE WOMEN ASSOCIATION	Poland	NFPO	Yes	398 105
Yes	AMIGOS DE EUROPA LEONARDO DA VINCI	Spain	NFPO	No	0
	ASOCIATIA GEYC	Romania	NFPO & NGO	No	0
	CIAPE - CENTRO ITALIANO PER L'APPRENDIMENTO PERMANENTE	Italy	NFPO	No	0
	STEP INSTITUT, ZAVOD ZA PSIHOLOGIJO DELA IN PODJETNISTVO	Slovenia	NFPO & NGO	No	0
	SYMVOYLIO NEOLAIAS KYPROU*CYPRUS YOUTH COUNCIL	Cyprus	NFPO	No	0
	UNITED SOCIETIES OF BALKANS	Greece	NFPO	No	0
	YOUTHFULLY YOURS SK	Slovakia	NFPO & NGO	No	0
	ZENTRUM FUR INNOVATIVE BILDUNG*INNOVATIVE EDUCATION CENTER	Austria	NFPO & NGO	No	0
<b>Erasmus+ – PEG.B2121.005835.1 – EUROPEAN YOUTH TOGETHER:YOUNG EUROPE - SUSTAINABLE DEMOCRACY BUILDERS – (SDB) – (0.4 quantile)</b>					<b>435 590</b>
Yes	FORENINGEN NYT EUROPA	Denmark	NFPO & NGO	Yes	435 590

Selected as case study organisation	Name of beneficiary	Country	Type of NFPO/ NGO	Coordinator	Beneficiary's contracted amount (EUR)
	ECOMON ASSOCIACIO PEL PROGRES DELMON	Spain	NFPO & NGO	No	0
	EUROPEAN ENVIRONMENTAL BUREAU	Belgium	NFPO & NGO	No	0
	LIGUE FRANCAISE POUR LA DEFENSE DES DROITS DE L HOMME ET DU CITOYEN ASSOCIATION*LDH	France	NFPO	No	0
Yes	MAGYAR TERMESZETVEDOK SZOVETSEGE*NATIONAL SOCIETY OF CONSERVATIONISTS	Hungary	NFPO	No	0
	ORGANOSI GI*ORGANIZATION EARTH	Greece	NFPO & NGO	No	0
	PLATAFORMA PORTUGUESA PARA OS DIREITOS DAS MULHERES - ASSOCIACAO	Portugal	NFPO	No	0
	SINDIKAT STUDENTOV, DIJAKOV IN MLADIH BREZPOSELNIH	Slovenia	NFPO & NGO	No	0
	UMWELTDACHVERBAND GMBH*	Austria	NFPO	No	0
<b>LIFE – SI2.850061.1 – EMISSIONS TRADING EXTRA. MAKING EMISSIONS TRADING WORK FOR EU CITIZENS AND THE CLIMATE – (LIFE ETX) – (0.35 quantile)</b>					<b>936 908</b>
Yes	CARBON MARKET WATCH	Belgium	NFPO & NGO	Yes	444 875
	GERMANWATCH EV	Germany	NFPO & NGO	No	98 337
	THE GREEN TANK	Greece	NFPO & NGO	No	75 781
	VERENIGING WORLD INFORMATION SERVICE ON ENERGY AMSTERDAM	Netherlands	NFPO	No	75 500
	BOND BETER LEEFMILIEU VLAANDEREN VZW*BBL	Belgium	NFPO	No	68 969
	ZWIĄZEK STOWARZYSZEN POLSKA ZIELONASIEC*PZS ALLIANCE OF ASSOCIATIONS POLISH GREEN NETWORK	Poland	NFPO	No	50 906
	LUFTFORORENINGS- OCH KLIMATSEKRETARIATET	Sweden	NFPO & NGO	No	45 045

Selected as case study organisation	Name of beneficiary	Country	Type of NFPO/ NGO	Coordinator	Beneficiary's contracted amount (EUR)
	ZERO - ASSOCISCAO SISTEMA TERRESTRESUSTENTAVEL*ZERO - ASSOCIATION FOR THE SUSTAINABILITY OF THE EARTH SYSTEM	Portugal	NFPO & NGO	No	41 178
Yes	ASOCIACE PRO MEZINARODNI OTAZKY ZS*ASSOCIATION FOR INTERNATIONAL AFFAIRS AMO	Czech Republic	NFPO & NGO	No	24 570
	SVENSKA NATURSKYDDSFORENINGEN I*SWEDISH SOCIETY FOR NATURE CONSERVATION SSNC	Sweden	NFPO	No	11 748
<b>LIFE – SI2.852476.1 – MULTI-STAKEHOLDER LANDSCAPE AND TECHNICAL INNOVATION LEADING TO PEATLAND ECOSYSTEM RESTORATION – (LIFE MULTI PEAT) – (0.9 quantile)</b>					<b>4 269 983</b>
Yes	NATURSCHUTZBUND DEUTSCHLAND (NABU)EV*NABU	Germany	NFPO	Yes	1 087 159
	NATUURPUNT BEHEER,VERENIGING VOOR NATUURBEHEER EN LANDSCHAPZORG IN VLAANDEREN VZW*	Belgium	NFPO & NGO	No	1 077 270
	VERENIGING TOT BEHOUD VAN NATUURMONUMENTEN IN NEDERLAND	Netherlands	NFPO & NGO	No	867 097
	NATIONAL UNIVERSITY OF IRELAND GALWAY*NUI GALWAY	Ireland	-	No	637 197
	OGOLNOPOLSKIE TOWARZYSTWO OCHRONY PTAKOW	Poland	NFPO & NGO	No	310 552
	KLUB PRZYRODNIKOW*	Poland	NFPO & NGO	No	237 629
Yes	EUROSITE THE EUROPEAN LAND CONSERVATION NETWORK	Netherlands	NFPO & NGO	No	53 080

