

Q&A

Debunking Disinformation
on EU Funding to NGOs



TRANSPARENCY
INTERNATIONAL EU

Why does the European Union fund NGOs to participate in policy making?

Supporting civil society participation in policy making is key for democracy. For the EU to remain legitimate, citizens must have a voice alongside business, trade unions and other organised interests – especially in Brussels, where key decisions for citizens are made.

By empowering citizens to participate, **civil society allows for their voices to be heard on EU matters**, fostering ownership and accountability, contributing to building trust and collaboration between policymakers and the community, and ensuring that legislation is based on evidence from the ground, reflects better equity in society, and encompassing the interests of many, not just of a few.

This is also grounded in the EU treaties: in particular article 11 of the Treaty on European Union: *“The institutions shall, by appropriate means, give citizens and representative associations the opportunity to make known and publicly exchange their views in all areas of Union action. EU institutions maintain an open, transparent and regular dialogue with civil society and representative associations”* and the Charter of Fundamental Rights.

For this reason the European Parliament has called on the European Commission (EC) and Council since the nineties to include in the EU budget funding for European Civil Society Organizations throughout the different funding programmes such as Erasmus, European Social Fund Plus, LIFE, CERV, EU4Health, NDICI.

What is being framed as a question of “transparency” is, in reality, **part of a long-running disinformation campaign to discredit NGOs**. This contributes to a wider erosion of European democracy since the last EU elections, targeting not only civil society but also other independent voices, including the free press.

The need to support and strengthen civil society has been recognised by the European Commission, which recently adopted a Civil Society Strategy. This strategy is a necessary first step amidst attacks on civil society and its funding.

The Strategy highlights that: *Civil society plays an essential role in our societies contributing to policy making... Engagement with civil society is a cornerstone of EU policy making.. Sustainable and transparent financial support is .. essential for a thriving civil society and for ensuring that CSOs can operate independently”*

What is the Scrutiny Working Group and how does it function?

The Scrutiny Working Group (SWG) on NGO financing is a temporary body established by a majority in the Conference of Presidents, comprising the EPP, ECR and the Patriots. The SWG will be under the Committee on Budgetary Control (CONT) of the European Parliament, and the CONT coordinators endorsed the Conference of Presidents' decision with a majority of the EPP and far right political groups. **The purpose of the working group is to scrutinise funding granted to NGOs.**

The SWG will be composed of up to 13 members, chaired by the CONT Committee Chair (Niclas Herbst, EPP), who does not count among the thirteen. Up to now the EPP, ECR, the Patriots and Renew Europe political groups have nominated representatives. However, Renew Europe voted against the establishment of both the Committee of Inquiry and the SWG in the Conference of Presidents.

It will work for six months and will have the power to request grant agreements and summon representatives from the Commission, other EU institutions, and/or beneficiaries for exchanges of views and an envisioned hearing.

The SWG will produce a working document (co-rapporteurs: Dirk Gotink EPP, and Carlo Fidanza, ECR), which will be adopted by a simple majority in the SWG, and be transmitted to the CONT coordinators for endorsement. If requested it can be submitted to the full CONT Committee for approval with a single vote, without possibility for amendments.

It will then be transmitted to the Conference of Presidents. On the basis of the working document, the CONT coordinators may decide to seek an own-initiative procedure (INI report) and/or appoint a standing rapporteur to pursue follow-up actions.

The SWG was established after a campaign by the EPP against NGO funding, by using the discharge procedure of the EU 2023 budget. The SWG was approved by a right-wing majority of the EPP and the three far-right groups, both at the level of Conference of Presidents and in the CONT Committee. The first meeting is scheduled on 26 November afternoon in Strasbourg.

HOW MUCH DOES THE EU FUND NGOS?

€ 135,000,000

This was approximately the
EU's annual budget in 2024.

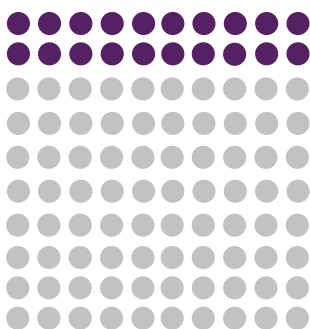


Funding

7%

EU funding for non-profits in 2024 **represented 7% of the total budget allocation** managed directly and indirectly by the European Commission (therefore excluding the EU budget managed with the Member States such as cohesion funding, or agriculture which represents 75% of the EU expenditures under the MFF).

