

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT **D**  
BUDGETARY AFFAIRS



Budgets



Budgetary Control



# EU financing for NGOs in the area of home affairs, security and migration

STUDY for the LIBE Committee







DIRECTORATE GENERAL FOR INTERNAL POLICIES

**POLICY DEPARTMENT D: BUDGETARY AFFAIRS**

JUSTICE, FREEDOM AND SECURITY

# **EU financing for NGOs in the area of home affairs, security and migration**

**STUDY**

## **Abstract**

This study analyses the EU financing for non-governmental organisations (NGOs) in the area of home affairs, security and migration. In this regard, it describes the general principles of EU financing for NGOs, quantifies and qualifies the EU financing for NGOs (under central direct management) in the area of home affairs, security and migration, assesses the administrative burden faced by NGOs applying for and receiving EU grants, and examines the state-of-play of measures undertaken by the European Commission to ensure the transparency, effectiveness and efficiency of the EU financing for NGOs in the area of home affairs, security and migration.

This study was requested by the European Parliament's Committee on Civil Liberties, Justice and Home Affairs. It designated Mr Hubert Pirker, MEP, to follow the study.

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## LIST OF ABBREVIATIONS

**ABAC** Accrual Based Accounting, the European Commission's internal financial information system

**DFID** United Kingdom Department for International Development

**DG** Directorate-General

**DG HOME** European Commission Directorate-General for Home Affairs

**ECA** European Court of Auditors

**EEA** European Economic Area

**EU** European Union

**FPO** For-profit organisation

**FR** Financial Regulation – *Regulation (EU, Euratom) No 966/2012 of the European Parliament and the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, OJ L 298, 26.10.2012*

**FTS** Financial Transparency System of the European Commission

**JTR** Joint Transparency Register of the European Parliament and the European Commission

**LEF** Legal Entity File

**M EUR** Million Euro

**MFF** Multiannual Financial Framework

**MEP** Member of the European Parliament

**NFPO** Not-for-profit organisation

**NGO** Non-governmental organisation

**RAP** Rules of Application – *Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, OJ L 362, 31.12.2012*

**SIDA** Swedish International Development Cooperation Agency

**SOLID** General Programme “Solidarity and Management of Migration Flows” for the period 2007-2013

**TFEU** Treaty on the Functioning of the European Union

**UN** United Nations



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## **EXECUTIVE SUMMARY**

### **Introduction**

This study analyses the EU financing for non-governmental organisations (NGOs) in the area of home affairs, security and migration. The study focusses on EU financing for NGOs that is directly managed by European Commission Directorate-General for Home Affairs (central direct management of EU funds).

The study describes the general principles of EU financing for NGOs, quantifies and qualifies the EU financing for NGOs (under central direct management) in the area of home affairs, security and migration, and assesses the administrative burden faced by NGOs applying for and receiving EU grants. Finally, the study examines the state-of-play of measures undertaken by the European Commission to ensure the transparency, effectiveness and efficiency of the EU financing for NGOs in the area of home affairs, security and migration.

The study has been prepared by Deloitte for the European Parliament, Directorate General for Internal Policies, Policy Department D: Budgetary Affairs. It is based on a comprehensive literature review, a series of interviews with relevant institutional stakeholders as well as ten case studies of NGO grant beneficiaries in the area of home affairs, security and migration.

### **Principles of EU financing for NGOs**

The European Commission is cooperating with NGOs in view of fostering democracy and civil society, ensuring the representation of the views of specific groups of citizens and causes to the European Institutions, benefiting from NGOs' sector-specific expertise in the policy-making process, implementing EU policies and actions through NGOs and encouraging the transnational cooperation of NGOs to foster European integration. The cooperation involves inter alia a policy dialogue between the European Commission and NGOs as well as considerable amounts of EU financing for NGOs.

In the absence of an agreed legal definition of NGOs at EU level, the European Commission is using a set of core characteristics to identify NGOs: their not-for-profit and voluntary nature, their institutional/legal existence, their independence from government as well as their non-self-serving aim.

The absence of a legal NGO definition at EU level has led to a situation where very limited information is available on EU financing for NGOs. Indeed, under the EU's Financial Regulation (FR) and Rules of Application (RAP), NGOs are treated in the same way as every other type of beneficiary of EU funding. Nonetheless, the European Commission is currently undertaking actions to identify NGOs in its internal financial information systems.

It is important to note that none of the financial rules applicable to EU grant funding differentiate between beneficiaries with NGO status and those without. EU grant financing is governed by the high-level rules of the FR and RAP, by programme- or sector-specific financial regulations as well as by individual grant agreements concluded between the European Commission and the grant beneficiaries.

In view of the considerable importance of NGOs in the shaping and implementation of EU policies, the transparency of EU financing for NGOs has been high on the agenda of the European institutions and NGOs in the last years. EU-level initiatives for transparency include the European Commission's Financial Transparency System (FTS) – a central web-based database of EU funding commitments of the European Commission – and the Joint Transparency Register (JTR) of the European Parliament and the European Commission – a central web-based register of interest representatives active at EU level. While both systems have improved the transparency of EU policy-making and implementation, some weaknesses remain.

The European Commission's internal financial information and accounting system (ABAC) includes a possibility to label legal entities as not-for-profit organisations (NFPOs) and as NGOs. While the NFPO/FPO status of an entity is determined based on its legal form, i.e. an objective criterion, the NGO labelling (yes/no) depends on the self-declaration of the concerned entity and the judgement of the responsible authorising officer. The information generated by this labelling, which became mandatory as of 2013, is currently not publically available.

In this regard, the following recommendations can be considered:

- An inter-institutional dialogue on a potential EU-level definition of the term NGO for reporting (rather than legal) purposes could take place. A widely accepted EU-level definition of NGOs would facilitate the measurement of EU financing for NGOs and contribute to more transparency on the European Commission-NGO cooperation.
- The introduction of NGO-specific rules for grant financing should be avoided as they would increase regulatory complexity and discriminate between different types of grant beneficiaries without providing substantial advantages.
- The European Commission and European Parliament should pursue their efforts to continuously improve the FTS and JTR. Notably, the FTS should include an NFPO and NGO labelling of relevant beneficiaries based on the information contained in the European Commission's internal financial information system. The feasibility and desirability of a technical link between the FTS and the JTR should be explored.
- The European Commission could encourage its NGO grant beneficiaries, notably those involved in advocacy, to register on the JTR. The possibility to make registration mandatory for NGO grant beneficiaries could be reflected upon.

### **EU financing for NGOs in the area of home affairs, security and migration**

Even though a non-negligible proportion of the EU funds allocated to the area of home affairs, security and migration is implemented by NGOs, the European Commission does not have exhaustive lists of, nor statistics on, NGOs funded through the EU budget since there is no legal requirement to identify whether or not the recipient of EU funds has NGO status.

Despite its weaknesses, the European Commission's FTS has been used as best (publically) available data source to conduct an in-depth analysis and quantification of EU financing for NGOs in the area of home affairs, security and migration under central direct management. Based on an analysis of funding data from the European Commission's FTS, it appears that grants committed to NGOs under central direct management in the area of home affairs, security and migration (i.e. granted by the European Commission DG Home Affairs) amount to about 12.0 M EUR (35 grants) in 2010, about 11.9 M EUR (36 grants) in 2011 and about 30.9 M EUR (70 grants) in 2012.

Considering the overall amount of EU funds available in the area of home affairs, security and migration (about 4.7 billion EUR in the MFF period 2007-2013), the relevant NGO funding under central direct management is relatively limited. This is inter alia explained by the fact that a very large share (more than 90%) of the European Commission DG Home Affairs' programmes is implemented through shared management. Furthermore, other types of beneficiaries without NGO status – e.g. Member State authorities and regional authorities in the Member States – receive a non-negligible share of European Commission DG Home Affairs grants under central direct management.

Each individual NGO typically received a very low number of grants (one to three) over the period 2010-2012. The average funding amount has been about 340,000 EUR in 2010, about 330,000 EUR in 2011 and about 440,000 EUR in 2012. Yet, one should note that the majority of grants has been attributed to NGO consortia – as a result the average EU funding obtained by the individual NGO beneficiaries can be expected to be significantly lower. NGOs from Italy, Spain and the United Kingdom have been particularly successful in obtaining grants from the European Commission DG Home Affairs.

EU financing for NGOs is used both to cover operational expenditure (i.e. any expenditure directly and identifiably linked to the implementation of a project or action) and administrative expenditure (i.e. costs necessary for the functioning of the organisation which cannot be directly linked to the implementation of the project – the "overhead"). According to Article 125 para 4 FR *"the grant decision or agreement may authorise or impose, in the form of flat-rates, funding of the beneficiary's indirect costs up to a maximum of 7 % of total eligible direct costs for the action, except where the beneficiary is in receipt of an operating grant financed from the budget. The 7 % ceiling may be exceeded on the basis of a reasoned decision of the Commission."*

The 7% cap on flat reimbursements of administrative costs is implemented by the European Commission DG Home Affairs across all its funding programmes. The European Commission DG Home Affairs explained that typically NGOs request 7% flat reimbursement to cover their administrative expenditure, but a non-negligible share of NGOs requests lower percentages. Indeed, the administrative costs can vary significantly across projects. For instance, a project with a high number of co-beneficiaries in various Member States will typically generate higher administrative costs than a project that is implemented by a single beneficiary.

Other institutional donors funding NGOs active in the area of home affairs, security and migration within the EU, such as the EEA, the Swiss Confederation or the Member States, grant flat reimbursements of administrative costs in the range of 5%-18%. In addition, it appears that the overall administrative costs (incl. fundraising and communication) of relevant NGOs typically lie in the area of 9%-15%, i.e. above the 7% cap foreseen by the EU's FR.

While most interviewed NGOs (incl. 9/10 case studies) support the 7% cap, some NGOs (incl. 4/10 case studies) call for higher caps for very complex projects involving a large number of co-beneficiaries. The correct application of the flat rate compensation of administrative expenditure and the operational expenditure is verified ex-ante at the stage of the applications, before payments are made and ex-post in audits. Typically, smaller NGOs face more difficulties to clearly disentangle administrative and operational costs than larger organisations that have specialised accountants and controllers in-house.

In this regard, the following conclusions and recommendations can be considered:

- In view of quantifying the EU financing for NGOs under central direct management in the future, the improvement of FTS data and functionalities, notably an NFPO and NGO labelling based on the information contained in the European Commission's internal financial information system, appears to be the most feasible and accurate approach. The European Commission should foster the implementation of its internal NGO labelling obligations and make the information publically available through the FTS.
- Due to its voluntary and self-declaratory nature – and subsequently its incomplete coverage and limited reliability – the JTR is not well suited for the reporting and analysis of EU financing for NGOs.
- The 7% cap on the flat reimbursement of administrative costs foreseen by the EU's FR appears to be in line with the actual needs of NGOs and can be considered as sufficiently low to encourage "overhead" efficiency at NGO beneficiaries. The flat reimbursement method for administrative expenditure is generally considered as most efficient and less burdensome practice.

### **Administrative burden faced by NGOs**

Overly burdensome grant administration has been repeatedly pointed out as a major issue for NGOs that apply for and implement EU funds (incl. 9/10 case studies). The major concern is that overly burdensome grant administration can divert limited resources away from project delivery – both on the side of the European Commission and on the side of NGOs.

While the need of conducting thorough selection procedures before granting EU funds to NGOs and other types of beneficiaries is widely accepted, some concerns have been voiced with regard to the complexity of procedures and the administrative burden imposed on applicants. It has been reported (incl. by 7/10 case studies) that overly burdensome grant application procedures might even discourage potential candidate NGOs to apply for EU grants and turn to other sources of funding.

Several NGOs (incl. 4/10 case studies) reported that the complexity of grant application processes is so high, that many NGOs hire specialised consulting firms to assist them in the EU fund-raising. Another issue in the grant application phase is the perceived lack of sufficient information and guidance for NGOs, in particular on funding possibilities and financial procedures (incl. 7/10 case studies).

The need for thorough grant management procedures for NGOs and other types of beneficiaries is generally recognised in view of a sound, accountable and transparent implementation of the EU budget. Yet, some concerns with regard to the efficiency and appropriateness of the current procedures have been raised (incl. by 9/10 case studies), notably where they are considered to create unnecessary and un-proportionate administrative burden for NGOs and the European Commission. Many NGOs (incl. 7/10 case studies) are having problems with the financial administration of European Commission grants. Problems relate both to general European Commission requirements such as co-financing and to issues specific to the European Commission's grant management procedures.

In particular, small NGOs are facing problems because they are not necessarily equipped with adequate tools, resources and expertise to report to the European Commission on financial aspects as required by the financial regulations applicable to the grants. Many NGOs (incl. 8/10 case studies)

called for more proportionate grant management arrangements, i.e. lighter procedures and administrative requirements for small grants.

An important concern of NGOs (incl. 5/10 case studies) relates to the perceived inflexibility of the European Commission with regard to project design or budget modifications. Another issue is the fact that the depth and scope of audits are neither proportional to the size of NGOs nor the amounts granted, with small NGOs being unnecessarily burdened (incl. 4/10 case studies). Finally, many NGOs (incl. 9/10 case studies) criticised the relatively short duration – typically one year – of action grants awarded by the European Commission DG Home Affairs. A large majority of NGOs (incl. 9/10 case studies) called for multi-annual funding, in order to allow them greater security and to reduce the administrative burden of having to reapply for funding every year.