#### Annex 4. Top 10 beneficiary countries 2020-2022 (NGO grant beneficiaries, direct management, case study programmes only)

Beneficiary country	Beneficiary's contracted amount (EUR)
<b>Erasmus+</b>	<b>362 651 252</b>
Belgium	89 707 528
Netherlands	47 138 443
Italy	44 357 197
Spain	33 958 436
Portugal	28 226 066
France	27 158 417
Germany	27 022 418
Poland	25 306 535
Austria	19 966 390
Finland	19 809 822
<b>LIFE</b>	<b>360 301 191</b>
Belgium	104 324 916
France	56 376 339
Spain	51 202 192
Germany	32 042 787
Netherlands	30 776 120
Italy	28 300 744
Slovakia	22 193 773
United Kingdom	12 127 917
Hungary	11 941 513
Poland	11 014 890
<b>AMIF</b>	<b>56 023 840</b>
Italy	15 042 230
Spain	12 970 079
France	6 788 849
Greece	6 499 295
Belgium	5 893 789
Austria	2 226 949
Ireland	1 942 740
Netherlands	1 764 416
Germany	1 635 438
United Kingdom	1 260 054
<b>Grand total</b>	<b>778 976 284</b>

## Annex 5. Comparison of FTS and Erasmus+ project portal data

This annex includes two tables relating to commitments to the Bulgarian Sports Development Association. The two tables show **differences in the number of projects linked with the association in the FTS and the Erasmus+ project database**. The first table is based on **2017-2021** data downloaded from the FTS. The [second table](#) below is based on data downloaded from the Erasmus+ project portal. **The purpose of these two tables is to show differences in the information available from different EC systems**. The data for this organisation has been selected because it is the most frequently occurring name in the Erasmus+ NGO grant data for 2017-2021.

The FTS data includes entity names, and financial amounts, etc., which are not shown here to save space. However, the FTS does not include project or entity IDs. The first table here lists 43 projects linked to the association in the FTS. The Erasmus+ portal (second table below) lists only 22 projects linked to the association.

Table 16: Bulgarian Sports Development Association commitments 2017-2021 (from the FTS)

Subject of grant or contract [project title]	Commitments			
	2017	2018	2019	2020
#SAFESPORTEVENT - USING SPECIFIC PROTOCOLS FOR SAFETY AND SECURITY TAILORED FOR SPORT EVENTS.	0	0	0	1
AN EUROPEAN COLLABORATIVE PARTNERSHIP TO INCREASE WOMEN PARTICIPATION TO PHYSICAL ACTIVITY PROGRAMS/WOMENS HURDLES	0	0	0	1
CAPACITY BUILDING : A PATH TO TRANSPORTACTION	1	0	0	0
CAPACITY BUILDING : HEALTH PRACTICES FOR OWN SELF-IMPROVEMENT	0	1	0	0
CAPACITY BUILDING:WORKING TO APPROACH YOUTH WORKERS AS AGENTS OF A RESPONSE TO DISABILITY	0	0	1	0
E+-SPORT-EA-SUPPORT TO COLLABORATIVE PARTNERSHIPS-A3:AN EDUCATIONAL AND TRAINING PROGRAM FOR OLDER ADULTS AT RISK OF DEVELOPING DEMENTIA THROUGH TABLE TENNIS	0	0	0	1
E+-SPORT-EA-SUPPORT TO COLLABORATIVE PARTNERSHIPS-A3:EMPOWERING WOMEN ATHLETES	0	0	0	1
E+-SPORT-EA-SUPPORT TO COLLABORATIVE PARTNERSHIPS-A3:HEPA (HEALTH ENHANCING PHYSICAL ACTIVITY) - HEALTH AND FITNESS ASSESSMENT FOR SENIORS	0	0	0	1
E+-SPORT-EA-SUPPORT TO COLLABORATIVE PARTNERSHIPS-A3:MULTISPORT COMMUNITY EXPERIENCE	0	0	0	1
E+-SPORT-EA-SUPPORT TO COLLABORATIVE PARTNERSHIPS-A3:SONKEI - RESPECT IN SPORT, RESPECT IN LIFE	0	0	0	1
E+-SPORT-EA-SUPPORT TO COLLABORATIVE PARTNERSHIPS-A3:SPORT & NFE - A PATHWAY TO COMMUNITY DEVELOPMENT	0	0	0	1
E+-SPORT-EA-SUPPORT TO COLLABORATIVE PARTNERSHIPS-A3:SPORT FOR EVERY CHILD: FIT KIDS	0	0	0	1