This included funding through the different programmes managed directly by the EU including humanitarian aid and research for academia. **Only a fraction of this funding (0,2%) was allocated to promote engagement in policy making through grants supporting their operations (operating grants).**



20%

NGO funding represents 20% of the total funding available for private entities under both direct and indirect management. **80% is available to companies, academia, and international organisations.**

What do some conservative and far right MEPs claim?

Claim

1

The funding awarded to NGOs is not transparent.



False.

All beneficiaries of EU funding, including NGOs, must abide by the same financial rules. These rules have been amended and adopted by the European Parliament and the Member States.

All beneficiaries of EU funding can be searched through the Financial Transparency System. There you can find the amount of funding they have received and for which programmes. Under the EU Funding and Tender Portal you can find a description and summary of the projects results that were funded and the different activities for which they received funding. Taken together, citizens can access **up to 123 data points for any given grant**. This includes management data, summaries of project, project results, public deliverables, other sources of funding and, where applicable, advocacy objectives. **To the best of our knowledge, the EU system is the most transparent in the world.**

Nonetheless some improvements can be made:



-  Interlink different platforms (FTS, funding & tenders, EUTR) to **unlock the full potential of the data as a transparency and accountability mechanism.**
-  **Better distinguish between categories** to equip policymakers with empirical information on budgetary allocations. Categories reflecting the EU Transparency register should be introduced (which lists 13 categories, including professional consultancies, law firms, companies & groups, trade & business associations, think tanks and research institutions, academic institutions, associations and networks of public authorities, and so on). **Right now, only NGOs exist as its own separate category.**
-  **Require the same level of transparency** of procurement contracts as compared to grant agreements.

Claim

2

The European Court of Auditors has uncovered significant issues with EU funding to NGOs

False.

The European Court of Auditors **has found no misuse of funds in its special report** on *Transparency of EU funding granted to NGOs*. It only made suggestions on how the European Commission Financial Transparency System (FTS) can provide more timely and clearer information on EU funding to NGOs grantees and guide non profits to apply the definition of 'NGOs'. **It is important to note that the ECA did not assess information available on the Funding and Tender Portal which includes description and summary of content of all projects, results and deliverables in addition to financial information.**

Moreover although the ECA report is focused on funding to NGOs, **similar conclusions could have been drawn if the report had also covered all types of beneficiaries** (profit, non-profit, public). A more precise definition of beneficiaries such as NGOs could provide policymakers with better information on the impact of budgetary allocations on specific types of beneficiaries, in addition to the fulfillment of policy objectives of several funding programmes or types of funding. This would make sense if **other categories of beneficiaries among profit and non-profit could also be searchable** ie: companies & groups, consultancies, academic institutions, trade & business associations...if we refer to the categories in the EU Transparency Register. We believe that the Parliament should call on the Commission to further develop the FTS accordingly.

Claim

3

Funding to NGOs is used by the European Commission to influence the decisions of the parliamentarians.

The funding does not include any instruction to lobby the Parliament or the Member States.

Operating Grants to NGOs **are awarded under competitive calls for proposals**, which are based on broad policy objectives defined by the EP and Member States in specific regulations. When applying, NGOs submit an application that includes a work programme for the year of activities. The application is submitted to an external evaluation procedure, but if selected no changes in content can be requested by the EC. Therefore NGOs present activities that they plan to do and how they intend to deliver them (e.g. through studies, events, training, etc), **but there are no instructions from the Commissions on activities that should be carried out.**

The different legal texts establishing the different funding programmes support advocacy activities.