Despite the remaining difficulties, the European Commission has been able to make considerable progress in recent years in view of ensuring simpler and faster access to EU funds for NGOs and other types of beneficiaries.

Some of the most significant improvements have been introduced with the reviewed FR and RAP, applicable as of 01 January 2013 (and for all types of beneficiaries and policy areas). The new legal framework for grant funding inter alia includes simplifications such as light documentation requirements for grants of small amounts; the possibility to accept, where justified, co-financing in kind (e.g. through the work done by volunteers); the possibility to use two-stage grant application processes; more possibilities to use lump sum reimbursements; and the possibility to give a second chance to grant applicants to correct non-substantial errors in their applications.

In view of facilitating the grant application process, the European Commission DG Home Affairs has introduced – together with the European Commission DG Justice – a web-based grant management system for grants under central direct management (“PRIAMOS”).

For the next MFF period 2014-2020, the European Commission DG Home Affairs has foreseen a series of novelties for its funding activities under central direct management in view of reducing administrative burden, simplifying and improving the access to EU funds. These include a shared set of rules on programming, reporting, financial management, controls and evaluation for the two funding programmes; multiannual programming; and a flexible emergency response mechanism to ensure that funding can be released in a matter of days, where needed.

In this regard, the following recommendations can be considered:

- The European Commission DG Home Affairs should continue to foster its dialogue with NGOs in view of continuously improving the fluency of procedures, providing user-friendly guidance and reducing unnecessary administrative burden.
- Along the lines of the proposed funding programmes for the MFF period 2014-2020, the European Commission DG Home Affairs should implement multi-annual funding, shared rules for its funding programmes, and a flexible mechanism to respond to unforeseen policy emergencies.
- The European Commission DGs for Home Affairs and Justice could also explore possibilities to ensure interoperability of their grant management system (“PRIAMOS”) with other DGs of the European Commission in view of reducing administrative burden for NGOs and other bodies that apply for funds from different DGs.



- In line with the possibilities of the new FR, the European Commission DG Home Affairs could consider using the small grants scheme with its lighter administrative requirements in view of opening up funding opportunities to smaller NGOs, which are less familiar with EU procedures.

### **Transparency, effectiveness and efficiency of EU financing for NGOs**

Although NGOs' usefulness as partners of the European Commission for EU funds and policy implementation is widely acknowledged given their specific and local competences, it has been claimed by some actors that certain persistent weaknesses are faced in terms of transparency, efficiency and effectiveness when it gets to the evaluation of the EU funds spending through these structures.

The decision-making processes for the allocation of EU financing for NGOs – i.e. the grant award procedures – have been subject to a debate, notably with regard to the selection and award criteria, the transparency of procedures and the impartiality of funding decisions. A significant share of the NGOs (incl. 5/10 case studies) that have been interviewed in the framework of this study felt that the grant allocation processes of the European Commission are not sufficiently transparent. Several NGOs (incl. 4/10 case studies) argued that the rationale of the ratings given by the European Commission's grant evaluators is often difficult to understand. Furthermore, many NGOs (incl. 6/10 case studies) complained about the non-provision of (useful) feedback on their grant application – both in case of a rejection or an award.

According to the co-financing principle, the EU grant may not finance the entire costs of an action implemented by NGO (or any other type of beneficiary); the beneficiary needs to raise a share of the required funds – typically at least 10% – from other sources. While a large majority of interviewed NGOs (incl. 8/10 case studies) in principle supports the co-financing principle, some NGOs (incl. 4/10 case studies) point to difficulties to raise the co-financing funds, notably for smaller NGOs with less visibility and those NGOs that are active in domains that are not very popular among private donors. Therefore, some NGOs (incl. 3/10 case studies) suggest increasing the possibilities to bring in co-financing in kind, notably the working time of volunteering staff.

Measuring and evaluating the performance of NGO actions financed through EU programmes is of high importance to ensure an effective and efficient implementation of the EU budget. In addition, the measurement of results of EU-funded NGO actions enables both policy-makers and NGOs to clearly demonstrate and communicate the value for (taxpayer's) money of EU financing for NGOs.

A common requirement in grant agreements is that NGOs that receive European Commission funding provide technical and financial reports to the donor, which should allow for a comparison between the project proposal and what was achieved during the reporting period. There are, however, challenges to using this kind of self-assessment of NGOs as the primary means of evaluating NGOs' performance and project's outcomes. Where no clear guidelines and checks exist, self-reporting has an inherent risk of limited objectivity.

The European Commission DG Home Affairs is using a project description and implementation form which requires a detailed description of project work phases with milestones, activities, deliverables and expected results (both intangible and tangible). Yet, no specific methodology to measure the performance and impact of EU-funded projects has been developed or recommended to grant



beneficiaries. In addition, several NGOs (incl. 5/10 case studies) argued that the European Commission and the competent Member State authorities are making insufficient use of the project reporting provided by NGOs.

NGO beneficiaries of EU grants are subject to the control and supervision procedures foreseen by the FR and RAP. These rules make the grant beneficiaries accountable from the award procedure to the final payment. They apply to any beneficiary regardless of its status. Projects implemented by NGOs and financed from European Commission funds are submitted to the same rules and controls than any other European Commission-funded project. According to the European Commission DG Home Affairs, in the past years the quantifiable average residual error rate was lower than 2% for all its beneficiaries, i.e. in line with the ECA's level of reference. NGO-specific data is not available.

In this regard, the following recommendations can be considered:

- The European Commission DG Home Affairs may reflect on ways to raise more awareness for funding opportunities for NGOs at EU level, possibly in collaboration with the competent authorities in the Member States.
- The European Commission DG Home Affairs should provide concise and useful written feedback on grants applications to all applicants (unsuccessful and successful). This would foster transparency and encourage the continuous improvement of NGOs' activities and projects – and may ultimately lead to better value for money for the European Commission in its future calls for proposals.
- In line with the possibilities of the FR, the European Commission DG Home Affairs could reflect on possibilities to allow for co-financing in kind by NGOs, notably in the case of small grants.
- The European Commission DG Home Affairs should pursue – together with the Member States – its efforts to develop common indicators and performance measurement systems for its funding programmes in the MFF period 2014-2020. Hands-on guidance on performance measurement and evaluation should be provided to grant beneficiaries.
- The European Commission DG Home Affairs could consider the possibility of making available final reports of funded projects on its website in view of fostering transparency and allowing for mutual learning among NGOs.

## **ZUSAMMENFASSUNG**

### **Einleitung**

In dieser Studie werden die Fördermittel der EU für Nichtregierungsorganisationen (NRO) im Bereich Inneres, Sicherheit und Migration untersucht. Im Zentrum der Studie stehen die Fördermittel der EU für NRO, die direkt von der Generaldirektion Inneres der Kommission verwaltet werden (direkte zentrale Verwaltung der EU-Mittel).

Die Studie beschreibt sowohl die allgemeinen Grundsätze der EU-Finanzierung für NRO, quantifiziert und qualifiziert die Finanzmittel der EU für NRO (im Rahmen der direkten zentralen Verwaltung) im Bereich Inneres, Sicherheit und Migration und bewertet den Verwaltungsaufwand von NRO, die Finanzhilfen der EU beantragen und erhalten. Abschließend wird der Stand der Maßnahmen untersucht, mit denen die Kommission die Transparenz, Effizienz und Wirksamkeit der EU-Finanzierung für NRO im Bereich Inneres, Sicherheit und Migration sicherstellt.

Die Studie wurde von Deloitte für das Europäische Parlament, Generaldirektion Interne Politikbereiche, Fachabteilung D: Haushaltsfragen, erstellt. Ihr liegen eine umfangreiche Literaturrecherche, Gespräche mit relevanten institutionellen Akteuren sowie zehn Fallstudien zu NRO im Bereich Inneres, Sicherheit und Migration, die Finanzhilfen erhalten, zugrunde.

### **Grundsätze der EU-Finanzierung für NRO**

Die Kommission arbeitet mit NRO zusammen, um Demokratie und Zivilgesellschaft zu fördern, die Vertretung von Standpunkten bestimmter Gruppen von Bürgerinnen und Bürgern und die Darstellung von Ursachen gegenüber den europäischen Institutionen sicherzustellen, das sektorspezifische Fachwissen von NRO im politischen Entscheidungsprozess zu nutzen, Strategien und Maßnahmen der EU durch NRO umzusetzen und die transnationale Zusammenarbeit von NRO zur Stärkung der europäischen Integration zu unterstützen. Zur Zusammenarbeit gehören u. a. ein politischer Dialog zwischen der Kommission und den NRO sowie beträchtliche Finanzmittel der EU für NRO.

Da es keine gemeinsame rechtliche Definition von NRO auf Ebene der EU gibt, verwendet die Kommission zur Bestimmung von NRO eine Reihe von Kernmerkmalen: ihren nicht gewinnorientierten und ehrenamtlichen Charakter, ihre institutionelle/rechtliche Existenz, ihre Unabhängigkeit von Regierungen sowie ihre nicht eigennützigen Ziele.

Aufgrund der fehlenden rechtlichen Definition von NRO auf EU-Ebene liegen nur sehr begrenzt Informationen zu EU-Finanzmitteln für NRO vor. In der Haushaltsordnung (HO) und den Anwendungsbestimmungen werden NRO in der gleichen Weise wie alle anderen Empfänger von Mitteln der EU behandelt. Die Kommission ergreift derzeit jedoch Maßnahmen, um NRO in ihrem internen Finanzinformationssystem ermitteln zu können.

Es sei darauf hingewiesen, dass in keiner der für Finanzhilfen der EU geltenden Finanzvorschriften zwischen Empfängern mit und ohne NRO-Status unterschieden wird. Die Gewährung von Finanzhilfen der EU unterliegt den hochrangigen Regeln der HO und der Anwendungsbestimmungen, programm- oder sektorspezifischen Finanzvorschriften sowie einzelnen Finanzhilfevereinbarungen zwischen der Kommission und den Finanzhilfeempfängern.

Aufgrund der erheblichen Bedeutung von NRO bei der Gestaltung und Umsetzung von Strategien der EU war die Transparenz der Finanzierung von NRO durch die EU in den vergangenen Jahren für die europäischen Institutionen und die NRO ein wichtiges Thema. Zu den Transparenzinitiativen auf Ebene der EU gehören das Finanztransparenzsystem (FTS) der Kommission – eine zentrale, internetbasierte Datenbank zu Finanzierungsverpflichtungen der Kommission – und das gemeinsame Transparenzregister des Europäischen Parlaments und der Kommission – ein zentrales internetbasiertes Register von Interessenvertretern, die auf EU-Ebene aktiv sind. Mit beiden Systemen wurde zwar die Transparenz der Politikgestaltung der EU verbessert, doch es bestehen weiterhin Schwachstellen.

Mit dem internen Finanzinformations- und Rechnungsführungssystem der Kommission (ABAC) ist es möglich, Rechtspersonen als gemeinnützige Organisationen und als NRO zu kennzeichnen. Während der gemeinnützige/gewinnorientierte Status einer Organisation aufgrund ihrer Rechtsform, d. h. eines objektiven Kriteriums, festgelegt wird, hängt die Kennzeichnung als NRO (ja/nein) von der Eigenerklärung der betreffenden juristischen Person und der Beurteilung des zuständigen Anweisungsbefugten ab. Die Informationen, die durch diese seit 2013 verbindliche Kennzeichnung gewonnen werden, stehen der Öffentlichkeit derzeit nicht zur Verfügung.

In diesem Zusammenhang können folgende Empfehlungen in Betracht gezogen werden:

- Es könnte ein interinstitutioneller Dialog über eine mögliche Definition des Begriffs NRO auf EU-Ebene zu Meldezwecken (eher als zu rechtlichen Zwecken) stattfinden. Eine weithin anerkannte Definition von NRO auf EU-Ebene würde die Bewertung der Finanzmittel der EU für NRO erleichtern und zu mehr Transparenz bei der Zusammenarbeit zwischen Kommission und NRO beitragen.
- Die Einführung NRO-spezifischer Bestimmungen für die Gewährung von Finanzmitteln sollte vermieden werden, da dies die Komplexität der Rechtsvorschriften erhöhen und zwischen verschiedenen Arten von Finanzhilfeempfängern unterscheiden würde, ohne wesentliche Vorteile mit sich zu bringen.
- Die Kommission und das Europäische Parlament sollten ihre Bemühungen zur ständigen Verbesserung des FTS und des gemeinsamen Transparenzregisters fortsetzen. Vor allem sollte das Finanztransparenzsystem eine Kennzeichnung relevanter Empfänger als gemeinnützige Organisationen bzw. als NRO einschließen, die sich auf die Informationen im internen Finanzinformationssystem der Kommission stützt. Die Realisierbarkeit und die Zweckmäßigkeit einer technischen Verbindung zwischen dem FTS und dem gemeinsamen Transparenzregister sollte geprüft werden.
- Die Kommission könnte die NRO, denen sie Finanzhilfen gewährt, insbesondere Organisationen, die Interessen vertreten, auffordern, sich im gemeinsamen Transparenzregister erfassen zu lassen. Die Möglichkeit, die Registrierung von NRO, die Finanzhilfen erhalten, verbindlich vorzuschreiben, könnte erwogen werden.

