

## Common civil society requests for the Operating Grants (OGs)

### *The Importance of EU funding to Civil society organisations*

A well-funded civil society is essential to democratic governance, the protection of human rights, and the inclusion of underrepresented groups. Civil society organisations (CSOs) play a critical role in ensuring **representativity**, by voicing the concerns of diverse communities and interest groups across the EU; **accountability**, by monitoring institutions and holding them to democratic standards; **effectiveness**, by helping shape policies that are responsive to real-world needs; and **expertise**, by contributing specialised knowledge and grassroots experience that public authorities may lack. Participatory democracy, as articulated in the 2001 White Paper on European Governance, is a core principle of EU functioning. The Lisbon Treaty further enshrines this principle, with Article 11.2 TEU requiring EU institutions to maintain an *open, transparent, and structured dialogue* with civil society organisations and representative associations—and, crucially, to provide the means for such engagement.

**Operating grants (OGs) are one of the key instruments through which the EU enables civil society to contribute to and uphold these democratic values.** By providing long-term, structural funding, OGs allow CSOs to engage in policy monitoring, and civic participation—ensuring the practical implementation of EU values such as the rule of law, fundamental rights, and equality. Without this support, many organisations would lack the stability and independence required to inform policies, gather and represent public interests, particularly those of marginalised or underrepresented groups, and to hold institutions accountable.

Access to structural funding is thus essential for enabling public participation, as repeatedly emphasised by the European Parliament. It allows citizens to have their voices channelled at the EU level through representative associations, supports regular dialogue with EU institutions, and fosters inclusive policymaking that reflects grassroots perspectives. This helps ensure that public interests are considered alongside commercial ones, strengthens oversight of EU policy implementation, and safeguards democratic standards across Member States.

Additionally, CSOs supported by operating grants serve as trusted and strategic partners in achieving EU objectives across sectors. These include civil society networks and social partners who contribute substantially to policy development, implementation, and evaluation—further embedding democratic values in the EU's institutional and legislative processes.

Structural EU funding enables pluralistic representation across policy areas. By strengthening the organisational capacity of CSOs, it ensures that diverse citizen interests are heard—counterbalancing the disproportionate influence of well-funded professional lobbyists and vested corporate interests. More fundamentally it ensures that policies reflect civic interests in times where trust in European institutions is declining and therefore is threatening the EU as a whole. It also helps civil society alert institutions to policy misimplementation, rights violations, or corruption. This role is especially important to the European Parliament, given its representative mandate, co-legislative powers, and responsibility for overseeing the Commission and defending democratic values such as freedom of expression.

In its March 2022 resolution on the shrinking civic space in Europe, the European Parliament called on *the Commission to identify existing obstacles and propose a comprehensive set of measures and recommendations to ensure long-term predictable, adequate and enabling financing for CSOs, including the funding of their operational activities related to advocacy and monitoring; (stressed) that EU funding for CSOs should avoid red-tape measures;*

Similarly, the Council, in its 2023 conclusions on civic space, recognised that the freedom to seek, receive, and use financial resources is integral to the right of association. It urged the Commission to enhance support for CSOs of all sizes and capacities by simplifying open calls, increasing assistance to applicants, and expanding innovative tools like financial support to third parties and core funding through Operating Grants. These measures are intended to facilitate meaningful participation across all stages of the decision-making process.

### ***Core funding for Civil Society Organisations through operating grants***

Operating Grants are structural (core) funding instruments available under most EU programmes within the Multiannual Financial Framework (MFF). They are awarded to civil society organisations working in the public interest to support their core missions or specific sets of activities. It is precisely due to the non-profit nature of CSOs and the lack of a profit-making goal that operating grants are essential for their well-functioning. OGs cover operational expenses such as salaries, rent, office equipment, and day-to-day administrative costs that project-based grants can only fund to a limited extent. Without Operating Grants civil society organisations would not be able to operate at European level.

These grants have evolved with EU funding mechanisms since the nineties (1990s) when they were set up in various funding instruments following calls and budgetary amendments from the European Parliament. From 2000–2006, “structural support for civil society organisations at European level” was introduced in the Europe for Citizens Programme promoting specifically civic engagement;

CSOs offer lived experience and contextual expertise that institutions lack—e.g., people in different vulnerable situations best understand their own needs. Through structured grassroots engagement, CSOs help EU institutions collect feedback and design more responsive policies. Compared to project grants, OGs allow civil society to focus on long-term challenges and enhance legislative processes more effectively.

Operating Grants play a transformative role in strengthening CSOs, increasing their impact, and enabling greater flexibility and responsiveness. Stable, unrestricted core funding improves organisational sustainability, attracts diversified funding, and enhances effectiveness. The added value is exponential: less staff turnover, more efficient project delivery, improved quality, and stronger synergies across activities.