For instance, **the LIFE programme states:** *The improvement of governance on environmental, climate change and related energy transition matters requires the involvement of civil society by raising public awareness, including through a communication strategy that takes into account new media and social networks, consumer engagement, and the broadening of stakeholder involvement, including non-governmental organisations (NGOs), in consultations on and implementation of related policies at all levels. It ...support(s) a broad range of NGOs as well as networks of non-profit-making entities that pursue an aim which is of general Union interest, and that are primarily active in the area of the environment or climate action, by awarding, in a competitive and transparent manner, operating grants, in order to help such NGOs, networks and entities, to make effective contributions to Union policy, and to build and strengthen their capacity to become more efficient partners.*

The Citizens, Equality, Rights & Values programme states: *The general objective of the Programme is to protect and promote rights and values as enshrined in the Treaties, the Charter and the applicable international human rights conventions, in particular by supporting civil society organizations and other stakeholders active at local, regional, national and transnational level, and by encouraging civic and democratic participation, in order to sustain and further develop open, rights-based, democratic, equal and inclusive societies which are based on the rule of law.*

Or Erasmus+, which states: *Strengthening European identity and fostering the active participation of individuals and civil society in democratic processes is crucial for the future of Europe and democratic societies...*

The fact that the Commission does not use grants to interfere with other EU institutions was also confirmed by the Commission in an answer to a Parliamentary question that NGOs were not instructed to lobby, and that they are free to implement their activities, including advocacy activities. The European Court of Auditors also found that **beneficiaries have never been mandated by the Commission to carry out specific lobbying activities.**

The media outlet Politico Europe examined 27 NGO grant agreements and **found no evidence** that the Commission made EU funding conditional on promoting the Green Deal.

What is the Guidance Note?

The Guidance Note is a European Commission document dated May 2024 that was publicly released in November of last year during the budgetary control discussions on the discharge of the European Commission spending at the European Parliament.

The Note is clearly aimed at funding for civil society, under the statement that “while support for policy development activities including enhancing the involvement of civil society organisations remains an important and legitimate funding objective that should not be subject to unnecessary constraints, careful consideration should be given to the type of activities that the Union should not finance to advance these objectives”.

In particular, the Guidance Note introduces the concept of “reputational risk” (not further specified in its definition, stating that “*funding agreements requiring beneficiaries to undertake specifically detailed activities directed at EU institutions and some of their representatives may entail a reputational risk for the Union. Such specific activities can include sending letters, organising meetings or providing advocacy material to EU institutions or specific members of an institution; or identifying specific members or officials of an institution to evaluate or describe their positions, or to discuss specific political content or outcome. Work plans submitted by applicants should be carefully assessed to establish whether they could create such reputational risk if incorporated into a grant agreement*”.

The Guidance Note further says that “presenting specific positions to an EU institution or some of its members, including examining and explaining the impact of a given policy or policy proposal, should be entirely the choice of the entity concerned but not mandated as a requirement or condition for Union financing”.

This confirms that these activities are permitted under EU grants, are the sole responsibility of the beneficiaries and that their inclusion in grant agreements does not indicate that they are requested by the European Commission to beneficiaries.

There are serious doubts about the legality of this note and its compliance- with the financial rules, the programme regulations and primary law, including the charter of fundamental rights. Also the note seems to have been written to protect the reputation of the European Commission shifting the compliance on the way the activities proposed by the NGOs are presented, rather than addressing any possible interference on the side of the Commission. To do so, the guidance should have focused on the calls issued by the Commission and of the application process to ensure that the implementing agencies would not require NGOs to do certain activities.

To our knowledge the European Commission never mandated specific advocacy or lobbying activities. NGOs set their own priorities and work programmes in agreement with their members as part of the governance process.

Did NGOs not accept making retroactive changes to their 2024 work programmes upon the Commission request in late November 2024?

Yes. In November 2024, CINEA – the agency managing LIFE operating grants – asked beneficiaries to “screen” their 2024 work programmes against new guidance. This guidance, although dated May 2024, was only shared with beneficiaries in November, when most of the year’s activities for most beneficiaries had already been carried out. Beneficiaries were then *invited* to ask for a review of their grant agreements in the light of the guidance.

After carefully assessing the grant agreements, LIFE operating grant beneficiaries concluded that such changes were neither necessary nor possible. Retroactively amending a nearly completed work programme is not legally feasible under the EU’s Financial Regulation or contract law in general. Amendments must be agreed by both parties in advance.

Other requests for amendments were not accepted by beneficiaries concerned operating grants under DG INTPA and framework Partnership agreements (2025-2027) for which no annual funding call has yet been issued yet and no funding was released under DG SANTE. As the Commission has indicated to the Parliament these requests for changes happening after the signatures of the grant agreements had no legal basis, and would have required a request by the beneficiary.