### **EU-Fördermittel für NRO im Bereich Inneres, Sicherheit und Migration**

Auch wenn ein nicht unerheblicher Teil der für den Bereich Inneres, Sicherheit und Migration bereitgestellten EU-Mittel von NRO verwendet wird, verfügt die Kommission weder über vollständige Listen noch Statistiken zu NRO, die Haushaltsmittel der EU erhalten, da rechtlich keine Verpflichtung besteht, festzustellen, ob ein Empfänger von EU-Mitteln über einen NRO-Status verfügt.

Das FTS der Kommission wurde trotz seiner Mängel als beste (öffentlich) zugängliche Datenquelle verwendet, um eine gründliche Untersuchung und Quantifizierung der EU-Fördermittel für NRO im Bereich Inneres, Sicherheit und Migration unter direkter zentraler Verwaltung durchzuführen. Eine Untersuchung der Förderdaten des FTS der Kommission zeigt, dass sich die Finanzhilfen für NRO im Rahmen der direkten zentralen Verwaltung im Bereich Inneres, Sicherheit und Migration (d. h. von der GD Inneres der Kommission gewährte Mittel) auf etwa 12 Mio. EUR (35 Finanzhilfen) im Jahr 2010, etwa 11,9 Mio. EUR (36 Finanzhilfen) im Jahr 2011 und etwa 30,9 Mio. EUR (70 Finanzhilfen) im Jahr 2012 beliefen.

Angesichts der Gesamthöhe der EU-Mittel, die im Bereich Inneres, Sicherheit und Migration zur Verfügung stehen (etwa 4,7 Mrd. EUR im MFR-Zeitraum 2007-2013) fallen die entsprechenden Fördermittel im Rahmen der direkten zentralen Verwaltung relativ gering aus. Dies erklärt sich u. a. dadurch, dass ein sehr großer Anteil (mehr als 90 %) der Programme der GD Inneres der Kommission im Rahmen der geteilten Mittelverwaltung durchgeführt werden. Ferner erhalten andere Arten von Empfängern ohne NRO-Status – z. B. Behörden von Mitgliedstaaten oder regionale Behörden in den Mitgliedstaaten – einen nicht unerheblichen Teil der Finanzhilfen der GD Inneres der Kommission im Rahmen der direkten zentralen Verwaltung.

Die einzelnen NRO erhielten im Zeitraum 2010-2012 typischerweise eine sehr geringe Zahl von Finanzhilfen (eine bis drei). Die durchschnittliche Finanzhilfe lag im Jahr 2010 bei etwa 340 000 EUR, im Jahr 2011 bei etwa 330 000 EUR und im Jahr 2012 bei etwa 440 000 EUR. Die Mehrzahl der Finanzhilfen wurde jedoch an NRO-Konsortien vergeben – daher dürften die durchschnittlichen EU-Fördermittel für einzelne NRO deutlich darunter liegen. NRO aus Italien, Spanien und dem Vereinigten Königreich waren bei der Beantragung von Finanzhilfen der GD Inneres der Kommission besonders erfolgreich.

Finanzhilfen der EU für NRO werden sowohl für die Deckung von Betriebskosten (d. h. Ausgaben, die direkt und erkennbar mit der Durchführung eines Projekts oder einer Maßnahme verbunden sind) und Verwaltungsausgaben (d. h. Ausgaben, die für das Funktionieren der Organisation erforderlich sind und nicht direkt mit der Durchführung des Projekts verbunden sind – die Gemeinkosten) verwendet. Artikel 125 Absatz 4 der HO sieht vor: *„In dem Finanzhilfebeschluss bzw. der Finanzhilfevereinbarung kann genehmigt oder vorgeschrieben werden, dass die indirekten Kosten des Begünstigten bis zu höchstens 7 % der gesamten förderfähigen direkten Kosten der Maßnahme auf der Grundlage von Pauschalsätzen finanziert werden, sofern der Begünstigte nicht eine Finanzhilfe, die aus dem Haushalt finanziert wird, für seine Betriebskosten erhält. Die Obergrenze von 7 % kann auf begründeten Beschluss der Kommission hin überschritten werden.“*

Die Obergrenze von 7 % bei pauschaler Erstattung der Verwaltungskosten wird von der GD Inneres der Kommission bei all ihren Förderprogrammen angewendet. Die GD Inneres der Kommission erklärte, typischerweise beantragten NRO eine pauschale Erstattung von 7 % zur Deckung ihrer Verwaltungskosten, doch ein beträchtlicher Teil der NRO beantrage niedrigere Prozentsätze. Die Verwaltungskosten können sich zwischen den Projekten erheblich unterscheiden. Ein Projekt mit einer großen Zahl an Mitbegünstigten in mehreren Mitgliedstaaten wird normalerweise höhere Verwaltungskosten verursachen als ein Projekt, das von einem einzigen Begünstigten durchgeführt wird.

Andere institutionelle Geber, die NRO im Bereich Inneres, Sicherheit und Migration innerhalb der EU aktiv fördern, wie der EWR, die Schweizerische Eidgenossenschaft oder die Mitgliedstaaten, gewähren pauschale Erstattungen von Verwaltungskosten in Höhe von zwischen 5 % und 18 %. Überdies scheinen die Verwaltungskosten (einschließlich Mittelbeschaffung und Kommunikation) einschlägiger NRO insgesamt normalerweise im Bereich von zwischen 9 % und 15 % zu liegen, d. h. über der in der HO der EU vorgesehenen Obergrenze von 7 %.

Während die meisten befragten NRO (einschließlich in neun von zehn Fallstudien) die Obergrenze von 7 % unterstützen, fordern einige NRO (einschließlich vier von zehn Fallstudien) höhere Obergrenzen für sehr komplexe Projekte, an denen eine Vielzahl von Mitbegünstigten beteiligt ist. Die korrekte Anwendung der pauschalen Erstattung von Verwaltungsausgaben und Betriebsausgaben wird im Voraus in der Phase der Anträge, bevor Zahlungen erfolgen, und im Nachhinein bei Kontrollen überprüft. Normalerweise haben kleinere NRO mehr Schwierigkeiten, Verwaltungs- und Betriebskosten klar voneinander zu trennen, als größere Organisationen, die über interne spezialisierte Buchprüfer und Kontrollbeauftragte verfügen.

In diesem Zusammenhang können folgende Schlussfolgerungen und Empfehlungen in Betracht gezogen werden:

- In Hinblick auf die künftige Quantifizierung der EU-Finanzmittel für NRO im Rahmen der direkten zentralen Verwaltung scheint die Verbesserung der Daten und Funktionen des FTS, insbesondere eine Kennzeichnung von gemeinnützigen Organisationen und NRO anhand der Informationen aus dem internen Finanzinformationssystem der Kommission, das am besten realisierbare und präziseste Verfahren zu sein. Die Kommission sollte die Umsetzung ihrer internen Kennzeichnungspflichten für NRO fördern und die Informationen über das FTS öffentlich zugänglich machen.
- Das gemeinsame Transparenzregister ist aufgrund seines freiwilligen Charakters und der Eigenangaben – und damit seiner unvollständigen Erfassung und begrenzten Zuverlässigkeit – für die Meldung und Untersuchung der EU-Finanzmittel für NRO nicht gut geeignet.
- Die in der HO der EU vorgesehene Obergrenze von 7 % für die Erstattung von Verwaltungskosten stimmt mit den tatsächlichen Bedürfnissen der NRO überein und kann als ausreichend niedrig erachtet werden, um die Gemeinkosteneffizienz bei den begünstigten NRO zu unterstützen. Die Methode der pauschalen Erstattung von Verwaltungsausgaben wird allgemein als das effizienteste und am wenigsten aufwändige Verfahren angesehen.

### **Verwaltungsaufwand der NRO**

Die übermäßig schwerfällige Finanzhilfeverwaltung wurde von NRO, die EU-Mittel beantragen und verwenden (einschließlich in neun von zehn Fallstudien), wiederholt als wichtiges Thema genannt. Die größte Sorge besteht darin, dass durch eine übermäßig schwerfällige Finanzhilfeverwaltung begrenzte Ressourcen von der Durchführung des Projekts abgezogen werden, sowohl auf der Seite der Kommission als auch auf der von NRO.

Die Notwendigkeit der Durchführung sorgfältiger Auswahlverfahren vor der Vergabe von EU-Mitteln an NRO und andere Arten von Empfängern ist zwar allgemein akzeptiert, doch wurden Bedenken in Hinblick auf die Komplexität der Verfahren und den Verwaltungsaufwand für die Antragsteller geäußert. Es wurde berichtet (darunter in sieben von zehn Fallstudien), dass übermäßig schwerfällige Verfahren zur Beantragung von Fördermitteln potenzielle Bewerber unter den NRO sogar davon

abhalten könnten, Zuschüsse der EU zu beantragen, und diese sich an andere Finanzierungsquellen wenden.

Mehrere NRO (darunter in vier von zehn Fallstudien) berichteten, die Verfahren zur Beantragung von Zuschüssen seien so komplex, dass viele NRO spezialisierte Beratungsfirmen beauftragten, sie bei der Beschaffung von EU-Mitteln zu unterstützen. Ein weiteres Problem bei der Beantragung von Finanzhilfe ist der empfundene Mangel an ausreichenden Informationen und Beratung für NRO, insbesondere zu Fördermöglichkeiten und Finanzverfahren (einschließlich in sieben von zehn Fallstudien).

Die Notwendigkeit einer sorgfältigen Finanzhilfeverwaltung der NRO und anderer Arten von Empfängern wird in Hinblick auf eine ordnungsgemäße, verantwortungsvolle und transparente Ausführung des Haushaltsplans der EU anerkannt. Es wurden jedoch Bedenken in Hinblick auf die Effizienz und Angemessenheit der derzeitigen Verfahren vorgebracht (einschließlich in neun von zehn Fallstudien), insbesondere dort, wo sie als unnötiger und unverhältnismäßiger Verwaltungsaufwand für NRO und die Kommission betrachtet werden. Viele NRO (darunter in sieben von zehn Fallstudien) haben Probleme mit der finanziellen Verwaltung der Finanzhilfen der Kommission. Die Probleme bestehen sowohl bei allgemeinen Auflagen der Kommission wie Kofinanzierung als auch bei Fragen, die speziell die Verfahren zur Verwaltung von Finanzhilfen der Kommission betreffen.

Insbesondere kleinere NRO haben Probleme, weil sie nicht zwangsläufig über die erforderlichen Instrumente, Ressourcen und das Fachwissen verfügen, um der Kommission über finanzielle Aspekte zu berichten, wie dies in den für die Finanzhilfen geltenden Finanzbestimmungen vorgeschrieben ist. Viele NRO (einschließlich in acht von zehn Fallstudien) forderten angemessenere Bestimmungen für die Finanzhilfeverwaltung, d.h. vereinfachte Verfahren und Verwaltungsaufgaben für kleine Finanzhilfen.

Ein wichtiges Anliegen der NRO (darunter in fünf von zehn Fallstudien) betrifft die empfundene Unbeweglichkeit der Kommission bei Projektgestaltung oder Haushaltsänderungen. Ein weiteres Problem besteht darin, dass die Gründlichkeit und der Umfang von Prüfungen weder im Verhältnis zur Größe der NRO noch zu den gezahlten Beträgen stehen, wodurch ein unnötiger Aufwand für kleine NRO entsteht (einschließlich in vier von zehn Fallstudien). Zudem kritisierten viele NRO (darunter in neun von zehn Fallstudien) die relativ kurze Laufzeit – üblicherweise ein Jahr – der von der GD Inneres der Kommission gewährten maßnahmenbezogenen Zuschüsse. Die große Mehrheit der NRO (darunter in neun von zehn Fallstudien) forderte eine mehrjährige Finanzierung, um ihnen mehr Sicherheit zu geben und den Verwaltungsaufwand zu verringern, der durch die jährliche Neubeantragung der Fördermittel entsteht.

Trotz der noch bestehenden Schwierigkeiten konnte die Kommission in den letzten Jahren beträchtliche Fortschritte bei der Sicherstellung eines einfacheren und rascheren Zugangs von NRO und anderen Arten von Empfängern zu Mitteln der EU erzielen.

Die wichtigsten Verbesserungen wurden durch die Überarbeitung der HO und der Anwendungsbestimmungen erreicht, die ab dem 1. Januar 2013 (und für alle Arten von Empfängern und Politikbereichen) gilt. Zum neuen Rechtsrahmen für die Förderung durch Finanzhilfen gehören u. a. Vereinfachungen wie etwa weniger strikte Anforderungen an die Vorlage von Unterlagen für Finanzhilfen in geringer Höhe, die Möglichkeit, sofern gerechtfertigt, Kofinanzierungen in Form von



Sachleistungen (z. B. die von Freiwilligen geleistete Arbeit) zu akzeptieren, die Möglichkeit, zweistufige Verfahren der Beantragung von Finanzhilfen zu nutzen, weitere Möglichkeiten zur Nutzung der Pauschalerstattung sowie die Möglichkeit, Antragstellern eine zweite Chance einzuräumen, um unwesentliche Fehler in ihren Anträgen zu korrigieren.

