

ECBA Added Value & Security

The non-profit sector is an important, yet little recognised part of the EU economy. To give some figures from some Member States: 45% of Dutch people do voluntary work, while France is the European country with the highest number of associations, with nearly 1.5 million associations (about 70,000 associations being created each year), around 15 million volunteers, 1.8 million employees and a combined budget of nearly €120 billion. According to the Polish statistical office¹, in 2022, in Poland there were 103.4 thousand non-profit organizations, which affiliated 8,3 million members. They had 153.4 thousand full-time jobs, which accounted for 1.4% of the average employment in the national economy. In connection with the hostilities in Ukraine, the organizations provided assistance to 17.5 million people and transferred material and financial support worth PLN 1.6 billion.

The most obvious added value of the European Cross-Border Associations (ECBA) Directive is: non-profit associations are 'invisible' for the Single Market: they exist only in their home country, and face numerous hurdles and difficulties when they want to operate (economically or not) in other Member States. The European Cross-Border Associations would be recognised automatically throughout the EU, therefore unlocking the potential of cross-border cooperation. For the first time, the non-profit sector will start to exist in the Single Market, and have the right to operate there as a specific economic actor alongside the others.

Cases of obstacles to cross-border cooperation and how they could be overcome by ECBAs²

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| Some Member States require the creation of a local branch of a foreign Association to operate in that country such as, for instance, to employ staff. Nonetheless restrictions remain and it may be subject to specific administrative requirements. | The ECBAs will be recognised all over the EU and be equally treated as national ECBAs. |
| Most Member States do not allow Associations to change their seat to another Member State. Also when this is possible in the country of origin this may be denied by the country of destination. | The recognition of the legal personality and capacity throughout the EU will allow the transfer of the legal seat and of the assets of the organisation (such as ongoing contracts) among the Member States. |
| Cross-border merger for associations is uncertain, contrary to business. | If the legislation is adopted with the proposals of the European Parliament, it will |

¹ [Statistics Poland / Topics / Social economy / Social economy. Third sector / Activities Of Associations And Similar Organizations. Foundations. Faith-based charities. Business and Professional Associations In 2022 - preliminary results](#)

² The examples are taken from [CSE Contribution to EC Consultation on a proposal for a legislative initiative on Cross-border activities of associations.](#)

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| | be possible to merge associations from different (EU) countries. |
| Some Member States' administrative practices prevent Associations from organising their activities in another (EU) country (e.g. requesting that the general assembly modifying statutes takes place in the country where they are based, while it is practice that European organisations organise these meetings in different EU countries). | The ECBA legislation will provide a uniform set of rules that will allow such transnational activities. |
| Often Associations have to rely on a local partner when organising activities abroad that require the signature of commercial contracts, as providers require the use of a local VAT number. Partners then have to make advance payments and deal with all the administrative burden. | ECBAs will have a single registration number valid in all the EU. |
| Associations face difficulties in receiving funding from foreign entities and donors within the EU. Furthermore derisking practices by banks limit access to banking and financial services. | The Directive recognises the freedom to receive public and private funding from a country different from that of registration. Paired with the recognition of the legal personality in all the Member States, it should make it easier for banks to consider ECBAs less 'risky'. |
| Due to interpretation of competition rules, state aid rules and procurement rules, Non Profit Association from other (EU) countries are often considered as enterprises instead of being treated as national Associations. | The principle of equal treatment in the Directive will ensure that ECBAs from a third country will be subject to the same rules as national ECBAs (and therefore as the recognised most similar or most used national legal form for Associations that the national ECBAs are equated to). |
| Some Member States apply Restrictions to the advocacy activities of Associations. | In addition to the country specific recommendations within the Rule of Law report, the Directive as amended by the European Parliament clearly bans any restrictions or additional requirements regarding the ECBAs' participation in matters of public debate, whether carried out on a regular or on an occasional basis. |

Examples of added value of ECBAs in terms of cross-border cooperation

Culture

Citizens and associations can create ECBAs to organise cross-border, transnational, itinerant or pan-European cultural activities, including festivals.

Civil protection

ECBAs can be constituted to organise volunteers in cross-border regions or for the rapid deployment of volunteers and staff and material in affected areas, without the obstacles resulting from the non-recognition of third-country associations.