OGs are defined in [REGULATION \(EU, Euratom\) 2024/2509](#) as grants funding “the functioning of a body which has an objective forming part of, and supporting, a Union policy.” They are essential for enabling civil society to represent public interests, monitor EU policy implementation, and promote the rule of law. Depending on the programme, OGs may be referred to under different names but serve the same structural purpose.

### ***Current Challenges***

Despite their purpose, the application, management, and reporting requirements of OGs in some programmes increasingly mirror those of project (action) grants. This shift undermines the structural nature of the funding and weakens CSOs' ability to focus on their core missions.

Additionally, the administrative complexity of OGs poses significant barriers for small, grassroots, and volunteer-run organisations—particularly in light of high competition for limited funds. Simplifying procedures and increasing the overall funding allocation to OGs are essential steps to ensure equitable access and to empower CSOs to continue their vital policy and advocacy work on behalf of the communities they represent.

Guidelines on the definition of NGOs as independent from for profit entities and public authorities as suggested by the European Court of Justice would help to target better Operating Grants beneficiaries<sup>1</sup>.

### ***Key recommendations***

We would like the following points to be considered and potentially mainstreamed across the MFF for all funding made available to CSOs in the form of operating grants to best fit them to the different needs and context of civil society:

#### ***Eligible activities***

- Participation in public policy making
- Capacity building
- Cooperation and partnerships
- Raising awareness
- Policy digest

#### ***Structure of the grants***

- Shift the focus from project-based funding to structural support by providing greater flexibility in the management of Operating Grants (OGs).
- Extend funding periods to a multiannual framework (e.g. 4+3 years or a 7-year model aligned with the MFF), including regular entry points for onboarding new organisations.
- Ensure that advocacy is explicitly included as an eligible activity in all OGs, alongside awareness-raising, mutual learning, and other key actions.
- Strengthen the capacity-building components of funding programmes, particularly to support grassroots and community-based civil society organisations (CSOs).
- Establish a formal framework for civil dialogue with beneficiaries across all programmes to help define priorities, support implementation, and foster stronger synergies between donors, implementers, and grantees.
- Introduce re-granting mechanisms within OGs across all programmes, enabling organisations to support their networks and provide targeted assistance to members most in need (e.g. as successfully implemented in CERV).

#### ***Application process and reporting***

- Set a fixed annual publication date for the Work Programme, and ensure sufficient time for preparing applications and reporting. Avoid deadlines during winter and summer

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<sup>1</sup> [https://www.eca.europa.eu/ECAPublications/SR-2025-11/SR-2025-11\\_EN.pdf](https://www.eca.europa.eu/ECAPublications/SR-2025-11/SR-2025-11_EN.pdf)



holidays and prevent grant approvals from occurring after the implementation period has already begun.

- Streamline the application and reporting processes, avoiding redundancy and limiting requirements to essential information only.
- In developing common frameworks for OGs, incorporate best practices from various programmes to reduce red tape rather than increasing administrative burden, for instance by cutting down significantly the number of work packages and deliverables.
- Create a more automated, user-friendly system for calculating travel-related unit costs, reducing time and complexity for applicants.
- Harmonise the co-funding rate across programmes to reflect the overall financial realities of CSOs considering current strain on access to funding . Allow in-kind contributions (e.g. volunteer time, non-financial resources) to count toward this co-financing requirement.
- Open a dialogue with Civil Society Organisations to assess Key Performance Indicators (KPIs) and impact assessment tools considering qualitative outcomes and long-term impact.
- Reassess retroactive eligibility criteria, considering their impact on CSO participation and accessibility to funding opportunities.

### ***Financial rules-related Issues***

- Develop a flexible lump-sum funding model that is regularly updated to reflect actual cost developments.
- Adjust grants over time to account for inflation, including updates to unit costs for accommodation and subsistence, as already applied to travel costs (e.g. Commission Decisions C(2023)4928 and C(2024)5405).
- Maintain eligibility for volunteer contributions in operating grants, and extend this to fully volunteer-led organisations with no paid staff.
- Authorise grassroots organisations to include volunteer costs in re-granting/FSTP frameworks, including under lump-sum schemes. Where actual cost schemes apply, ensure volunteer-run organisations can still claim these costs.
- Permit beneficiaries of OGs to claim indirect costs under project grants, ensuring consistency and financial viability.
- Ensure consistent interpretation and application of financial regulations across all Directorate-Generals (DGs) involved in programme delivery.
- Extend the duration of re-granting or Financial Support to Third Parties (FSTP) schemes to allow multi annual funding. This would enhance predictability and improve the efficiency of project implementation.
- Engage CSOs in consultations about extending the use of re-granting/FSTP mechanisms to programmes where such tools are not yet available.
- Include the yearly budget envelope for all programmes' OGs in the year preceding their implementation to avoid the constant delays in disbursement of grants due to the delays in programmes' Annual Work Programme approvals. E.g. operating grants whose implementation start in 2025 should be budgeted in 2024 AWP.