Um das Verfahren der Beantragung von Finanzhilfen zu vereinfachen, hat die GD Inneres der Kommission – zusammen mit der GD Justiz der Kommission – ein internetbasiertes Finanzhilfeverwaltungssystem für Finanzhilfen unter direkter zentraler Verwaltung („PRIAMOS“) eingeführt.

Für den nächsten MFR-Zeitraum 2014-2020 hat die GD Inneres der Kommission eine Reihe von Neuheiten für ihre der direkten zentralen Verwaltung unterliegenden Fördermaßnahmen vorgesehen, um den Verwaltungsaufwand zu verringern und den Zugang zu Mitteln der EU zu vereinfachen und zu verbessern. Dazu gehören gemeinsame Regeln zu Programmplanung, Berichterstattung, Finanzverwaltung, Kontrollen und Evaluierung für die beiden Förderprogramme, mehrjährige Programmplanung und ein flexibler Soforthilfemechanismus, um sicherzustellen, dass die Fördermittel, falls erforderlich, innerhalb weniger Tage bereitgestellt werden können.

In diesem Zusammenhang können folgende Empfehlungen in Betracht gezogen werden:

- Die GD Inneres der Kommission sollte ihren Dialog mit den NRO weiterhin fördern, um den reibungslosen Ablauf der Verfahren ständig zu verbessern, eine nutzerfreundliche Beratung anzubieten und unnötigen Verwaltungsaufwand abzubauen.
- Nach Maßgabe der vorgeschlagenen Förderprogramme für den MFR-Zeitraum 2014-2020 sollte die GD Inneres der Kommission eine mehrjährige Förderung, gemeinsame Regeln für ihre Förderprogramme und einen flexiblen Mechanismus anwenden, um auf unvorhergesehene politische Notfälle reagieren zu können.
- Die GD Inneres und Justiz der Kommission könnten auch Möglichkeiten prüfen, die Interoperabilität ihres Finanzhilfeverwaltungssystems („PRIAMOS“) mit anderen GD der Kommission sicherzustellen, um den Verwaltungsaufwand für NRO und andere Einrichtungen zu verringern, die Fördermittel bei verschiedenen GD beantragen.
- In Übereinstimmung mit den Möglichkeiten der neuen HO könnte die GD Inneres der Kommission erwägen, die Regelung für kleine Finanzhilfen mit ihren weniger strikten Verwaltungsanforderungen zu verwenden, um kleineren NRO, die mit den Verfahren der EU weniger vertraut sind, Fördermöglichkeiten zu eröffnen.

### **Transparenz, Effizienz und Wirksamkeit der EU-Fördermittel für NRO**

Obwohl der Nutzen von NRO als Partner der Kommission bei der Verwendung von EU-Mitteln und der Umsetzung der EU-Politik aufgrund ihrer Fachkompetenz und Ortskenntnisse weithin anerkannt ist, machten einige Akteure geltend, dass nach wie vor gewisse Mängel im Hinblick auf Transparenz, Effizienz und Wirksamkeit bestehen, wenn es um die Bewertung der Verwendung von EU-Mitteln durch diese Strukturen geht.

Die Entscheidungsprozesse bei der Zuweisung von Finanzmitteln der EU an NRO – d. h. die Verfahren zur Gewährung einer Finanzhilfe – wurden insbesondere in Bezug auf die Auswahl- und Vergabekriterien, die Transparenz der Verfahren und die Unparteilichkeit der Finanzierungsbeschlüsse erörtert. Ein beträchtlicher Teil der NRO (einschließlich in fünf von zehn Fallstudien), die im Rahmen dieser Studie befragt wurden, war der Ansicht, die Verfahren der

Kommission für die Zuteilung der Finanzhilfen seien nicht ausreichend transparent. Mehrere NRO (darunter in vier von zehn Fallstudien) erklärten, die von den Prüfern der Kommission angegebene Begründung der Bewertungen sei häufig schwer zu verstehen. Zudem beschwerten sich mehrere NRO (darunter in sechs von zehn Fallstudien), es gebe keine (nutzbringende) Rückmeldung zu ihrem Antrag auf Finanzhilfe, weder im Falle der Ablehnung noch der Gewährung.

Entsprechend dem Prinzip der Kofinanzierung dürfen mit einer Finanzhilfe der EU nicht die gesamten Kosten einer Maßnahme finanziert werden, die eine NRO (oder eine andere Art von Empfänger) durchführt; der Empfänger muss einen Teil der erforderlichen Mittel – normalerweise mindestens 10 % – aus anderen Quellen beschaffen. Während die große Mehrheit der befragten NRO (einschließlich in acht von zehn Fallstudien) das Prinzip der Kofinanzierung grundsätzlich unterstützt, verweisen einige NRO (darunter in vier von zehn Fallstudien) auf Schwierigkeiten bei der Beschaffung von Kofinanzierungsmitteln, insbesondere von kleineren, weniger bekannten NRO und NRO, die in Bereichen tätig sind, die bei privaten Geldgebern weniger beliebt sind. Daher schlagen einige NRO (einschließlich in drei von zehn Fallstudien) vor, die Möglichkeit der Nutzung einer Kofinanzierung in Form von Sachleistungen, insbesondere der Arbeitszeit von Freiwilligen, auszubauen.

Die Messung und Bewertung der Leistung von Maßnahmen der NRO, die durch EU-Programme finanziert werden, ist für die Sicherstellung einer effizienten und wirksamen Ausführung des Haushaltsplans äußerst wichtig. Ferner ermöglicht die Bewertung der Ergebnisse von der EU geförderter Maßnahmen von NRO politischen Entscheidungsträgern und NRO, das Kosten-Nutzen-Verhältnis (für den Steuerzahler) der EU-Fördermittel für NRO deutlich aufzuzeigen und zu kommunizieren.

Eine übliche Bestimmung in Finanzhilfevereinbarungen sieht vor, dass NRO, die Mittel von der Kommission erhalten, dem Geldgeber technische Berichte und Finanzberichte vorlegen, die einen Vergleich zwischen dem Projektvorschlag und den im Berichtszeitraum erzielten Ergebnissen ermöglichen sollten. Die Verwendung dieser Art von Eigenbewertung der NRO als wichtigstem Mittel zur Bewertung der Leistung von NRO und der Ergebnisse des Projekts ist jedoch problematisch. Gibt es keine klaren Leitlinien und Kontrollen, besteht bei eigenen Berichten die Gefahr einer eingeschränkten Objektivität.

Die GD Inneres der Kommission verwendet ein Formular zur Projektbeschreibung und -durchführung, in dem die Arbeitsphasen des Projekts mit Meilensteinen, Tätigkeiten, Leistungen und erwarteten (immateriellen und materiellen) Ergebnissen ausführlich dargelegt werden müssen. Bislang wurde jedoch keine konkrete Methode zur Messung der Leistung und der Wirkung EU-geförderter Projekte entwickelt oder den Finanzhilfeempfängern empfohlen. Darüber hinaus führten mehrere NRO (darunter in fünf von zehn Fallstudien) an, die Kommission und die Behörden des zuständigen Mitgliedstaats nutzten die von den NRO vorgelegte Projektberichterstattung nicht ausreichend.

NRO, die Finanzhilfen der EU erhalten, unterliegen den in der HO und den Anwendungsbestimmungen vorgesehenen Kontroll- und Überwachungsverfahren. Gemäß diesen Bestimmungen sind die Finanzhilfeempfänger vom Verfahren zur Gewährung bis zur Abschlusszahlung verantwortlich. Sie gelten für alle Empfänger unabhängig von ihrem Status. Projekte, die von NRO durchgeführt und mit Mitteln der Kommission finanziert werden, unterliegen den gleichen Bestimmungen und Kontrollen wie alle anderen von der Kommission geförderten Projekte. Der GD Inneres der Kommission zufolge lag die quantifizierbare durchschnittliche



Restfehlerquote bei allen ihren Begünstigten bei unter 2 %, d. h. sie entsprach dem Bezugswert des ERH. Es liegen keine spezifischen Daten für NRO vor.

In diesem Zusammenhang können folgende Empfehlungen in Betracht gezogen werden:

- Die GD Inneres der Kommission könnte über Möglichkeiten nachdenken, das Bewusstsein für Fördermöglichkeiten für NRO auf Ebene der EU zu erhöhen, möglicherweise in Zusammenarbeit mit den zuständigen Behörden in den Mitgliedstaaten.
- Die GD Inneres der Kommission sollte allen (erfolgreichen und erfolglosen) Antragstellern präzise und nutzbringende schriftliche Rückmeldungen zu den Finanzhilfeanträgen übermitteln. Dies würde die Transparenz fördern und zur kontinuierlichen Verbesserung der Tätigkeiten und Projekte von NRO beitragen und könnte letztlich zu einem besseren Kosten-Nutzen-Verhältnis für die Kommission bei künftigen Aufrufen zur Einreichung von Vorschlägen führen.
- In Übereinstimmung mit den Möglichkeiten der HO könnte die GD Inneres der Kommission über Möglichkeiten einer Kofinanzierung in Form von Sachleistungen nachdenken, insbesondere im Falle kleiner Finanzhilfen.
- Die GD Inneres der Kommission sollte zusammen mit den Mitgliedstaaten ihre Bemühungen fortsetzen, gemeinsame Indikatoren und Systeme zur Messung der Leistung für ihre Förderprogramme im MFR-Zeitraum 2014-2020 zu entwickeln. Den Finanzhilfeempfängern sollte eine praxisorientierte Anleitung zur Messung und Bewertung der Leistung zur Verfügung gestellt werden.
- Die GD Inneres der Kommission könnte die Möglichkeit in Betracht ziehen, Abschlussberichte geförderter Projekte auf ihrer Website zur Verfügung zu stellen, um die Transparenz zu fördern und NRO zu ermöglichen, voneinander zu lernen.

## SYNTHÈSE

### Introduction

La présente étude analyse le financement par l'Union européenne, d'organisations non gouvernementales (ONG) actives dans les domaines des affaires intérieures, de la sécurité et de l'immigration. Elle est centrée sur les fonds versés par l'Union à des ONG sous le contrôle direct de la direction générale des affaires intérieures de la Commission européenne (gestion centralisée directe).

L'étude examine les principes généraux du financement des ONG par l'Union, quantifie et qualifie ce financement (au titre de la gestion centralisée directe) dans les domaines des affaires intérieures, de la sécurité et de l'immigration et évalue la charge administrative que doivent gérer les ONG demandeuses et bénéficiaires de fonds de l'Union. Enfin, elle fait le point sur les mesures adoptées par la Commission pour garantir la transparence, l'efficacité et l'efficience du financement par l'Union des ONG actives dans les domaines des affaires intérieures, de la sécurité et de l'immigration.

Cette étude a été élaborée par Deloitte pour la direction générale des politiques internes de l'Union, département thématique D: Affaires budgétaires, du Parlement européen. Elle se fonde sur des recherches documentaires approfondies, sur une série d'entretiens conduits avec les parties prenantes institutionnelles concernées et sur dix études de cas portant sur des ONG bénéficiaires de fonds et actives dans les domaines des affaires intérieures, de la sécurité et de l'immigration.

### Principes de financement des ONG par l'Union

La Commission coopère avec des ONG en vue de promouvoir la démocratie et la participation de la société civile, de permettre à des groupes particuliers de citoyens de faire entendre leur voix et de défendre leur cause devant les institutions européennes, tout en bénéficiant de l'expertise des ONG dans leurs domaines d'action pour l'élaboration des politiques, en mettant celles-ci en œuvre par l'intermédiaire des ONG et en encourageant la coopération transnationale entre les ONG afin de renforcer l'intégration européenne. Cette coopération repose notamment sur un dialogue politique entre la Commission européenne et les ONG, ainsi que sur des financements importants de l'Union à destination des celles-ci.

En l'absence d'une définition juridique commune des ONG au niveau de l'Union, la Commission européenne utilise un ensemble de critères pour définir le statut d'ONG: la nature non lucrative et volontaire de leur travail, leur statut institutionnel/juridique, leur indépendance vis-à-vis de tout gouvernement et leur objectif altruiste.

Cette absence de définition juridique du statut d'ONG au niveau de l'Union entraîne une situation dans laquelle très peu d'informations sont disponibles sur le financement des ONG par l'Union. En effet, conformément au règlement financier (RF) et aux règles d'application (RAP) de l'Union, aucune distinction n'est établie entre les ONG et les autres bénéficiaires des financements européens. La Commission a néanmoins adopté des mesures destinées à mettre les ONG en évidence dans ses systèmes internes d'information financière.

Il importe de souligner qu'aucun règlement financier relatif au versement de subventions par l'Union n'établit de distinction entre les bénéficiaires jouissant du statut d'ONG et les autres. L'attribution de subventions par l'Union est régie par les règles de haut niveau du RF et des RAP, par des règlements financiers spécifiques à un programme ou à un secteur, ainsi que par des conventions de subventions distinctes, conclues entre la Commission et les bénéficiaires des fonds.