Subject of grant or contract [project title]	Commitments			
	2017	2018	2019	2020
E+-SPORT-EA-SUPPORT TO COLLABORATIVE PARTNERSHIPS-A3:SPORTS, HEALTH AND FUN FOR PRESCHOOL CHILDREN	0	0	0	1
E+-SPORT-EA-SUPPORT TO COLLABORATIVE PARTNERSHIPS-A3:TRAIN4INCLUSIVE	0	0	0	1
E+-SPORT-EA-SUPPORT TO COLLABORATIVE PARTNERSHIPS-A3:YOUNG EXPLORERS RE-DISCOVER LOCAL COMMUNITIES THROUGH ORIENTEERING	0	0	0	1
SMALL COLLABORATIVE PARTNERSHIPS : BACK2TRACK	0	1	0	0
SMALL COLLABORATIVE PARTNERSHIPS : BUILDING HEALTHY COMMUNITIES, CHANGING OPPORTUNITIES	1	0	0	0
SMALL COLLABORATIVE PARTNERSHIPS : EQUITY THROUGH SPORT FOR YOUTH DEVELOPMENT	1	0	0	0
SMALL COLLABORATIVE PARTNERSHIPS : MOBILITY OF STAFF	1	0	0	0
SMALL COLLABORATIVE PARTNERSHIPS : PLATFORM FOR INCLUSION, CULTURE AND SPORT	1	0	0	0
SMALL COLLABORATIVE PARTNERSHIPS : SAFE IN SPORT	1	0	0	0
SMALL COLLABORATIVE PARTNERSHIPS : START - SPORT TRAINING TO RUN TOGETHER	1	0	0	0
SMALL COLLABORATIVE PARTNERSHIPS:#SPORTOLERANCE	0	0	1	0
SUPPORT FOR COLLABORATIVE PARTNERSHIPS : A EU COLLABORATIVE PARTNERSHIP FOR ACTIVE LIFESTYLES FOR THE PREVENTION AND TREATMENT OF BREAST CANCER- DANCING WITH HEALTH	1	0	0	0
SUPPORT FOR COLLABORATIVE PARTNERSHIPS : ATHLETES BECOMING SOCIAL ENTREPRENEURS! DEVELOPING A GAMIFICATION BASED SOCIAL ENTREPRENEURSHIP TRAINING PROGRAM FOR ATHLETES	0	1	0	0
SUPPORT FOR COLLABORATIVE PARTNERSHIPS : CURRICULAR PATHWAYS FOR MIGRANTS' EMPOWERMENT THROUGH SPORT	0	1	0	0
SUPPORT FOR COLLABORATIVE PARTNERSHIPS : ENCOURAGING GIRLS'PARTICIPATION IN SPORTS - 2	1	0	0	0
SUPPORT FOR COLLABORATIVE PARTNERSHIPS : EXERCISE AS A MEAN TO PREVENT AND RECOVER THE CHRONIC DISEASES	0	1	0	0
SUPPORT FOR COLLABORATIVE PARTNERSHIPS : GOOD GOVERNANCE IN SPORT	1	0	0	0
SUPPORT FOR COLLABORATIVE PARTNERSHIPS : PLAY'IN TOGETHER	0	1	0	0
SUPPORT FOR COLLABORATIVE PARTNERSHIPS : PROJECT FOR ACADEMY OF SPORT SUPPORT	1	0	0	0
SUPPORT FOR COLLABORATIVE PARTNERSHIPS : SPORT HAS THE POWER TO CHANGE THE EUROPE! EUROPEAN SPORT VOLUNTEERS AS A SOCIAL LEADER AND SOCIAL INNOVATOR	0	2	0	0

Subject of grant or contract [project title]	Commitments			
	2017	2018	2019	2020
SUPPORT FOR COLLABORATIVE PARTNERSHIPS : YOUTH SPORTS FAIR CHANCE	0	1	0	0
SUPPORT TO COLLABORATIVE PARTNERSHIPS:DU MOTION	0	0	1	0
SUPPORT TO COLLABORATIVE PARTNERSHIPS:DUAL-TRACK CAREERS FOR PARA-ATHLETES	0	0	1	0
SUPPORT TO COLLABORATIVE PARTNERSHIPS:ECO-FRIENDLY SPORTS	0	0	1	0
SUPPORT TO COLLABORATIVE PARTNERSHIPS:ENHANCING HEALTH AND PHYSICAL ACTIVITY RATES THROUGH PENTATHLON	0	0	1	0
SUPPORT TO COLLABORATIVE PARTNERSHIPS:PHYSICAL ACTIVITY IN WOMEN IN MENOPAUSE: A COLLABORATIVE PARTNERSHIP FOR ACTIVE LIFESTYLES FOR THE PREVENTION AND TREATMENT OF OSTEOPOROSIS / HAPPY BONES	0	0	2	0
SUPPORT TO COLLABORATIVE PARTNERSHIPS:PROFESSIONAL AND PERSONAL EXPERIENCE THROUGH LIFELONG LEARNING AND REGULAR SPORT / PROPELLERS	0	0	1	0
SUPPORT TO COLLABORATIVE PARTNERSHIPS:PROMOTING GOOD GOVERNANCE IN SPORT THROUGH SOCIAL RESPONSIBILITY	0	0	1	0
SUPPORT TO COLLABORATIVE PARTNERSHIPS:PROMOTING INTEGRITY AGAINST MATCH-FIXING THROUGH EDUCATION AMONG YOUNG ATHLETES	0	0	1	0
SUPPORT TO COLLABORATIVE PARTNERSHIPS:RE(IN)NOVATING MARKETING STRATEGY ACROSS SEMI-PROFESSIONAL FEMALE TEAMS	0	0	1	0
SUPPORT TO COLLABORATIVE PARTNERSHIPS:SOUTH-EAST EUROPEAN YOUTH PARA-SPORT EXCHANGE	0	0	1	0
<b>Total commitments</b>	<b>11</b>	<b>9</b>	<b>13</b>	<b>12</b>

