



2023/2122(INI)

17.11.2023

OPINION

of the Committee on Foreign Affairs

for the Committee on Budgetary Control

on the transparency and accountability of non-governmental organisations
funded from the EU budget
(2023/2122(INI))

Rapporteur for opinion: Deirdre Clune

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SUGGESTIONS

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

- having regard to its resolution of 8 March 2022 on the shrinking space for civil society in Europe¹,
- A. whereas Article 11 of the Treaty on European Union (TEU) and Article 15 of the Treaty on the Functioning of the European Union (TFEU) requires the EU institutions to conduct their work as openly and transparently as possible in order to promote good governance and ensure the participation of civil society; whereas the European Economic and Social Committee, composed, inter alia, of representatives of civil society organisations and exercising advisory functions, should assist Parliament, the Council and the Commission, in line with Article 300(1) TFEU;
- B. whereas, under the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI)², ‘civil society organisations’ (CSOs) are defined as a wide range of actors with multiple roles and mandates, which may vary over time and across institutions and countries; whereas CSOs include all non-state, not-for-profit independent and non-violent structures through which people organise the pursuit of shared objectives and ideals, whether political, cultural, religious, environmental, social or economic, which operate at local, national, regional or international levels and which comprise urban and rural, and formal and informal organisations;
- C. whereas, in Article 2(48) of its proposal of 16 May 2022 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)0223), the Commission defines a ‘non-governmental organisation’ (NGO) as ‘a voluntary, independent from government, non-profit organisation, which is not a political party or a trade union’;
- D. whereas interest representatives, including NGOs, should be subject to scrutiny, due diligence and transparency rules, in particular with regard to financing, with proportional criteria and non-cumbersome procedures, in particular for small NGOs;
- E. whereas strengthening transparency requirements for legal entities, including NGOs, carrying out lobbying or advocacy activities with EU institutions should contribute to tracing foreign interference;
- F. whereas the Commission has strong mechanisms for the control of the expenditure of NGOs funded from the EU budget, among the strictest in Europe; whereas recent corruption allegations against Members and former Members of the European

¹ OJ C 347, 9.9.2022, p. 2.

² See Article 2(7) of [Regulation \(EU\) 2021/947](#) of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, OJ L 209, 14.6.2021, p. 1.

Parliament involved an NGO which was not registered in the Transparency Register;

- G. whereas on 13 September 2023, the European Parliament amended its Rules of Procedure with a view to strengthening integrity, independence and accountability;

Importance of the role of NGOs in promoting and protecting human rights and democracy

1. Commends the essential role that NGOs and CSOs working for the promotion and protection of human rights, democracy and the rule of law play in societies around the world; highlights, in this regard, the crucial work of these organisations in promoting and defending human rights and democracy, combating all forms of discrimination, fighting for a clean, healthy and sustainable environment, informing individuals and groups, especially the most vulnerable, about their rights and standing up for them when those rights are violated, denouncing human and civil rights violations, promoting intercultural dialogue, civic engagement and public participation, countering disinformation and hate speech, collecting public interest information and holding governments and elected representatives accountable to citizens, and fighting corruption and impunity for human rights abuses;
2. Highlights the serious risks that people working for human rights NGOs face in their activities around the world, including threats against them and their families, intimidation and all forms of harassment, including through online channels and social media, abusive legal proceedings and prosecution, arbitrary detention, violence, torture, disappearances, killings and executions, which can force them into exile;
3. Is alarmed by the fact that some governments in third countries, whose aim is to shrink civil society space and silence dissenting voices, have adopted legislation based, inter alia, on security, counter-terrorism and the fight against foreign interference, that imposes discriminatory obligations on human rights NGOs and their workers, stigmatises, restricts or bans their activities, including by closing these NGOs, freezing their assets, deterring their donors from contributing funds or depriving them from access to funding; believes that the EU should lead by example in this context;

Transparency and accountability of human rights NGOs funded by the EU external action budget

4. Underlines the importance of ensuring, as far as possible, transparent and accessible information on the beneficiaries, including NGOs, of EU external action funds dedicated to human rights and democracy support and to the related EU-funded projects which are implemented worldwide; recognises that NGOs have been calling for further transparency at EU level for years; acknowledges the risky and life-threatening conditions faced by some human rights defenders and NGOs in non-EU countries; believes, in this regard, that confidentiality and data protection must be ensured in order not to put them at risk;
5. Welcomes the cessation of EU funding and the recovery of funds paid to a few organisations whose actions were contrary to EU values; calls on the Commission to continue its efforts to ensure that EU funds do not finance organisations that do not respect EU values as set out in Article 2 TEU; also calls on the Commission to develop more flexible strategies of supporting civil society actors in repressive environments,

which have difficulties benefiting from assistance;