Étant donné le rôle considérable des ONG dans l'élaboration et la mise en œuvre des politiques de l'Union, l'accroissement de la transparence des financements de l'Union à destination des ONG figure parmi les priorités des institutions européennes et des ONG depuis déjà plusieurs années. Des initiatives en faveur de la transparence ont été lancées au niveau de l'Union, notamment le système de transparence financière (STF) de la Commission – une base de données internet centralisée recensant les engagements de financement pris par la Commission – et le registre de transparence commun (RTC) au Parlement européen et à la Commission – un registre internet centralisé des représentants d'intérêts actifs au niveau de l'Union. Si les deux systèmes ont conféré une plus grande transparence à l'élaboration et à la mise en œuvre des politiques de l'Union, néanmoins plusieurs faiblesses persistent.

Le système interne d'information financière et de comptabilité (ABAC) de la Commission permet de classer les entités juridiques en tant qu'organisations à but non lucratif ou en tant qu'ONG. Le caractère lucratif ou non lucratif des activités d'une organisation est déterminé en fonction de sa forme juridique, c'est-à-dire d'un critère objectif, tandis que la dénomination "ONG" (oui/non) est attribuée sur une déclaration de l'entité concernée et d'après l'avis de l'ordonnateur compétent. Les informations attachées à ce classement, obligatoire depuis 2013, ne sont actuellement pas accessibles au public.

Nos recommandations, à cet égard, sont les suivantes:

- Un dialogue interinstitutionnel pourrait être organisé afin de convenir d'une éventuelle définition du terme "ONG" harmonisée au niveau de l'Union à des fins de classification (plutôt qu'à des fins juridiques). Adopter une définition des ONG reconnue et acceptée au niveau de l'Union permettrait d'évaluer plus facilement les financements de l'Union destinés aux ONG et rendrait plus transparente la coopération entre la Commission et les ONG.
- Il convient de s'abstenir d'introduire des règles spécifiques au versement de subventions aux ONG, car il en découlerait une plus grande complexité réglementaire, ainsi qu'une différenciation entre les différents types de subventions, sans avantage majeur en retour.
- La Commission et le Parlement doivent poursuivre leurs efforts d'amélioration du système de transparence financière et du registre de transparence commun. Le STF devrait notamment prévoir la classification des bénéficiaires concernés dans les catégories "organisation à but non lucratif" et "ONG" selon les informations fournies par le système interne d'information financière de la Commission. Il convient d'examiner si l'établissement d'un lien technique entre le STF et le RTC est réalisable et souhaitable.
- La Commission pourrait encourager les ONG bénéficiaires de ses subventions, notamment celles menant des activités de plaidoyer, à s'inscrire au RTC. La possibilité de rendre obligatoire l'inscription des ONG bénéficiaires de fonds au RTC pourrait être envisagée.

### **Financement par l'Union des ONG actives dans le domaine des affaires intérieures, de la sécurité et de l'immigration**

Bien qu'une part non négligeable des fonds de l'Union alloués au domaine des affaires intérieures, de la sécurité et de l'immigration soit utilisée par des ONG, la Commission ne dispose pas de listes exhaustives ou de statistiques sur les ONG financées par le budget de l'Union, puisqu'aucune obligation juridique ne lui impose de déterminer si les destinataires des subventions de l'Union possèdent le statut d'ONG.

Malgré ses faiblesses, le STF de la Commission reste la meilleure source de données accessible au public et a été employé pour mener une analyse quantitative approfondie du financement des ONG par l'Union, dans le cadre de la gestion centralisée directe, dans les domaines des affaires intérieures, de la sécurité et de l'immigration. D'après l'analyse des données du STF sur les financements, il apparaît que les fonds alloués dans le cadre de la gestion centralisée directe (c'est-à-dire attribués par la DG Affaires intérieures de la Commission européenne) aux ONG actives dans le domaine des affaires intérieures, de la sécurité et de l'immigration s'élèvent approximativement à 12 millions d'EUR (35 subventions) en 2010, 11,9 millions d'EUR (36 subventions) en 2011 et 30,9 millions d'EUR (70 subventions) en 2012.

Compte tenu du montant global des fonds de l'Union destinés aux domaines des affaires intérieures, de la sécurité et de l'immigration (environ 4,7 milliards d'EUR pour le cadre financier pluriannuel [CFP] 2007-2013), le subventionnement des ONG par gestion centralisée directe reste relativement limité. Cela s'explique, entre autres, par le fait qu'une très grande part (plus de 90 %) des programmes de la DG Affaires intérieures de la Commission est mise en œuvre dans le cadre d'une gestion partagée. Par ailleurs, les autres catégories de bénéficiaires ne possédant pas le statut d'ONG – par exemple, les autorités des États membres et les autorités régionales au sein de ces derniers – reçoivent une partie importante des fonds alloués par la DG Affaires intérieures de la Commission et gérés en partage.

De manière générale, chaque ONG a reçu un nombre très faible de subventions (entre une et trois aides) pendant la période 2010-2012. Le montant moyen de ces aides s'élevait à environ 340 000 EUR en 2010, 330 000 EUR en 2011 et 440 000 EUR en 2012. Il est pourtant à noter que la majorité des aides a été attribuée à des groupes d'ONG et que, par conséquent, le montant moyen des aides finales reçues individuellement par chaque ONG de la part de l'Union est sans aucun doute bien inférieur. Ce sont des ONG italiennes, espagnoles et britanniques qui ont reçu le plus de subventions de la DG Affaires intérieures de la Commission.

Les subventions de l'Union versées aux ONG servent à assumer les coûts de fonctionnement (dépenses directement et clairement liées à la mise en œuvre d'un projet ou d'une action) et les coûts administratifs (dépenses nécessaires au fonctionnement de l'organisation, qui ne sont pas directement liées à la mise en œuvre d'un projet – les coûts indirects). L'article 125, paragraphe 4, du règlement financier dispose que "la décision ou la convention de subvention peut autoriser ou imposer, sous forme de taux forfaitaires, le financement des coûts indirects du bénéficiaire, à hauteur de 7 % maximum du total des coûts directs éligibles de l'action, sauf si le bénéficiaire reçoit une subvention de fonctionnement financée sur le budget de l'Union. Le plafond de 7 % peut être dépassé sur la base d'une décision motivée de la Commission".

Le plafond de 7 % concernant le remboursement forfaitaire des coûts administratifs est appliqué par la DG Affaires intérieures de la Commission à tous ses programmes de subventionnement. La DG Affaires intérieures a indiqué que, de manière générale, les ONG demandent le remboursement forfaitaire à hauteur de 7 % afin de couvrir leurs coûts administratifs, mais que de nombreuses autres ONG bénéficiaires demandent un montant moins élevé. En effet, les coûts administratifs varient beaucoup selon les projets. Par exemple, un projet comptant un grand nombre de bénéficiaires dans plusieurs États membres occasionnera en principe des coûts administratifs plus importants qu'un projet mis en œuvre par un seul bénéficiaire.

D'autres donateurs institutionnels subventionnant des ONG actives dans les domaines des affaires intérieures, de la sécurité et de l'immigration au sein de l'Union, tels que l'Espace économique européen, la Confédération suisse ou les États membres, accordent des remboursements forfaitaires entre 5 % et 18 %. Il apparaît par ailleurs que les coûts administratifs totaux (y compris les frais de collecte de fonds et de communication) assumés par les ONG concernées équivalent à un montant situé entre 9 % et 15 %, et dépassent donc le plafond de 7 % prévu par le règlement financier de l'Union.

Si la plupart des ONG interrogées (dont 9 des 10 ONG représentées dans les études de cas) approuvent le plafond de 7 %, certaines (dont 4 des 10 ONG représentées dans les études de cas) demandent que des plafonds plus élevés soient accordés pour les projets très complexes concernant un grand nombre de co-bénéficiaires. L'application correcte de la compensation forfaitaire des frais administratifs et des frais de fonctionnement est vérifiée ex ante à la réception des demandes, avant tout paiement, et ex post, à l'occasion d'audits. De manière générale, il est plus difficile pour les ONG de petite taille d'opérer une distinction claire entre les coûts administratifs et les coûts opérationnels que pour les organisations plus grandes, qui emploient leurs propres comptables spécialistes et contrôleurs.

Nos conclusions et recommandations, à cet égard, sont les suivantes:

- La solution la plus adaptée et la plus abordable pour quantifier, à l'avenir, le financement de l'Union alloué aux ONG dans le cadre de la gestion centralisée directe semble consister à améliorer les données et les fonctionnalités du STF, notamment par un classement dans des catégories "organisation à but non lucratif" et "ONG" en fonction des informations relevées dans le système interne d'information financière de la Commission. Cette dernière devrait favoriser la mise en œuvre de ses obligations internes en matière de classification des ONG et rendre les informations accessibles au public par l'intermédiaire du STF.
- Le RTC, du fait du caractère volontaire et déclaratoire de l'inscription, qui le rend incomplet et peu fiable, n'est pas adapté au suivi et à l'analyse des financements de l'Union à destination des ONG.
- Le plafond de 7 % appliqué au remboursement forfaitaire des frais administratifs prévu par le règlement financier de l'Union semble répondre aux besoins réels des ONG et peut être considéré comme suffisamment bas pour encourager la réduction des coûts indirects encourus par les ONG bénéficiaires. La méthode de remboursement forfaitaire des dépenses administratives est généralement perçue comme la pratique la plus efficace et la moins contraignante.

### **Charge administrative pesant sur les ONG**

Les ONG demandeuses et bénéficiaires de fonds de l'Union (dont 9 des 10 ONG représentées dans les études de cas), indiquent qu'une des plus grandes difficultés qu'elles rencontrent concerne les charges administratives extrêmement contraignantes liées à la gestion des subventions. Le problème principal: ces charges administratives excessives peuvent détourner des ressources limitées de la réalisation des projets, au sein de la Commission européenne comme pour les ONG.

Si la nécessité d'organiser des procédures de sélection strictes avant d'accorder des fonds aux ONG et à d'autres catégories de bénéficiaires est généralement reconnue, des voix s'élèvent pour dénoncer la complexité des procédures et la lourde charge administrative imposée aux candidats. Il a été signalé (notamment par 7 des 10 ONG représentées dans les études de cas) que des procédures de demande de subventions trop contraignantes seraient même susceptibles de dissuader des ONG pouvant

poser leur candidature de le faire et de les encourager à se tourner vers d'autres sources de financement.

Plusieurs ONG (notamment 4 des 10 ONG représentées dans les études de cas) ont rapporté que le processus de demande de subventions est si complexe que de nombreuses ONG ont recours aux services de cabinets de conseil spécialisés afin qu'ils les aident à obtenir des fonds de l'Union. Les ONG (notamment 7 des 10 ONG représentées dans les études de cas) font également état d'un manque d'information et d'éléments d'orientation adéquats lors de la phase de demande de subventions, notamment au sujet des possibilités de financement et des procédures financières.

Il est généralement entendu que la tenue de procédures strictes de gestion des subventions accordées aux ONG et à d'autres catégories de bénéficiaires est indispensable à la mise en œuvre correcte, responsable et transparente du budget de l'Union. Des critiques ont cependant été émises (notamment par 9 des 10 ONG représentées dans les études de cas) quant à l'efficacité et à l'adéquation des procédures actuelles, notamment lorsqu'elles font peser une charge administrative considérée comme inutile et disproportionnée sur les ONG et la Commission européenne. De nombreuses ONG (dont 7 des 10 ONG représentées dans les études de cas) rencontrent des difficultés dans l'administration financière des subventions accordées par la Commission. Leurs problèmes concernent à la fois les exigences générales de la Commission, telles que le cofinancement, et des questions spécifiquement liées aux procédures de gestion des subventions imposées par la Commission.

Les petites ONG sont en particulier touchées par des problèmes liés au fait qu'elles ne disposent pas nécessairement des instruments, des ressources et de l'expertise nécessaires pour rendre compte des questions financières à la Commission, comme les y obligent les règlements financiers applicables aux subventions. Nombre d'ONG (dont 8 des 10 ONG représentées dans les études de cas) demandent la mise en place de procédures de gestion des subventions plus proportionnées, c'est-à-dire un allègement des procédures et des obligations administratives pour les aides dont le montant est faible.

Les ONG (dont 5 des 10 ONG représentées dans les études de cas) s'inquiètent également du manque de flexibilité dont ferait preuve la Commission quant à la conception des projets et à la modification des budgets. Autre problème: le degré d'approfondissement et la portée des contrôles ne sont proportionnés ni à la taille des ONG, ni aux montants versés; les petites ONG (dont 4 des 10 ONG représentées dans les études de cas) s'en trouvent par conséquent surchargées. Enfin, de nombreuses ONG (dont 9 des 10 ONG représentées dans les études de cas) déplorent la durée relativement courte – en général, d'un an – des subventions à l'action octroyées par la DG Affaires intérieures de la Commission. Une large majorité d'ONG (dont 9 des 10 ONG représentées dans les études de cas) appellent de leurs vœux un financement pluriannuel, synonyme de davantage de sécurité pour elles et d'une charge administrative réduite, puisque cela éviterait de demander une nouvelle subvention chaque année.

En dépit des difficultés persistantes, la Commission européenne a réalisé des progrès considérables ces dernières années afin de simplifier et de rendre plus rapide l'accès des ONG et d'autres catégories de bénéficiaires aux fonds de l'Union.