For readability, the table below does not include all of the columns of the downloaded spreadsheet. Note that only the name of the project coordinator is available in this data. The country abbreviations are defined in the [Country Abbreviations](#) table on page 6.

Table 17: Projects linked to the Bulgarian Sports Development Association – data downloaded from the Erasmus+ project portal.<sup>205</sup>

Funding Year	Project Identifier	Project Title	Coordinating organisation name	Coordinator's country	Participating Countries
2020	2020-3-PL01-KA105-094706	Water safety turns us on	Srodowiskowo Lekarskie Wodne Ochotnicze Pogotowie Ratunkowe w Radomiu	PL	PL,BG
2017	2017-1-LV02-KA105-001608	Welcome for internationals 4: Unity in diversity	Latvijas Kristīga Studentu Bālība	LV	LV,HR,BG
2020	622768-EPP-1-2020-1-IT-SPO-SSCP	Football as a seed for gender equality	ALBAROSA E NON SOLO ASSOCIAZIONE SOCIO CULTURALE	IT	IT,AT,BG
2019	2019-1-ES01-KA204-064863	Arts, an inclusive sailing boat connecting Europe through Adult Education	SOCIEDAD CANARIA ELIO ANTONIO DE NEBRIJA	ES	ES,BG,FR,IT
2019	2019-2-IT03-KA105-016527	Growth Of Awareness and Learn through Sport	COMUNE DI TEMPIO PAUSANIA	IT	IT,PL,BG
2018	2018-3-IE01-KA205-051130	ETS for Youth Equality	SO EUROPE EURASIA FOUNDATION	IE	IE,IT,BG
2021	2021-2-CZ01-KA152-YOU-000037932	A Healthy Food, For A Wealthy Mood!	Sportovní Centrum zdravého životního stylu z.s.	CZ	CZ,PT,BG,ES,MK,TR
2021	2021-2-BG01-KA152-YOU-000038860	Заедно с олимпийските ценности - спорт и изкуство	Youth olympic movement	BG	BG,IT

<sup>205</sup> <https://erasmus-plus.ec.europa.eu/projects/search/>

Funding Year	Project Identifier	Project Title	Coordinating organisation name	Coordinator's country	Participating Countries
2019	613485-EPP-1-2019-1-AT-SPO-SSCP	Hike together	ZENTRUM FUR INNOVATIVE BILDUNG	AT	AT,BG,HR,IT
2019	613339-EPP-1-2019-1-TR-SPO-SSCP	Three- Points Shot to Health	KARASU GENCLIK SANAT VE SPOR KULUBUDERNEGI	TR	TR,BG,HR,IT
2020	622094-EPP-1-2020-1-TR-SPO-SSCP	Let's swim beyond the handicaps	KARASU KAYMAKAMLIGI	TR	TR,HR,BG,EL
2021	2021-2-EL02-KA152-YOU-000040526	Push Up Sports and Arts Balkan	Esai en Roi	EL	EL,BG,AL,HR,MK,BA
2020	2020-2-BG01-KA105-079401	United by the Art	Spiritual Mirror	BG	BG,IT
2019	2019-1-BG01-KA101-061694	Personal development of the tutors - foundation for creative work with the students at Centar za podkrepa i lichnostno razvitie Lovech	Centar za podkrepa i lichnostno razvitie UO Lovech	BG	BG
2020	2020-3-IT03-KA105-020079	Sport to Improve Knowledge of Europe between young people	ASD Volley Ball Club Viterbo	IT	IT,PL,AZ,EL,PT,BG,ES
2017	590614-EPP-1-2017-1-IE-SPO-SCP	Project for a Liaison-based Integrated Approach to Improving Supporter Engagement	EUROPEAN SUPPORTERS ALLIANCE	IE	IE,CZ,SE,PL,DE,FR,BG,PT
2019	2019-2-PT02-KA105-006130	InclusionBall - The Next Sport	Grupo Recreativo Regufe	PT	PT,BG,SK,IT,RO,TR