6. Calls for the EU and its Member States to be fully transparent about the allocation of funds to third countries for cooperation in migration matters, and to ensure that migration-related European funding, training or other forms of support to third countries neither directly or indirectly facilitate the perpetration of human rights violations, nor reinforce and perpetuate impunity for such violations; urges that any EU or Member State-funded migratory cooperation project or initiative be made subject to thorough and independent *ex ante* human rights impact assessments and monitoring throughout the project, and for the results of such assessments and monitoring to be disclosed to the European Parliament;
7. Calls on the Commission to improve the clarity and organisation of information and data available in the Financial Transparency System (FTS) on the beneficiaries of EU-funded projects, including in the field of human rights and democracy support; stresses that requiring beneficiaries to disclose all funding sources must take into account the situation of the countries and the environment in which they operate, in order to ensure that the publication of the information and data under the FTS does not put them at risk;
8. Recommends that the legal obligations on transparency and financial accountability be applied identically to all NGOs and other interest representatives benefiting from EU funding;
9. Points out that NGOs receiving EU funding must be transparent about the funding received; notes that their work gives visibility to the EU's support in different ways, through various communication channels, including official websites; underlines that these differences could sometimes also depend on the fact that, in some countries ruled by certain authoritarian and illiberal regimes and with reduced civic spaces, the dissemination of such information may put NGOs at risk; calls for the establishment of harmonised but flexible approaches to make EU funding for human rights and democracy support more visible to the public, while avoiding putting at risk NGOs that operate in precarious contexts;
10. Denounces the use of organisations sponsored by third country governments (government-organised NGOs (GONGOs)) to spread disinformation and false narratives related, in particular, to human rights issues;
11. Stresses that the funding by third countries of EU-based legal entities, including NGOs, carrying out lobbying or advocacy activities within the EU and aiming to influence the EU's foreign policymaking, may at times expose these entities to malign external influences; believes that transparency requirements should not, however, stigmatise legitimate foreign funding; recalls, in this regard, the findings of its resolution of 1 June 2023 on foreign interference in all democratic processes in the European Union, including disinformation³, and of 13 July 2023 on recommendations for reform of the European Parliament's rules on transparency, integrity, accountability and anti-corruption⁴, highlighting the risks of foreign interference and disinformation stemming

³ Texts adopted, P9_TA(2023)0219.

⁴ Texts adopted, P9_TA(2023)0292.

from some NGOs funded by non-EU countries; calls for further reflection on the future strategy and approaches of the EU institutions to detecting and preventing risks of corruption and foreign interference in EU policymaking; highlights that in the context of recent corruption allegations against some Members and former Members of the European Parliament, an NGO not registered in the EU Transparency Register and whose stated purpose was to carry out advocacy activities in the human rights field, is suspected to have been used as a vector of foreign interference; considers that there is a public interest in knowing the financial sources, including non-EU funding, of all stakeholders active in the fields of lobbying or advocacy, while any measures in this regard need to be proportional, preventing any unintended limitations on fundamental rights;

12. Welcomes the progress made in the use of the EU Transparency Register and is committed to continuing its work to expand the scope of the Register and strengthen the monitoring of the data it contains; points out that, as a general rule, annual financial data on the sources of funding, including EU grants and domestic and non-EU donations, of registered legal entities are made publicly available under the EU Transparency Register; stresses that, since 12 July 2023, the participation of ‘interest representatives’ as invited active guests at Parliament’s events is conditional on their prior registration in the EU Transparency Register, except if registration is likely to endanger an individual’s life or personal safety or the existence of the entities concerned or where other compelling reasons require confidentiality; recalls that the EU Transparency Register (Annex II) requires that NGOs provide their main sources of funding by category, including EU funds; stresses that the measures requiring NGOs to disclose all funding sources must take into account the situation of NGOs operating in countries under authoritarian and illiberal regimes, in particular when the disclosure of such information could put them and their work at risk because of the application of repressive legislation such as ‘foreign agents’ laws and similar provisions; regrets the fact that registration imposes a heavy bureaucratic burden on small CSOs based in other continents, which do not usually work or conduct advocacy activity in the working places of the EU institutions; calls for an assessment of the new measures, in order to avoid unintended limitations on fundamental rights for civil society and to ensure that the adopted measures are proportional and fair, in consultation with CSOs;
13. Recalls its own decision adopted on 13 September 2023, to make amendments to Parliament’s Rules of Procedure with a view to strengthening integrity, independence and accountability⁵; recognises, however, that the EU institutions, including the European Parliament, should be more diligent in ensuring greater transparency, integrity and accountability regarding their framework for interaction with entities to be listed in the EU Transparency Register; calls, in this regard, for increased scrutiny by Parliament’s services in order to enforce Parliament’s amended Rules of Procedure relating to integrity, independence and accountability; acknowledges that further resources are needed to strengthen the transparency and the accountability of all lobbying or advocacy activities of legal persons or entities, including human rights NGOs;
14. Calls for all EU institutions to be far stricter in their implementation, enforcement and