Certaines des améliorations les plus importantes ont été introduites avec le règlement financier et les règles d'application révisés, entrés en vigueur le 1<sup>er</sup> janvier 2013 et applicables à toutes les catégories de bénéficiaires, dans tous les domaines. Le nouveau cadre juridique relatif à l'octroi de subventions



apporte notamment des simplifications: il allège les obligations en matière de documentation pour les aides dont le montant est faible, permet d'accepter, si cela se justifie, le cofinancement en nature (par exemple, des volontaires peuvent réaliser des travaux), ouvre la voie à l'utilisation de procédures de demande de subventions en deux étapes, rend possible le recours à des remboursements forfaitaires et permet de donner une deuxième chance aux candidats qui se sont vu refuser leur première demande du fait d'erreurs sur la forme.

Afin de simplifier le processus de demande de subventions, la DG Affaires intérieures de la Commission a mis en place, en collaboration avec la DG Justice, un système de gestion en ligne des subventions gérées de manière centralisée et directe (système électronique d'enregistrement et d'évaluation des propositions en ligne, PRIAMOS).

Pour le CFP 2014-2020, la DG Affaires intérieures de la Commission a prévu d'introduire une série de nouveautés en matière de subventions gérées de manière centralisée et directe visant à réduire la charge administrative, ainsi qu'à simplifier et à améliorer l'accès aux fonds de l'Union. Ces nouveautés comprennent notamment un ensemble de règles relatives à la programmation, au reporting, à la gestion financière, aux contrôles et à l'évaluation pour les deux programmes de subventionnement, la mise en place d'une programmation pluriannuelle et un mécanisme flexible de réaction aux situations d'urgence garantissant que des fonds puissent être libérés en l'espace de quelques jours lorsque la situation l'exige.

Nos recommandations, à cet égard, sont les suivantes:

- La DG Affaires intérieures de la Commission devrait poursuivre et intensifier son dialogue avec les ONG afin d'améliorer constamment les procédures, d'offrir aux candidats des conseils utiles et de réduire les charges administratives excessives.
- Dans la droite ligne des programmes de financement proposés dans le cadre du CFP 2014-2020, la DG Affaires intérieures de la Commission devrait mettre en place un financement pluriannuel, des règles communes pour ses programmes de subventionnement et un mécanisme flexible de réaction aux urgences politiques imprévues.
- La DG Affaires intérieures et la DG Justice pourraient également examiner les possibilités d'interopérabilité de leur système de gestion des subventions (PRIAMOS) avec ceux d'autres DG, afin de réduire la charge administrative pesant sur les ONG et les autres organismes déposant des demandes de subventions auprès de plusieurs DG.
- La DG Affaires intérieures devrait faire usage des possibilités offertes par le nouveau règlement financier et envisager d'utiliser le programme de petites subventions, qui entraîne des charges administratives moindres, afin de permettre aux petites ONG moins coutumières des procédures de l'Union d'accéder aux financements.

### **Transparence, efficacité et efficience des financements versés aux ONG par l'Union**

S'il est admis que leurs compétences spécialisées et locales font des ONG des partenaires utiles de la Commission pour le financement et la mise en œuvre des politiques, certains dénoncent des faiblesses persistantes en matière de transparence, d'efficience et d'efficacité quant à la manière, difficile à évaluer, dont ces structures dépensent les fonds alloués par l'Union.

Les procédures d'octroi de subventions de l'Union aux ONG font l'objet de critiques, notamment quant aux critères de sélection et d'octroi, à la transparence des procédures et à l'impartialité des décisions en la matière. Un nombre important des ONG interrogées dans le cadre de la présente étude (5 des 10 ONG représentées dans les études de cas) considèrent que les processus d'octroi de

subventions de la Commission européenne souffrent d'un manque de transparence. Plusieurs ONG (4 des 10 ONG représentées dans les études de cas) estiment qu'il est souvent difficile de comprendre les raisons de la note attribuée par les évaluateurs de la Commission. De nombreuses ONG (dont 6 des 10 ONG représentées dans les études de cas) déplorent par ailleurs l'absence de retour d'information (utile) concernant leur demande de fonds, qu'elle ait été rejetée ou acceptée.

D'après le principe de cofinancement, les subventions de l'Union ne peuvent correspondre à l'intégralité des coûts d'une activité menée par les ONG (ou tout autre bénéficiaire); le bénéficiaire doit lever lui-même une partie des fonds nécessaires – en général, au moins 10 % – à partir d'autres sources. Une large majorité des ONG interrogées (8 des 10 ONG ayant fait l'objet d'études de cas) approuvent en théorie le principe de cofinancement, mais certaines (4/10) soulignent qu'il est difficile de trouver les fonds permettant de respecter l'obligation de cofinancement, notamment pour les petites ONG, moins visibles, et les ONG actives dans des domaines peu attractifs parmi les donateurs privés. Certaines ONG (dont 3 des 10 ONG représentées dans les études de cas) suggèrent par conséquent d'offrir davantage de possibilités de cofinancement en nature, par exemple grâce au volontariat.

Il est extrêmement important de mesurer et d'évaluer les résultats des activités des ONG financées par des programmes de l'Union afin de s'assurer que le budget de l'Union est utilisé de manière efficace et efficiente. De plus, la mesure de ces performances permet aux responsables politiques et aux ONG de démontrer clairement que les fonds de l'Union (l'argent des contribuables) alloués aux ONG sont utilisés à bon escient et de communiquer à ce sujet.

Les conventions de subventions comportent généralement l'obligation pour les ONG qui reçoivent des fonds de la part de la Commission européenne, de transmettre à cette dernière des rapports techniques et financiers, afin qu'il soit possible de comparer les résultats obtenus pendant la période concernée avec la proposition de projet initiale. Cette auto-évaluation des ONG, en tant que moyen de contrôle principal de leurs performances et des résultats de leurs projets, trouve néanmoins ses limites. Lorsqu'il n'existe ni consignes claires, ni moyens de contrôle, l'auto-évaluation risque, par essence, d'être subjective.

La DG Affaires intérieures de la Commission utilise un formulaire de description et de mise en œuvre des projets dans lequel les ONG doivent livrer une description détaillée des phases de travail du projet et indiquant les étapes précises, les activités et les prestations prévues et les résultats attendus (matériels et immatériels). Aucune méthode particulière permettant de mesurer les résultats et les retombées des projets financés par l'Union n'a cependant été élaborée ou recommandée aux bénéficiaires de subventions. Par ailleurs, plusieurs ONG (dont 5 des 10 ONG représentées dans les études de cas) estiment que la Commission européenne et les autorités compétentes des États membres n'utilisent pas suffisamment les rapports de suivi de projet produits par les bénéficiaires.

Les ONG bénéficiaires de subventions de l'Union sont soumises à des procédures de contrôle et de surveillance prévues par le règlement financier et les RAP. Ces règles assurent la responsabilité des bénéficiaires depuis la procédure d'attribution des fonds jusqu'au versement final. Elles s'appliquent au bénéficiaire quel que soit son statut. Les projets mis en œuvre par les ONG et financés par la Commission européenne sont soumis aux mêmes règles et contrôles que les autres projets financés par la Commission. D'après la DG Affaires intérieures de la Commission, au cours des dernières années, le taux d'erreur résiduel moyen quantifiable était inférieur à 2 % pour tous les bénéficiaires de ses fonds, soit en conformité avec le niveau de référence fixé par la Cour des comptes européenne. Aucune donnée spécifique n'est disponible concernant les ONG considérées individuellement.



Nos recommandations, à cet égard, sont les suivantes:

- La DG Affaires intérieures de la Commission pourrait examiner comment mieux informer les ONG sur les possibilités de financement au niveau de l'Union, éventuellement en collaboration avec les autorités compétentes des États membres.
- Il serait souhaitable qu'elle fournisse un retour d'information écrit, concis et exploitable sur les demandes de subventions à tous les candidats, qu'ils aient été sélectionnés ou non. Cette innovation encouragerait une plus grande transparence, ainsi que l'amélioration constante des activités et des projets des ONG, et pourrait aboutir à une utilisation plus efficace des fonds de la Commission européenne lors de futurs appels à propositions.
- La DG Affaires intérieures de la Commission pourrait faire usage des possibilités offertes par le règlement financier et envisager des solutions de cofinancement en nature par les ONG, notamment dans le cas d'aides dont le montant est faible.
- Elle devrait poursuivre, avec les États membres, son entreprise d'élaboration d'indicateurs communs et de systèmes de mesure des performances pour ses programmes de financement dans le cadre du CFP 2014-2020. Des conseils pratiques sur la mesure et l'évaluation des résultats devraient être dispensés aux bénéficiaires de subventions.
- La DG Affaires intérieures de la Commission pourrait envisager la possibilité de publier sur son site internet les rapports finaux concernant les projets qu'elle finance, afin d'établir une plus grande transparence et d'ouvrir la voie à un apprentissage mutuel parmi les ONG.

## 1. INTRODUCTION

This study analyses the EU financing for non-governmental organisations (NGOs) in the area of home affairs, security and migration.

The study focusses on EU financing for NGOs that is directly managed by European Commission Directorate-General for Home Affairs (central direct management of EU funds). NGO financing through EU funds managed by the Member States (shared management) is excluded from the scope of this study. In the period 2007-2013, more than 90% of EU funds available in the area of home affairs, security and migration have been implemented through shared management, while less than 10% have been implemented through central direct management.

A non-negligible proportion of the EU funds allocated to the area of home affairs, security and migration is implemented by NGOs. The European Commission Directorate-General for Home Affairs is operating several funding programmes under which NGOs may receive grants. Nonetheless, previous research has shown that EU funding support for NGOs is difficult to quantify and qualify in view of the absence of clear definitions of the term NGO and incomplete accounting systems.<sup>1</sup>

Overly burdensome grant administration can divert limited resources away from project delivery. There have been regularly complaints about the administrative burden faced by NGOs applying for and implementing EU grants.<sup>2</sup> On the other hand, the European Commission has made considerable efforts in recent years to simplify its framework of financial rules and procedures and to reduce the administrative burden on NGOs.

Although NGOs' usefulness as partners of the European Commission for EU funds and policy implementation is widely acknowledged given their specific and local competences<sup>3</sup>, it has been claimed that some persistent weaknesses are faced in terms of transparency, efficiency and effectiveness when it gets to the evaluation of the EU funds spending through these structures.<sup>4</sup>

In this regard, the present study first describes the general principles of EU financing for NGOs, including the definition of the term NGO, the strategic framework for European Commission cooperation with NGOs, the legal framework for EU financing for NGOs as well as the various initiatives that aim at increasing the transparency and accountability in EU financing for NGOs (chapter 2). Chapter 3 presents the results of an in-depth analysis of financial data from the European Commission's Financial Transparency System (FTS) quantifying and qualifying the EU financing for NGOs in the area of home affairs, security and migration, notably with regard to the overall funding volume, the characteristics of NGO beneficiaries as well as an estimation of the administrative vs. operational expenditure within NGOs. Chapter 4 assesses the administrative burden faced by NGOs applying for and receiving EU grants and discusses the progress made in administrative burden reduction and simplification. Then, chapter 5 examines the state-of-play of measures undertaken to ensure the transparency, effectiveness and efficiency of the EU financing for NGOs in the area of

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<sup>1</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, 86 pp.

See also: De Magistris, L. (2009): *Letter to Commissioner Siim Kallas on financing of Non-Governmental Organisations from the EU budget and the EDF*, with an answer given by Commissioner Siim Kallas (Brussels, 27. January 2010) and an answer given by Commissioner Maroš Šefčovič and Commissioner Algirdas Šemeta (Brussels, 8. March 2010), Brussels, 17. December 2009.

<sup>2</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, p. 2.

<sup>3</sup> See for instance: European Commission (2000): *The Commission and non-governmental organisations: Building a stronger partnership*, Commission discussion paper, Brussels, 25 pp.

<sup>4</sup> See for instance: European Parliament (2006): *Assessment of budgetary resources and means in the area of development and cooperation*, Brussels, 57 pp.

home affairs, security and migration, particularly with regard to the grant allocation processes, the implementation of the co-financing principle, performance measurement and evaluation as well as control and supervision procedures.

This study has been prepared by Deloitte for the European Parliament, Directorate General for Internal Policies, Policy Department D: Budgetary Affairs. It is based on a comprehensive literature review, a series of interviews with relevant institutional stakeholders as well as ten case studies of NGO grant beneficiaries in the area of home affairs, security and migration.

The ten NGOs covered by case studies have been selected among the identified grant beneficiaries of the European Commission DG Home Affairs in the years 2010, 2011 and 2012 aiming at a broad coverage and diversity of geographical areas, funding programmes and organisational sizes. Yet, the case study sample cannot be expected to be statistically representative. The results of the case study analysis are of indicative nature. Where possible, they have been triangulated with other sources of evidence such as secondary literature, European Court of Auditors opinions or European Commission reports.