Learning and IT Tools

This would allow Associations to deliver trainings more easily and tools, for instance in the IT sector that are fit for purpose for the sector e.g. increase their quality, ensure discounted hardware and software rates, improve cybersecurity.

Environment

ECBAs can be established for the management, preservation or in general action upon ecosystems that are shared along the borders of two Member States. That would simplify management and action in favour of that ecosystem.

Euroregions and Eurodistricts

Cross-border cooperation on a local level already exists via the European Groupings of Territorial Cooperation, which allow for cooperation among local and regional authorities. The ECBAs would allow local associations to organise themselves in structures that would match the Euroregions and Eurodistricts in which they operate, strengthening the cross-border cooperation of those territories.

Civic engagement

Citizens and organisations can create ECBAs to further specific causes throughout the Member States, for instance to run and support a European Citizens' Initiative.

Patients rights

Patients that suffer from rare disease could found an ECBA in order to have the 'critical mass' to make their voice heard on a cross-border level. While European associations for such already exist, they suffer the same problem as all the current 'European associations': they are legally existing only in the Member State of establishment, and their operations in other Member States are subject to unclear rules.

Social services

ECBAs could be set up by social service providers to provide shared emergency helplines or mobile care units in border regions, which could be managed under one legal structure.

Case study 1: civil society engagement in crises situations: the Russian war of aggression on Ukraine and the floods in Central Europe

It is estimated that around 5000 NGOs participated in active assistance to people affected by the full-scale invasion in Ukraine in February 2022³. A study conducted by Klon-Jawor (2024) in the cluster of organisations dealing with migration issues shows that *“Most of the organizations surveyed (32%) indicate that foreign non-governmental organizations are their key partners, followed by other non-governmental organizations in Poland (28%).”*⁴

In the early days following the start of the full-scale invasion of Ukraine, the Polish federation of NGOs OFOP received a high volume of inquiries from foreign organizations and Polish organizations that had been offered assistance by entities from outside of Poland regarding appropriate procedures. Despite the fact that a special coordinating group for humanitarian assistance was established bringing together Polish NGOs and NGOs arriving from other countries (including INGOs) difficulties have nevertheless persisted in this context.⁵ Many organisations had to sign new partnerships or hire personnel to be able to accommodate the cooperation with foreign partners, and secure funding. However, the administrative burden that is associated with creating new structures and new procedures in a situation of crisis significantly slows down the essential response to the affected. ECBA would enable long-term cross-border planning, which has many advantages in terms of savings in resources and time due to the elimination of complex administrative procedures and easier access to know-how and financial resources.

Given that many organizations supporting Ukrainian refugees and responding to emergencies have faced significant funding cuts due to the U.S. funding freeze, we believe that pooling resources is a sensible and necessary approach in these difficult and challenging times.⁶ Furthermore, ECBAs could offer a valuable opportunity to enhance crisis response and assistance by strengthening connections with local communities. By enabling local associations (or groups of citizens) to form ECBAs, ECBAs could deliver more targeted and context-sensitive support than many INGOs or large relief agencies.⁷ As such, ECBAs could

³ [Ile organizacji społecznych \(NGO\) pomaga uchodźcom z Ukrainy w Polsce? - rp.pl](https://ileorganizacji.spoecznych.ngo.pomaga.uchodzcom.z.ukrainy.w.polsce? - rp.pl)

⁴ Julia Bednarek, Marta Gumkowska Beata Charycka. Kiedy praca w kryzysie staje codziennością. Lokalne organizacje społeczne. Raport z Badań 2024. Warszawa: Klon Jawor, maj 2024.

⁵ NGO Forum „Razem”, for more see: [O działaniach NGO Forum „Razem”: trzy lata „Razem” 2022 - 2025 - MapujPomoc.pl](https://o.dzialaniach.ngo.forum.razem: trzy lata „Razem” 2022 - 2025 - MapujPomoc.pl)

⁶ The impact of the freezing of US funds on the activities of non-governmental organizations working in the field of migration and integration in Poland. Analysis of the results of a survey conducted between April 22 and May 6, 2025, developed by Sieć Mapuj Pomoc (coordinated by Fundacja To Proste) in cooperation with Fundacja Ukraina, Fundacja Q, Polskie Forum Migracyjne, Stowarzyszenie Nomada and Fundacja w Stronę Dialogu

⁷ “Localization is defined as the recommended standard for operation in crisis interventions by many international organizations, see for example: „ Localization of humanitarian action allows for timely, cost-effective and relevant humanitarian response with greater community acceptance, trust and accountability, as well as pathways for transition, recovery, durable solutions and sustainable development. It enhances local response capacities enabling communities to rapidly respond to crises and steer their own solutions.” Source: Localization Framework And Guidance Note For IOMs Humanitarian Response, p 5.

become a vital component of the EU's preparedness strategy, allowing for the flexible movement of personnel and resources across Member States—while preserving the essential principle of community-led response.