Funding Year	Project Identifier	Project Title	Coordinating organisation name	Coordinator's country	Participating Countries
2019	2019-1-ES02-KA105-012755	Mission: Saving humanity	TEAMWORKING YOUTH ALICANTE	ES	ES,RO,BG,IT,TR,NL
2017	2017-3-BG01-KA135-046846	Let's MOVE Bulgaria	BG BYDI AKTIVEN	BG	BG
2019	2019-2-BG01-KA105-062676	Europe through the view of the youth photographers	Youth olympic movement	BG	BG,IT
2018	2018-3-BG01-KA105-061099	"Supporting the cultural diversity of Europe and revealing the personal potential and realization of its youth"	Association of Young Psychologists in Bulgaria "4th April"	BG	BG,ES,PT,TR,RO
2018	2018-2-BG01-KA347-048143	Структурен диалог за включване на младите роми в обществените процеси за формиране на младежки политики	Thirst for Life Association	BG	BG

## Annex 6. Question framework used to conduct the study

<b>A. Overview</b>
<i>A1. For each selected programme area, identify &amp; rank the top 10 NGO recipients of NGO funding</i>
1 Which are the top 10 NGO grantees (based on 2021 commitments) in each of the selected programmes (value & number of commitments)?
2 Which are the top 30 NGO grantees (based on 2021 commitments) across all programmes (value & commitments)
<b>B. EU rules &amp; systems</b>
<i>B1. Provide a clear &amp; concise overview of key visibility &amp; transparency requirements in legal documents &amp; guidance</i>
3 What are the key visibility & transparency requirements in legal documents & guidance for the selected programmes?
4 What conditionalities/ special requirements exist in grant rules and contracts regarding communication and advocacy with MEPs, other EU institutions, and Member States?
<i>B2. Does the FTS clearly show for all NGOs participating in EU grants via consortia how funds are distributed within NGO consortia?</i>
5 Does the FTS show all NGOs participating in EU grants via consortia? If not, why not, which EC services or programmes are most problematic? (Specifically address Recommendation No.4 of the ECA report)
6 Are amounts recorded in the FTS for all beneficiary NGOs? (Specifically address Recommendation No.4 of the ECA report)
7 To what extent do EC grant management systems (i.e. those operated by programme DGs) record the funding received by all beneficiaries contracted by the EU, not only the lead beneficiary, making this information usable for analysis & treatment [ECA recommendation No.3]
8 What is the basis for the amounts recorded in the FTS? When (and how often) are they updated?
9 How reliable is the information recorded in the FTS in terms of the distribution of grants between consortium members?
10 Are grant applicants required by the EC to indicate the planned distribution of grant funding amongst consortium members at the time of application? If not a requirement, do they provide this information anyway?
11 When are grantees required to report on the allocation & reallocation of funds between consortium members and/ or other NGOs subcontracted as major service providers?
12 When (and how often) are allocations & reallocations within consortia updated in the FTS? How & by which entity is this information transmitted to DG BUDG?
13 How does the EC treat situations where an NGO grantee may contract another grantee or separate NGO not named in the original consortium as a significant as a service provider?
14 How has the FTS developed/ changed since the 2017 EP study & the 2019 EP update?

15 What are the main challenges for the EC in recording & publishing accurate & timely information on the distribution of grants between NGO consortium members? What challenges does DG BUDG face when adding grant funding data provided by different EC services to ABAC? How can these challenges be overcome? How can different actors help with this?
16 What are the implications for the FTS of the proposed review of the Financial Regulation? <i>B3. How consistent is the data in existing transparency portals &amp; systems (such as the TR, ABAC managed by DG Budget or other policy area specific portals)?</i>
17 To what extent is it possible to compare data in the FTS & the TR e.g. how difficult is it to match entities in the two systems by name or unique key?
18 What programme databases do programme DGs/ agencies maintain? To what extent are these publicly accessible?
19 What information is publicly available on these databases? E.g. project proposals, grant contracts, project reports, and other outputs and outcomes, allocation and reallocation of grants between NGOs? If this information is not published, what is the reason?
20 What inconsistencies still exist in the data available in different systems & portals e.g. names of NGOs, level of data provided about grantees, distribution of funding within consortia, categorisation of grantees, purpose of grants, etc.
21 How does the publicly available information compare with the information available in the Cohesion policy Open Data platform?
22 What, if any, progress has been made towards the development of a single, centralised, EC grant management system, as recommended by the 2017 EP study? What are the constraints & challenges to achieving this?
<i>B4. How clear and consistent are the rules on sub-granting?</i>
23 What are the relevant rules on sub-granting in the 2018 Financial Regulation? [ECA recommendation No.2]
24 To what extent & how are 2018 Financial Regulation rules reflected in programme rules, guidelines, & grant contracts? [ECA recommendation No.2]
25 To what extent do sub-granting provisions in grant agreements also cover contracting of other NGOs as service providers? [ECA recommendation No.2]
26 How consistently are the rules on sub-granting defined in grant agreements in line with the 2018 Financial Regulation? [ECA recommendation No.2]
27 How consistent is the interpretation & application of these rules between different EC services? [ECA recommendation No.2]
<i>B5. How transparent, consistent, &amp; effective are the NGO grant management systems &amp; process of the EC services &amp; executive agencies?</i>
28 How are decision-making & day to day management responsibilities allocated between EC entities (including executive agencies)?
29 In general, what is the process?
30 How well do these processes work?
31 How is geographic balance ensured?