## 2. PRINCIPLES OF EU FINANCING FOR NGOS

### KEY FINDINGS

- The European Commission is cooperating with NGOs in view of fostering democracy and civil society, ensuring the representation of the views of specific groups of citizens and causes to the European Institutions, benefiting from NGOs' sector-specific expertise in the policy-making process, implementing EU policies and actions through NGOs and encouraging the transnational cooperation of NGOs to foster European integration. The cooperation involves inter alia a policy dialogue between the European Commission and NGOs as well as considerable amounts of EU financing for NGOs.
- In the absence of an agreed legal definition of NGOs at EU level, the European Commission is using a set of core characteristics to identify NGOs: their not-for-profit and voluntary nature, their institutional/legal existence, their independence from government as well as their non-self-serving aim.
- The absence of a legal NGO definition at EU level has led to a situation where very limited information is available on EU financing for NGOs. Indeed, under the EU's Financial Regulation (FR) and Rules of Application (RAP), NGOs are treated in the same way as every other type of beneficiary of EU funding. Nonetheless, the European Commission is currently undertaking actions to identify NGOs in its internal financial information systems.
- It is important to note that none of the financial rules applicable to EU grant funding differentiate between beneficiaries with NGO status and those without. EU grant financing is governed by the high-level rules of the FR and RAP, by programme- or sector-specific financial regulations as well as by individual grant agreements concluded between the European Commission and the grant beneficiaries.
- In view of the considerable importance of NGOs in the shaping and implementation of EU policies, the transparency of EU financing for NGOs has been high on the agenda of the European institutions and NGOs in the last years. EU-level initiatives for transparency include the European Commission's Financial Transparency System (FTS) – a central web-based database of EU funding commitments of the European Commission – and the Joint Transparency Register (JTR) of the European Parliament and the European Commission – a central web-based register of interest representatives active at EU level. While both systems have improved the transparency of EU policy-making and implementation, some weaknesses remain.
- The European Commission's internal financial information and accounting system (ABAC) includes a possibility to label legal entities as not-for-profit organisations (NFPOs) and as NGOs. While the NFPO/FPO status of an entity is determined based on its legal form, i.e. an objective criterion, the NGO labelling (yes/no) depends on the self-declaration of the concerned entity and the judgement of the responsible authorising officer. The information generated by this labelling, which became mandatory as of 2013, is currently not publically available.

This chapter describes the general principles of EU financing for NGOs, including the definition of the term NGO (section 2.1), the strategic framework for European Commission cooperation with NGOs (section 2.2), the legal framework for EU financing for NGOs (section 0) as well as the various

initiatives that aim at increasing the transparency and accountability in EU financing for NGOs (section 2.4). Section 2.5 concludes.

## 2.1. NGO DEFINITION

Analysing, quantifying and regulating the EU financing for NGOs requires a clear definition of what an NGO is. However, until today there is an **“absence of an agreed definition of non-governmental organisations (NGO) at EU level. At present, [the EU Financial Regulation (FR)<sup>5</sup> and] the [European] Commission’s accounting system distinguish between natural persons, private law bodies and public law bodies. The [European] Commission treats NGOs no differently than all other recipients of European Union (EU) grants or contracts.”**<sup>6</sup>

In this regard, the European Commission considered and recently re-confirmed that **“a common definition of the term ‘non-governmental organisation’ cannot be based on a legal definition given the wide variations in laws relating to NGO activities, according to which an NGO may have, for instance, the legal status of a charity, non-profit association or a foundation. The term ‘NGO’ can nevertheless be used as shorthand to refer to a range of organisations that normally share the following characteristics:**

- NGOs are **not created to generate personal profit**. Although they may have paid employees and engage in revenue-generating activities they do not distribute profits or surpluses to members or management;
- NGOs are **voluntary**. This means that they are formed voluntarily and that there is usually an element of voluntary participation in the organisation;
- NGOs are distinguished from informal or ad hoc groups by having some degree of **formal or institutional existence**. Usually, NGOs have formal statutes or other governing document setting out their mission, objectives and scope. They are accountable to their members and donors;
- NGOs are **independent**, in particular of government and other public authorities and of political parties or commercial organisations;
- NGOs are **not self-serving in aims and related values**. Their aim is to act in the public arena at large, on concerns and issues related to the well-being of people, specific groups of people or society as a whole. They are not pursuing the commercial or professional interests of their members.”<sup>7</sup>

The European Commission DG Budget confirmed in the framework of this study that the European Commission does not intend to propose a legal definition of the term NGO given the large variety of legal regimes relating to NGO activities in the Member States, which would be very difficult to harmonise in a common EU-level legal NGO definition. The European Commission also stated that the term NGO is generally used as a political criterion rather than a legal form for organisations.

In the absence of an official legal NGO definition at EU level, the NGO characterisation of the European Commission will be used as most suitable approximation in the framework of this study.

<sup>5</sup> Regulation (EU, Euratom) No 966/2012 of the European Parliament and the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, OJ L 298, 26.10.2012.

<sup>6</sup> Caspary, D. & Gräßle, I. & Pieper, M. (2013): *Written parliamentary question on the support for non-governmental organisations (NGOs)*, European Parliament, 8 July 2013, with an answer given by Commissioner Janusz Lewandowski on behalf of the Commission, E-008092-13.

<sup>7</sup> European Commission (2000): *The Commission and non-governmental organisations: Building a stronger partnership*, Commission discussion paper, Brussels, 25 pp.

Reiterated in 2012: Campbell Bannerman, D. (2012): *Written parliamentary question on the definition of Non-Governmental Organisation*, European Parliament, 13. February 2012, with an answer given by José Manuel Barroso on behalf of the Commission, E-001331/2012.

### Box 1: NGO definition of the Council of Europe

In its *Recommendation on the legal status of non-governmental organisations in Europe*<sup>8</sup> of 2007, the Council of Europe provides a broad definition of NGOs, which is very similar to the NGO characterisation used by the European Commission:

*"NGOs are voluntary self-governing bodies or organisations established to pursue the essentially non-profit-making objectives of their founders or members. They do not include political parties. NGOs encompass bodies or organisations established both by individual persons (natural or legal) and by groups of such persons. They can be either membership or non-membership based. NGOs can be either informal bodies or organisations or ones which have legal personality. NGOs can be national or international in their composition and sphere of operation. [...] NGOs should not distribute any profits which might arise from their activities to their members or founders but can use them for the pursuit of their objectives."*

The absence of a legal definition of NGOs has so far also impacted the European Commission's ability to track the funding channelled into NGOs. In 2010, Commissioner Kallas explained that *"because the specific [EU] funding rules do not make NGO-status an allocation criteria, the [European] Commission's accounting system does not make it an obligation [for NGOs] to self-declare as such."* Nonetheless, *"they can do so on a voluntary basis, but a preliminary check [of the available data has shown] that very few beneficiaries do so, making data analysis on this basis unreliable."*<sup>9</sup> As a result, the European Commission has until now not been able to produce reliable figures on the EU financing for NGOs – a fact that has repeatedly brought the European Parliament to *"[invite] the [European] Commission to establish a public register of NGO-type bodies funded by Commission services [...] and] to indicate in its accounting system the 'not-for-profit' nature of the beneficiary entities"*.<sup>10</sup>

As mentioned above, the **European Commission's internal financial information and accounting system (ABAC)** includes a **possibility to label legal entities as NGOs**, if applicable.<sup>11</sup> As a follow-up on the European Parliament's invitation, this NGO labelling was made mandatory for all new registrations of or payments to legal entities falling in the category "not-for-profit organisations" as of 16 January 2013.

In view of practically implementing this new reporting obligation on the potential NGO status of beneficiaries of EU funds, the European Commission DG Budget has developed internal guidance material<sup>12</sup> for the correct use of the NGO classification – yet without providing a clear definition of the term NGO. According to this documentation, NGOs are considered as a subset of "not-for-profit organisations" as depicted below.

<sup>8</sup> *Recommendation CM/Rec(2007)14 of the Committee of Ministers to member states on the legal status of non-governmental organisations in Europe*, Council of Europe, 10.10.2007.

See also: *European Convention on the recognition of the legal personality of international non-governmental organisations*, Council of Europe, European Treaty Series No. 124, 24.04.1986.

<sup>9</sup> De Magistris, L. (2009): *Letter to Commissioner Siim Kallas on financing of Non-Governmental Organisations from the EU budget and the EDF*, with an answer given by Commissioner Siim Kallas (Brussels, 27. January 2010) and an answer given by Commissioner Maroš Šefčovič and Commissioner Algirdas Šemeta (Brussels, 8. March 2010), Brussels, 17. December 2009.

<sup>10</sup> European Parliament (2010): *European Parliament decision of 5 May 2010 on discharge in respect of the implementation of the European Union general budget for the financial year 2008*, P7\_TA-PROV(2010)0134, Strasbourg, paragraph 248, <http://www.europarl.europa.eu/document/activities/cont/201005/20100511ATT74395/20100511ATT74395EN.pdf>

<sup>11</sup> See section 2.4.1 for more information on the treatment of NGOs in the European Commission's internal financial information system (ABAC).

<sup>12</sup> European Commission (2012d): *Fiche FEL N°1: Organisations non gouvernementales (ONG)*, Ares(2012)230073 - 29/02/2012, 3 pp.



**Figure 1: NGOs as a subset of not-for-profit organisations in the European Commission's internal financial information system**



**Source:** European Commission

The European Commission's guidance documentation suggests the following three-step approach to identify NGOs:

1. Determine whether the legal entity is a "not-for-profit organisation" (based on the internal guidance material<sup>13</sup> for the distinction of for-profit and not-for-profit organisations);
2. In case of a not-for-profit organisation, examine the legal form or name of the entity;
3. Examine the typical characteristics of NGOs, which are:
  - a. NGOs are independent, in particular of government and other public authorities and of political parties or commercial organisations;
  - b. NGOs' aim is to act in the public arena at large, on concerns and issues related to the well-being of people, specific groups of people or society as a whole;
  - c. NGOs are formed voluntarily and that there is usually an element of voluntary participation in the organisation, but NGOs may have paid employees;
  - d. NGOs may generate profits (i.e. engage in revenue-generating activities), but they do not distribute profits or surpluses to members or management.

The distinction of for-profit organisations (FPOs) vs. not-for-profit organisations (NFPOs) is derived directly from the legal form of private companies, based on an analysis carried out by the legal service of the European Commission. The FPO/NFPO label does not apply to public bodies and natural persons, which automatically become out of scope. The European Commission DG Budget explained that the FPO/NFPO distinction is a useful basis for the quantification analysis of EU financing for NGOs because it is based on an objective criterion, i.e. the legal form of the beneficiary.

On the other hand, the determination of the NGO status of legal entities among NFPOs is based on the self-declaration of the concerned entities and the judgement of the responsible Authorising Officer of the European Commission. In the absence of a clear definition of the term NGO, the information on the NGO status of legal entities in the European Commission's internal financial information system is based on a subjective interpretation of the guidelines for the identification of NGOs. The European Commission DG Budget therefore underlined that the information on the NGO status in its financial information system is only of indicative nature for reporting purposes – i.e. not of definitive legal nature. Nonetheless, the FPO/NFPO nomenclature of organisations, whose correct

<sup>13</sup> European Commission (2012e): *Fiche FEL N°2: Distinction "For Profit Organisation" (FPO) / "Non For Profit Organisation" (NFPO)*, Ares(2012)230073 - 29/02/2012, 3 pp.

implementation is verified by the European Commission's central "Legal Entity Validation Team", ensures that no FPOs can be labelled as NGOs within the system.

The three-step approach to identify NGOs explained above is fully in line with and operationalises the European Commission's NGO characterisation, which has been mentioned above. The technical implementation, which may ultimately lead to a clearer view on EU financing for NGOs, is further described in section 2.4.1 below.

## 2.2. EUROPEAN COMMISSION COOPERATION WITH NGOS

Over the last decades, the European Commission has continuously developed its cooperation with NGOs in a variety of areas. For instance, NGOs contribute to EU level policy-making through advocacy and the provision of specific expertise; they implement EU policies through the operation of EU co-financed projects; and they contribute to the development of the EU public space and the European integration in general.

The **European Commission** has set out its **strategy for NGO cooperation** in its paper "*The Commission and non-governmental organisations: Building a stronger partnership*"<sup>14</sup> from 2000, which still remains the main strategic document on European Commission-NGO cooperation. According to this paper, the "*rationale behind the existing [European Commission-NGO] co-operation and the desire to strengthen and enhance it [are] based on five main considerations:*

1. **Fostering democracy:** *The decision making process in the EU is first and foremost legitimised by the elected representatives of the European people. However, NGOs can make a contribution in fostering a more participatory democracy both within the European Union and beyond. [...];*
2. **Representing the views of specific groups of citizens [and causes] to the European Institutions:** *The role of NGOs in representing the views to the European Institutions of specific groups of citizens (such as people with disabilities, ethnic minorities) or on specific issues (such as the environment, animal welfare, world trade). In particular, many NGOs have an ability to reach the poorest and most disadvantaged and to provide a voice for those not sufficiently heard through other channels. In the European context, NGOs perform this role not only in relation to the Commission, but also the European Parliament, the Economic and Social Committee, the Committee of the Regions and the Council. Their involvement in policy shaping and policy implementation helps to win public acceptance for the EU. In some cases, they can act as a balance to the activities and opinions of other interests in society [such as business];*
3. **Contributing to policy-making:** *The specific expertise that NGOs can contribute to policy discussions. Through their links at local, regional, national and European level, NGOs can provide expert input for EU policymaking. In particular, they can provide feedback on the success or otherwise of specific policies thereby contributing to the Commission's task of defining and implementing policies by fully taking into account its overall public policy responsibility;*
4. **Contributing to project management:** *The specific expertise that NGOs can contribute to managing, monitoring and evaluating projects financed by the EU. The contribution of NGOs is particularly important in tackling social exclusion and discrimination, protecting the natural environment, and the provision of humanitarian and development aid. The expertise and dedication of NGO staff and their willingness to work under difficult operational conditions mean that NGOs are vital partners for the Commission both within the EU and beyond;*

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<sup>14</sup> European Commission (2000): *The Commission and non-governmental organisations: Building a stronger partnership*, Commission discussion paper, Brussels, 25 pp.