Similar challenges occurred in September 2024, when Central Europe was affected by the floods resulting from the storm Boris (impacting Poland, Austria, the Czech Republic, Slovakia, Hungary, and Romania). The border areas (Polish-Czech border) were the most affected. Again, cross-border cooperation on all levels (including when it comes to local CSOs operating on both sides of the border) was essential. The scale of the disaster overwhelmed emergency services, necessitating international assistance and the deployment of military personnel for rescue and relief operations. In total, approximately two million individuals in the region were directly impacted, facing displacement, loss of homes, and psychological trauma.⁸ Again, forming ECBAs in border areas would be a very good way to effectively address the effects of emergencies due to the same need to accumulate resources and coordinate responses across borders.

Case study 2: the Marrakech VIP Treaty and the accessible printed formats for people with disabilities

Another potential of cross-border activities enabled by ECBAs relates to the implementation of the Marrakech Treaty, ratified by the EU, which provides copyright exemptions to non-profit entities fulfilling the Treaty criteria to adapt print materials, such as printed books, music scores or magazines, to accessible formats (e.g. Braille or audio formats) for persons with disabilities. The Marrakech Treaty also enables the possibility of free flow of these adapted materials across countries towards other non-profit organisations fulfilling the Treaty criteria, as well as to print-disabled individuals. The ECBA would facilitate that associations specialised in adapting print material could join forces at EU level to share resources, reach out to more affected people and therefore make this accessible content easily available to persons with disabilities across the EU.

Case study 3: The delivery of specific services for people with disabilities: the case of guide dogs

The ECBA will help ease the deployment of specific services for people with disabilities, in a context where logistical difficulties pair up with recognition issues from Member States of service providers for people with disabilities. An example of this is the case of guide dogs. There is no mutual recognition of the certification of guide dogs within the EU, and while some countries recognise only dogs trained in their country's training schools, others also accept those certified by international associations. Furthermore, not all countries have certified dog training schools. While an ECBA would not solve the issue straightaway, it would help deliver dogs trained in other countries to people in a particular country where no dog

https://emergencymanual.iom.int/sites/g/files/tmzbd11956/files/2023-12/iom_geneva_iomlocalisationframework_english_digital77_1.pdf

⁸ [Climate change and high exposure increased costs and disruption to lives and livelihoods from flooding associated with exceptionally heavy rainfall in Central Europe – World Weather Attribution](#)

training school exists. Furthermore, via the principle of mutual recognition and the European nature of the ECBA, it will be easier for such an association to be recognised also by Member States that have guiding dogs schools.

ECBAs and security

Does the proposed Directive foresee guarantees against fraud, money laundering and terrorism financing?

The proposed Directive does not seek to regulate money laundering or terrorism financing, which already have specific legislation. However, the proposed Directive states that persons who have been convicted for or are subject to measures that prohibit their activity in a Member State in connection with money laundering, associated predicate offences, or terrorist financing cannot be a founding member of an ECBA (Art. 3(1.b-c)), nor be part of the executive body of an ECBA (Art. 7(3)). Furthermore, they can be a reason for the involuntary dissolution of an ECBA (Art. 25(c)). Therefore, further provisions on the above mentioned aspects would neither have an added value nor be necessary as the matter is already covered through EU legislation and implementing rules at the national level.

It has to be underlined that non-profit associations are not at higher risk of fraud, money laundering or terrorism financing, so a request to have more stringent measures on any of these topics for ECBAs would discriminate against a type of economic actor within the single market without a grounded opinion. The EU already has strong anti-money laundering and terrorism financing legislation⁹.

Regarding fraud, the proposed Directive does not allow the transfer of office when insolvency is pending (Art. 22(4.c)); the EP text strengthens the guarantees for creditors, especially in case of the transfer of the office to another Member State, applying the same rules that apply to firms (Art. 23(1a)).