<i>B6. What developments have there been in the Transparency Register (TR) since the 2017 EP study &amp; the 2019 EP update?</i>
32 How has the TR changed since the 2017 EP study and the 2019 update?
33 What impact has the latest inter-institutional agreement had on the reliability & usefulness of the TR?
34 To what extent does the EC check grant applicants' entries in the TR when awarding grants to NGOs? Is this done for all NGOs involved in a grant application?
<i>B7. To what extent are the EC &amp; NGOs applying recommendations on visibility, transparency, and accountability from the 2017 EP study?</i>
35 To what extent have recommendations of the 2017 study on visibility, transparency, and accountability been applied by the EC & NGOs? What progress has been made since the 2019 update?
36 Where recommendations have not been implemented, what are the reasons?
37 What other actions have the EC & NGOs implemented to improve the visibility & traceability of EU grant funding?
<b>C. NGO transparency, public accountability, decision-making culture</b>
<i>C1. To what extent &amp; how do NGOs disclose information on EU funding they receive &amp; how grants are distributed between them?</i>
38 Is it possible to link activities & outputs shown on NGO websites with specific EU-funded projects listed in the FTS?
39 Do NGOs clearly indicate/ report their participation in specific projects recorded in the FTS?
40 Do consortium partners refer to the same project (grant contract recorded in the FTS) by the same or different names?
41 Do NGOs clearly indicate how much funding they receive under each project/ grant contract on their websites &/ or in their literature? Do the amounts correspond to the amounts shown in the FTS?
42 Do they indicate which other NGOs are also receiving funding under the same grant contract & which NGO is the consortium leader?
43 How frequently are funds reallocated within NGO consortia compared with the initial plan? Why does this happen? When are they required to report this to the EC? Does funds reallocation require prior EC approval?
44 To what extent do NGO websites provide an overview of EU grant-funding received over time (e.g. 5 years) & the number & purpose of the EU grant-funded projects they have been engaged in? How accessible is this information (e.g. is there a table or dedicated page, or does this information have to be extracted from multiples pages &/ or documents)? Do these amounts correspond to what is in the FTS?
45 To what extent do NGOs' disclosures about EU grant funding meet or go beyond their contractual obligations to the EC?
46 What constraints & challenges do NGOs face in disclosing information about EU grant funding, & in meeting their contractual obligations in this regard? How can these challenges be overcome? How can different actors help with this?

<i>C2. Aside from the steps recommended in previous studies, what else are EU-funded NGOs doing to ensure transparency of EU &amp; other funding they receive?</i>
47 How do consortium leader NGOs handle (and disclose) monies from an EU grant that they spend through a service contract that is awarded to another NGO?
48 What accounting practices do NGOs use for funding derived from EU grants when they provide services (sometimes named or not named in the consortium list)?
49 What transparency & accountability frameworks or guidelines do EU-funded NGOs use? What are the advantages & disadvantages of different frameworks & guidelines?
50 To what extent do NGOs disclose information about the specific activities funded by EU grants & the results (effectiveness) of EU-funded activities? How clear & useful is this information? To what extent does this meet EC grant contract requirements?
<i>C3. To what extent do NGO management &amp; decision-making systems &amp; processes meet minimum standards, &amp; to what extent do they ensure accountability &amp; transparency?</i>
51 What self-regulatory mechanisms are available to NGOs?
52 How & to what extent can reporting on self-regulation standards provide assurance that could be used by the EC, including from a co-regulation perspective?
53 Which self-regulatory mechanisms are used by EU-funded NGOs in practice & how well are they applied?
54 What information do EU grant recipient NGOs disclose about funding received from other sources, the conditions and impacts of this other funding, and the NGOs' financial sustainability and independence beyond EU grant funding?
55 What value and policy frameworks underpin and express an EU grant recipient NGO's commitment to democratic standards, accountability and transparency as promoted by the EU?
56 How do NGO management, governance and accountability systems and culture ensure alignment of practice with such value frameworks and policy?
<b>D. Good practices</b>
<i>D1. How can dialogue between NGOs and EU institutions (especially the EP) be improved?</i>
57 What experiences and recommendations might NGOs have in relation to dialogue and communications with the EU institutions?
58 What experiences and recommendations might EU institutions have in relation to dialogue and communications with the EU grant recipient NGOs?
<i>D2. What examples can be provided of good practices regarding transparency &amp; democratic accountability in the use of EU funds?</i>
59 What are the good practice examples? What are their key features?
60 Are they applicable more widely? What constraints & challenges might exist to their wider uptake?
<i>D3. What examples of good practice can be found on transparency in public funding of NGOs beyond the EU (e.g. from other international organisations and/ or national public bodies, national parliaments)?</i>
61 What are the good practice examples? What are their key features?
62 How do they differ from practices in EU NGO grant funding?