⁵ Texts adopted, P9_TA(2023)0316.

supervision of adherence to the current provisions on the EU Transparency Register; also calls for the strengthening of the EU Transparency Register by increasing the budget and staff allocated to it, so that it is able to offer support to all applicants and registrants, particularly small entities and NGOs, throughout the registration process and verify the information they provide more thoroughly; calls on the Commission to present proposals to enhance the transparency of interest representation and to ensure that lobbying or advocacy activities, in particular on behalf of third country governments, their budgets and their policy scope are properly disclosed under the EU Transparency Register and that sanctions are provided for in the event of false declarations.

ANNEX: LIST OF ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT

The following list is drawn up under the exclusive responsibility of the rapporteur. The rapporteur has received input from the following entities or persons in the preparation of the opinion, until the adoption thereof in committee:

Entity and/or person
HUMAN RIGHTS AND DEMOCRACY NETWORK
CIVIL SOCIETY EUROPE

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	16.11.2023
Result of final vote	+: 39 -: 5 0: 3
Members present for the final vote	Alexander Alexandrov Yordanov, François Alfonsi, Maria Arena, Petras Auštrevičius, Anna Bonfrisco, Reinhard Bütikofer, Susanna Ceccardi, Włodzimierz Cimoszewicz, Anna Fotyga, Giorgos Georgiou, Raphaël Glucksmann, Andrius Kubilius, Ilhan Kyuchyuk, Antonio López-Istúriz White, Thierry Mariani, Marisa Matias, David McAllister, Vangelis Meimarakis, Sven Mikser, Francisco José Millán Mon, Alessandra Moretti, Kostas Papadakis, Tonino Picula, Isabel Santos, Mounir Satouri, Jordi Solé, Dominik Tarczyński, Hilde Vautmans, Charlie Weimers, Isabel Wiseler-Lima
Substitutes present for the final vote	Dacian Cioloș, Georgios Kyrtos, Gabriel Mato, Juozas Olekas, Pina Picierno, María Soraya Rodríguez Ramos, Mick Wallace, Elena Yoncheva
Substitutes under Rule 209(7) present for the final vote	Karolin Braunsberger-Reinhold, Charles Goerens, Eero Heinäluoma, Maria-Manuel Leitão-Marques, Dan-Ștefan Motreanu, Paul Tang, Eugen Tomac, Lucia Vuolo, Juan Ignacio Zoido Álvarez

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

39	+
PPE	Alexander Alexandrov Yordanov, Karolin Braunsberger-Reinhold, Andrius Kubilius, Antonio López-Istúriz White, David McAllister, Gabriel Mato, Vangelis Meimarakis, Francisco José Millán Mon, Dan-Ștefan Motreanu, Eugen Tomac, Lucia Vuolo, Isabel Wiseler-Lima, Juan Ignacio Zoido Álvarez
Renew	Petras Auštrevičius, Dacian Cioloș, Charles Goerens, Georgios Kyrtos, Ilhan Kyuchyuk, María Soraya Rodríguez Ramos, Hilde Vautmans
S&D	Maria Arena, Włodzimierz Cimoszewicz, Raphaël Glucksmann, Eero Heinäluoma, Maria-Manuel Leitão-Marques, Sven Mikser, Alessandra Moretti, Juozas Olekas, Pina Picierno, Tonino Picula, Isabel Santos, Paul Tang, Elena Yoncheva
The Left	Marisa Matias, Mick Wallace
Verts/ALE	François Alfonsi, Reinhard Bütikofer, Mounir Satouri, Jordi Solé

5	-
ECR	Anna Fotyga, Dominik Tarczyński, Charlie Weimers
ID	Thierry Mariani
NI	Kostas Papadakis

3	0
ID	Anna Bonfrisco, Susanna Ceccardi
The Left	Giorgos Georgiou

Key to symbols:

+ : in favour

- : against

0 : abstention