How would it work if a national authority different from the country of establishment of an ECBA finds reasons to limit its activities or to proceed with an involuntary dissolution?

The authorities of a Member State different from the country of establishment can limit the sources of funding from outside the European Union, the establishment, provision or receipt of services and the freedom of movements for goods, as well as require an ECBA to make a declaration, provide information, or request or obtain authorisations for engaging in particular activities. This can happen in cases where it is prescribed by law, justified by overriding reasons of public interest, and proportionate with the objective pursued (Art. 12-14). The EP version of the text allows Member States to limit the sources of funding in cases where the Member State can prove that the ECBA flagrantly and repeatedly breaches the values of the European Union enshrined in Article 2 TEU through its activities (Art. 13(2.b)). Such acts do not require the consent of the Member State where the ECBA is established. Furthermore, scrutiny on the identity and information about the ECBAs will be made easier

⁹ [Anti-money laundering and countering the financing of terrorism at EU level.](#)

via the registration into the Single Digital Gateway, which will facilitate the exchange of evidence among Member States authorities.

Involuntary dissolution can be executed only by the authorities of the Member State where the ECBA is registered (Art. 25(1)). However, Art. 28 prescribes administrative cooperation among Member States for the application of the Directive. It is envisageable, therefore, that when a Member State finds evidence of operations in their Member State that could make grounds for an involuntary dissolution (listed in Art. 25(2)), they can relay them to the authority of the competent Member State. The proposed modification of the Single Digital Gateway, as part of the ECBA package, in order to also include cross-border associations, will make it easier for the national authorities to verify the information of the ECBAs operating in their territory, therefore enhancing transparency.

Can an ECBA that was dissolved by the authorities in a country be reconstituted in another country?

No, it cannot. The reconstitution of a dissolved ECBA in another country would mean that there is a legal and asset continuity between the dissolved ECBA and the newly established one: Art. 26 of the Directive explicitly states that the dissolution of an ECBA entails the liquidation of its assets and its redistribution to a NPO or a local authority in order to carry out activities similar to those (legitimate) that were pursued by the dissolved ECBA. Furthermore, if some of the members of the dissolved ECBA have been convicted for serious criminal offences, they cannot be in the governing body of the ECBA and, in case of conviction for or being subjects to measures linked with money laundering, associated predicate offences, or terrorist financing, they cannot found a new ECBA. Other further limitations would go beyond what is already required from other economic actors in the EU, and go against the freedom of establishment of NPOs as economic actors within the single market, as well as freedom of association protected by the Treaties and the Charter of Fundamental Rights of the European Union.

Conclusion

The ECBA Directive can have the potential to unlock opportunities for cross-border cooperation between citizens and non-profit organisations, unlocking their economic and societal potential, and being the first step for the establishment of the 'Single Market of the Public Good'. At the same time, it is crucial to do it right, to ensure that the Directive fits well with the different national ecosystems of associations, ensuring its easy applicability for citizens and associations, and making sure that it is a palatable option for current 'European associations' that could consider converting into ECBAs. That is why Civil Society Europe supports the position of the European Parliament (EP) in the first reading, as it carefully balances internal security concerns with guarantees on the respect of the rule of law and fundamental rights, clarifies some points that were implicitly present (but not clearly stated) in the original proposal for the European Commission, and adapts the original proposal to the reality of already existing European civil society organisations.

Civil Society Europe (CSE) is the coordination of civil society organisations at European (EU) level, representing 24 European networks and federations of civil society organisations (CSOs). Through its membership, CSE reaches out to millions of people who are active in or supported by not-for-profit organisations and CSOs across the EU. Established in 2014, CSE has carved out a unique space as the most representative organisation gathering CSOs interested in strengthening the role of civil society and civic space at the EU level. It is recognised as the point of reference for EU institutions on all matters regarding civic space and civil society involvement in policy-making, which is defined by the term 'civil dialogue'. CSE's mission is to contribute to EU and national institutions' recognition of the essential role and value of independent and plural civil society organisations (CSOs) in building and nurturing a democratic society based on fundamental rights. We strive to create the conditions for the development of a strong and independent civil society voice at EU level, as well as a thriving and enabling civic space across the European Union.