63 Are they applicable in the EU NGO funding context? What difference might this make?
64 What constraints & challenges might exist to their wider uptake?
<b>E. NGO definition</b>
<i>E1. What developments have there been in the development of a standardised definition of NGO for use by EU institutions?</i>
65 What is the status of the EP initiative on 'European Association'?
66 What progress has the EC made towards developing a standard definition of NGO for use by EU institutions? To what extent is this aligned with the EP's initiative?
67 What, if any, are the implications of the proposed revision to the Financial Regulation regarding an EU definition of NGO?
<b>F. Reorganisation of executive agencies</b>
<i>F1. What are the implications for transparency and accountability of the recent reorganisation of executive agencies?</i>
68 How and why have executive agencies recently been reorganised and responsibilities been redistributed?
69 To what extent are key stakeholders aware of the recent reorganisation of executive agencies and the redistribution of responsibilities between them?
70 What accountability/ transparency complications or difficulties have the recent reorganisation of executive agencies and the redistribution of responsibilities created?

## Annex 7. Overview of main characteristics of different self- and co-regulation initiatives in the NGO sector

Self- or co-regulation initiative (alphabetical order)	Binding ?/ Coverage	Main features	Key areas covered	Useful elements for consideration in the context of EU NGO accountability
Australian Council for International Development (ACFID) Code of Conduct (2017, review process in course)	Binding for members Covers 80% of funding allocated by Govt to NGOs in International Development National membership (Australia)	Member-defined standards in ACFID dialogue with Government Independent panel reviews compliance Regular compliance review Membership/compliance required by Government as key eligibility criterion for funding Good practice support for members by ACFID	Rights, Protection & Inclusion Participation, Empowerment & Local Ownership Sustainable Change Quality And Effectiveness Collaboration Communication Governance Resource Management People And Culture	Strong dialogue between NGO body and public regulator/ funder on standards Independent assessment of compliance prevents both regulatory capture by membership and abuse of compliance arguments by regulator Membership compliance regime builds trust with regulator/ funder and confers quality seal or certification Good practice support acts as enabling tool for existing and new members
Core Humanitarian Standard on Quality and Accountability (2014, new version currently out for consultation)	Voluntary standard for humanitarian organisations and others assisting people in crisis Result of global consultation with more than 2000 humanitarian organisations	Focuses on humanitarian assistance and affected communities	Communities and people affected by crisis ... Receive assistance appropriate and relevant to their needs.	Broad shared ownership Global best practice convenor

Self- or co-regulation initiative (alphabetical order)	Binding ?/ Coverage	Main features	Key areas covered	Useful elements for consideration in the context of EU NGO accountability
	<p>Verification of compliance managed by the CHS Alliance but implemented independently</p>	<p>Specific indicators allow verification of compliance at 3 levels: self-assessment, peer review, independent verification and certification</p> <p>Maintains global learning community</p>	<p>Can expect that the organisations assisting them are managing resources effectively, efficiently and ethically</p> <p>Can expect delivery of improved assistance as organisations learn from experience and reflection</p> <p>Receive coordinated, complementary assistance</p> <p>Have access to safe and responsive mechanisms to handle complaints</p> <p>Know their rights and entitlements, have access to information and participate in decisions that affect them</p> <p>Are not negatively affected and are more prepared, resilient and less at-risk as a result of humanitarian action</p> <p>Have access to the humanitarian assistance they need at the right time</p>	<p>Standards applicable to humanitarian assistance providers independent of their legal form (i.e. while many adopters are NGOs, the standard technically also applies to other assistance providers such as governments or IGOs or for profit organisations)</p>

Self- or co-regulation initiative (alphabetical order)	Binding ?/ Coverage	Main features	Key areas covered	Useful elements for consideration in the context of EU NGO accountability
			<p>Receive the assistance they require from competent and well-managed staff and volunteers</p>	
<p>Global Standard for CSO Accountability (2017)</p>	<p>Members commit to reporting but level of reporting on the reporting questions can vary</p> <p>Members are mainly development or related advocacy organisations</p> <p>International membership</p>	<p>Covers 12 areas of social and organisational accountability</p> <p>Review by independent panel providing feedback to organisations</p> <p>Reports are public</p> <p>Maintains a global learning community</p> <p>No seal or ranking</p>	<p>Justice &amp; Equality</p> <p>Women’s Rights &amp; Gender Equality</p> <p>Healthy Planet</p> <p>Lasting Positive Change</p> <p>People-driven Work</p> <p>Strong Partnerships</p> <p>Advocating for Fundamental Change</p> <p>Open Organisations</p> <p>Empowered, Effective Staff &amp; Volunteers</p> <p>Well-handled Resources</p> <p>Responsive Decision-making</p> <p>Responsible Leadership</p>	<p>Open to NGOs working across all sectors</p> <p>Requires significant organisational reporting capacity</p> <p>Significant global convening capacity around accountability standards</p>
<p>ICFO (Charity Monitoring Worldwide) Principles for Charity Assessment (2018)</p>	<p>Coordinates fundraising certification standards across its national members</p>	<p>Focuses on trustworthiness in purposes, governance and financial conduct</p> <p>Independent assessment</p> <p>Regular review</p>	<p>Public Benefit</p> <p>Governance</p> <p>Finances</p> <p>Efficiency</p> <p>Effectiveness</p> <p>Integrity</p>	<p>Donor oriented (general public and larger/ institutional funders)</p> <p>Works globally with a historical mainstay in Europe</p>

Self- or co-regulation initiative (alphabetical order)	Binding ?/ Coverage	Main features	Key areas covered	Useful elements for consideration in the context of EU NGO accountability
	<p>Members are fundraising standard setting/ monitoring bodies</p> <p>International membership</p> <p>Reviewed organisations across all sectors of public benefit activity</p>	<p>National monitoring bodies provide a quality assurance 'seal', or deny it.</p> <p>Reports are public</p>	<p>Transparency</p>	<p>Applicable to organisations which are fundraising across all areas of public benefit</p>
<p>InterAction's Standards for US NGOs (2020, with a 2023 added set of commitments aligned with the Global Standard for CSO Accountability)</p>	<p>Binding for InterAction's close to 190 members of internationally working development and humanitarian NGOs</p> <p>5 year self-certification rhythm</p> <p>Covers significant majority of US development NGO actors</p>	<p>Covers broad range of accountability dimensions including programme activities of members</p> <p>Connects to other key development accountability self-regulation initiatives</p> <p>Complaints handling system in place at InterAction with potential sanctions for persistent non-compliance</p>	<p>Governance</p> <p>Organisational Integrity and Transparency</p> <p>Finances</p> <p>Marketing and Fundraising</p> <p>Management practice and human resources</p> <p>Program</p> <p>Public policy</p>	<p>Broad framework covering many aspects of organisational accountability and performance</p> <p>Significant effectiveness in terms of US development NGO sector coherence and convening</p> <p>Establishes InterAction as a major interlocutor for US government in relation to development policy and NGO credibility</p>

Self- or co-regulation initiative (alphabetical order)	Binding ?/ Coverage	Main features	Key areas covered	Useful elements for consideration in the context of EU NGO accountability
<p>International Aid Transparency Initiative (IATI) standard (version 2.03, 2018)</p>	<p>Development and humanitarian assistance focused data disclosure initiative</p> <p>Currently 1581 publishers (i.e. organisations contributing data on their activities)</p> <p>Approx. 2/3 of publishers are NGOs but the standard is used across private sector, not-for-profit sector, IGOs and bilaterals and foundations</p> <p>Currently 101 (funding and governing) members drawn from civil society, bilateral donors, foundations, IGOs, and private sector</p>	<p>Technically a voluntary initiative but several key bilateral donors and foundations today require data disclosure on IATI as an eligibility criterion for funding recipients</p> <p>High level of global buy-in for the system across sectors</p> <p>Structured data submission by publishers through coding and a registry portal</p> <p>Open access to the data through the IATI <a href="#">d-portal</a></p> <p>Data is self-reported and not validated or verified by IATI</p>	<p>Allows filtering, numerical and some limited spatial analysis of development and humanitarian data on funding, activity, type of beneficiaries and actors, countries and sectors</p> <p>Data standards ask for data on current activities and those planned for up to the next five years</p>	<p>Has achieved global recognition across sectors</p> <p>Provides open access to published data</p> <p>Enables analysis and forward planning as well as (over time) tracking of organisational activity</p> <p>Requires organisational capacity to compile and submit data that conforms to the IATI standards but IATI provides free support tools</p>

Self- or co-regulation initiative (alphabetical order)	Binding ?/ Coverage	Main features	Key areas covered	Useful elements for consideration in the context of EU NGO accountability
<p>OECD Guidelines for Multinational Enterprises (2011), also supported by ISO standard 26000:2010 on social responsibility</p>	<p>Guidelines aim to ensure that multinational enterprises act in ways that builds mutual confidence between enterprises and the societies and contribute to sustainable development.</p> <p>OECD has currently 38 member states</p> <p>Use of the guidelines has been tested in relation to internationally operating NGOs</p>	<p>Set standards of behaviour to promote responsible business with a focus on transparency, human rights, environment, anti-corruption and labour relations</p> <p>Guidelines are not legally binding but require adhering countries to set up a National Contact Point for complaints handling and dispute resolution</p>	<p>Concepts and Principles</p> <p>General Policies</p> <p>Disclosure</p> <p>Human Rights</p> <p>Employment and Industrial Relations</p> <p>Environment</p> <p>Combating Bribery, Bribe Solicitation and Extortion</p> <p>Consumer Interests</p> <p>Science and Technology</p> <p>Competition</p> <p>Taxation</p>	<p>Useful example for the evolution of an initially private sector-specific instrument towards applicability also for NGOs</p> <p>NGO application of the guidelines recognises the institutionalised and corporate nature of many INGOs</p> <p>Use of the OECD guidelines for INGOs also rooted in the lack of international regulation of INGOs in regard to human rights obligations</p>



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This study has been prepared for the Committee on Budgetary Control. It assesses recent developments in the transparency and accountability of EU NGO funding. The Commission has transitioned all programmes to a single, centralised grant management system that can potentially enhance the public transparency of grant funding significantly. Nevertheless, overall public transparency remains limited. The study recommends a more comprehensive, systematic approach to public transparency involving the Parliament, Commission, and NGOs.

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