5. **Contributing to European integration:** *By encouraging national NGOs to work together to achieve common goals, the European NGO networks are making an important contribution to the formation of a "European public opinion" usually seen as a pre-requisite to the establishment of a true European political entity. At the same time this also contributes to promoting European integration in a practical way and often at grassroots level. Moreover, the ability of European NGO associations and networks to channel and focus the views of the various national NGOs is very useful for the Commission. Therefore, strengthening the relationship between the Commission and NGOs can help both parties to be more successful in achieving their respective goals. At the same time, the Commission will need to recognise and support the development and independence of the NGO sector.*<sup>15</sup>

In 2008, European Commissioner Siim Kallas reconfirmed that *"NGOs are important partners for the European Commission [... building on] a long tradition of structured cooperation with the NGO community. Over the last decades, this cooperation between the European Commission and NGOs has constantly been expanded and intensified, covering a range of issues, from policy dialogue and policy delivery, to project and programme management, both within the EU and in our partner countries."*<sup>16</sup>

In practical terms, the European Commission-NGO cooperation is mainly organised through various Directorate-General-specific exchange forums and through EU funding programmes. **"[EU] funding [for NGOs] is available both under programmes run by national and local authorities which are financed through the Structural Funds, and under Commission-run programmes. It is estimated that over EUR 1 000 million a year is allocated to NGO projects directly by the Commission, the major part of which is in the area of external relations for development cooperation, human rights, democracy programmes and, in particular, humanitarian aid (EUR 400 million). Other important allocations are in the social (EUR 70 million), educational (EUR 50 million), and environmental sectors within the EU."**<sup>17</sup> A recent European Parliament study has found total EU funding of NGOs under central direct management of nearly 1.4 billion EUR in 2009.<sup>18</sup>

While the EU financing for NGOs is widely accepted and supported, some **concerns** have been voiced with regard to the risk that *"[European Commission] funding for NGOs [could threaten] the **independence of NGOs**: if an NGO depends on [European Commission] funding (i.e. [European Commission] funding accounts for a substantial percentage of the NGO's budget), then it might be questioned whether the NGO is still in a position to establish independent policy positions. Indeed it could be assumed that the NGO is inclined to align itself with [European Commission] policy positions in order not to upset its benefactor"*<sup>19</sup> In addition, as will be discussed in the following sections, concerns have been raised with regard to the **transparency, effectiveness and efficiency** of EU financing for NGOs.

<sup>15</sup> European Commission (2000): *The Commission and non-governmental organisations: Building a stronger partnership*, Commission discussion paper, Brussels, pp. 4f.

<sup>16</sup> Kallas, S. (2008): *Non-Governmental Organisations: What is at stake?*, SPEECH/08/427, Brussels, 3 pp.

<sup>17</sup> European Commission (2012a): *Beginners' Guide to EU Funding, Overview of the financial rules and funding opportunities 2007–13*, Brussels, p. 10.

<sup>18</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, p. 1.

<sup>19</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, pp. 25f.

### 2.3. LEGAL FRAMEWORK FOR EU FINANCING FOR NGOS

This section sets out the legal framework that is governing EU financing for NGOs – covering three levels of granularity: (1) the general EU legal framework for grant financing of the Financial Regulation<sup>20</sup> (FR) and its Rules of Application<sup>21</sup> (RAP) (section 2.3.1); (2) sector/programme specific financial regulations (section 2.3.2); as well as (3) grant agreements signed with the individual grant beneficiaries, including NGOs (section 2.3.3).

#### 2.3.1. Principles of the Financial Regulation and Rules of Application

The EU **Financial Regulation** (FR) (cf. notably Part One, Title VI: Grants) and its **Rules of Application** (RAP) (cf. notably Part One, Title VI: Grants) set the legal framework for EU grant financing, including for NGOs. Nonetheless, it is important to note that *“the FR and its [RAP] do not provide for special rules for NGOs, therefore they are not treated distinctly from other natural or legal persons. Thus, they have to comply with the general exclusion and selection criteria applicable to all beneficiaries. However, Part Two, Title IV of the FR contains special rules for external actions. Furthermore, specific eligibility criteria may be established in the action programmes and calls for proposals linked to the various actions.”*<sup>22</sup>

*“The [European] Commission may fund, through grants, either projects forming part of a European Union policy [(so-called **action grants**)], or, much more rarely, the functioning of bodies which pursue an aim of general European interest or have an objective forming part of a European Union policy [(so-called **operating grants**).”*<sup>23</sup> In case operating grants are foreseen within a funding programme, they are attributed based on an analysis of the dimension of the NGOs’ activities, their scope, the NGOs’ annual work plan, its compatibility with the EU policy priorities, etc. – rather than on individual projects.<sup>24</sup>

*“According to the **co-financing principle**, the Community contribution may not finance the entire functioning or costs of the action, except in very specific situations (mainly humanitarian aid and aid in crisis situations) [(Article 125 para 3 FR and Article 183 RAP)]. This general rule limits the financial dependence of NGOs on Community funds.”*<sup>25</sup>

*“Moreover, where the [European] Commission financially supports an action, it only funds costs necessary for the implementation of the project. These costs may include **overhead costs** incurred in relationship with the action, but they are limited to a reasonable percentage and shall, in any case, represent a fair apportionment of the overall overheads of the organisation.”*<sup>26</sup> More explicitly, Article 125 para 4 FR states that *“the grant decision or agreement may authorise or impose, in the form of flat-rates, funding of the **beneficiary’s indirect costs up to a maximum of 7 %** of total eligible direct costs for the action,*

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<sup>20</sup> Regulation (EU, Euratom) No 966/2012 of the European Parliament and the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, OJ L 298, 26.10.2012.

<sup>21</sup> Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, OJ L 362, 31.12.2012.

<sup>22</sup> Helmer, R. (2004): *Written parliamentary question on NGO funding*, European Parliament, 9. March 2004, with an answer given by Mrs Schreyer on behalf of the Commission, E-0660/04.

<sup>23</sup> Bradbourn, P. (2009): *Written parliamentary question on Commission financing of non-governmental organisations (NGOs)*, European Parliament, 27 April 2009, with an answer given by Siim Kallas on behalf of the Commission, P-3126/09.

<sup>24</sup> European Commission (2012a): *Beginners’ Guide to EU Funding, Overview of the financial rules and funding opportunities 2007–13*, Brussels, p. 10.

<sup>25</sup> Bradbourn, P. (2009): *Written parliamentary question on Commission financing of non-governmental organisations (NGOs)*, European Parliament, 27 April 2009, with an answer given by Siim Kallas on behalf of the Commission, P-3126/09.

<sup>26</sup> Bradbourn, P. (2009): *Written parliamentary question on Commission financing of non-governmental organisations (NGOs)*, European Parliament, 27 April 2009, with an answer given by Siim Kallas on behalf of the Commission, P-3126/09.

except where the beneficiary is in receipt of an operating grant financed from the budget. The 7 % ceiling may be exceeded on the basis of a reasoned decision of the Commission."<sup>27</sup>

The **principle of gradual decrease of operating grants**<sup>28</sup>, according to which EU financial support to the functioning of NGOs and other bodies (i.e. operating grants) should in principle be decreased from one year to another, has been **removed from the FR and RAP** because it *"has not proved to be an effective tool in limiting the risk of dependence of beneficiaries of operating grants on Union funds"* (Recital 43 FR).

As part of the latest review of the FR and RAP (applicable as of 01 January 2013), several novelties linked to grant financing have been introduced to the general legal framework to make access to EU funding easier and reduce the administrative burden for grant applicants, beneficiaries and the European Commission. Some of the main **simplifications** are listed below:

- **"Light documentation** requirements apply to grants of small amounts (less than or equal to EUR 25,000).
- Beneficiary organisations must partially finance their projects (so-called co-financing). Where justified, they are able to replace this with **co-financing in kind** (e.g. through the work done by some of their staff).<sup>29</sup>
- To obtain significant payments at the outset of their project (so-called pre-financing), beneficiary organisations such as NGOs need to provide **financial guarantees**, which often represent a substantial financial obstacle. However, after assessing the risks, this requirement for grant pre-financing below EUR 60,000 may be waived.
- For organisations applying for EU funds, an **external audit** is required for grants of EUR 500,000 or more for specific projects [(i.e. action grants)], and for grants of EUR 100,000 or more to finance [running] costs of organisations [(i.e. operating grants)].
- So that applicants can be informed quickly of the possibility of success of their applications, the submission procedure and the evaluation procedure can be divided into **two separate stages**, making it possible to reject, at an early stage, those proposals which have no prospect of being successful.
- Simple rules governing **purchases made by beneficiaries to implement a grant**. For purchases below EUR 60,000, the rules to be followed by the beneficiary are limited to two basic principles: the principle of sound financial management and the absence of any conflict of interest."<sup>30</sup>

### 2.3.2. Sector/programme-specific financial regulations

The general legal framework for EU grant financing set by the FR and RAP is complemented by **sector- or programme-specific financial rules**. These additional rules are generally implemented to adapt and refine the general framework to the specificities of a programme or sector, which may not be sufficiently taken into account by the general legal framework.

<sup>27</sup> Before the latest revision of the FR, the 7% ceiling for the flat reimbursement of overhead costs was included in Article 181 para 3 of the Implementing Rules No 2342/2002 in combination with Article 108a para 1 lit c of the Financial Regulation No 1605/2002.

<sup>28</sup> Article 113 para 2 of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities, as amended, and Art. 172b of Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities, as amended.

<sup>29</sup> Cf. Article 127 FR and Article 183 RAP. See also section 5.2 below.

<sup>30</sup> European Commission (2012a): *Beginners' Guide to EU Funding, Overview of the financial rules and funding opportunities 2007–13*, Brussels, p. 28.

*"Specific sectorial [or programme] legislation [is typically] setting eligibility conditions for reimbursement of expenditure [under grant financing]. Sectorial legislation is designed to target the achievement of often highly-specific policy objectives. It often has a certain level of complexity."<sup>31</sup>*

For instance, most of the European Commission DG Home Affairs' funding programmes are covered by programme-specific regulations:

**1) European Refugee Fund:**

- Decision No 573/2007/EC of the European Parliament and of the Council of 23 May 2007 establishing the European Refugee Fund for the period 2008 to 2013 as part of the General programme 'Solidarity and Management of Migration Flows' and repealing Council Decision 2004/ 904/EC;
- Commission Decision of 29 November 2007 implementing Decision No 573/2007/EC of the European Parliament and of the Council as regards the adoption of the strategic guidelines 2008 to 2013;

**2) European Integration Fund:**

- Council Decision of 25 June 2007 establishing the European Fund for the Integration of third-country nationals for the period 2007 to 2013 as part of the General programme 'Solidarity and Management of Migration Flows' (2007/435/EC);
- Commission Decision of 5 March 2008 laying down rules for the implementation of Council Decision 2007/435/EC establishing the European Fund for the Integration of third-country nationals for the period 2007 to 2013 as part of the General programme 'Solidarity and Management of Migration Flows' as regards Member States' management and control systems, the rules for administrative and financial management and the eligibility of expenditure on projects co-financed by the Fund;

**3) European Return Fund:**

- Decision No 575/2007/EC of the European Parliament and of the Council of 23 May 2007 establishing the European Return Fund for the period 2008 to 2013 as part of the General Programme 'Solidarity and Management of Migration Flows';
- Commission Decision of 30 November 2007 implementing Decision 575/2007/EC of the European Parliament and of the Council as regards the adoption of the strategic guidelines for 2008 to 2013;
- Commission Decision of 5 March 2008 laying down rules for the implementation of Decision No 575/2007/EC of the European Parliament and of the Council establishing the European Return Fund for the period 2008 to 2013 as part of the General programme 'Solidarity and Management of Migration Flows' as regards Member States' management and control systems, the rules for administrative and financial management and the eligibility of expenditure on projects co-financed by the Fund;

**4) External Borders Fund:**

- Decision No 574/2007/EC of the European Parliament and of the Council of 23 May 2007 establishing the External Borders Fund for the period 2007 to 2013 as part of the General programme 'Solidarity and Management of Migration Flows'
- Commission Decision of 27 August 2007 implementing Decision No 574/2007/EC of the European Parliament and of the Council as regards the adoption of strategic guidelines for 2007 to 2013;

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<sup>31</sup> European Commission (2010): *More or less controls? Striking the right balance between the administrative costs of control and the risk of error*, COM(2010) 261 final, Brussels, p. 2.

- Commission Decision of 5 March 2008 laying down rules for the implementation of Decision No 574/2007/EC of the European Parliament and of the Council establishing the External Borders Fund for the period 2007 to 2013 as part of the General programme 'Solidarity and Management of Migration Flows' as regards Member States' management and control systems, the rules for administrative and financial management and the eligibility of expenditure on projects co-financed by the Fund;

**5) Prevention, Preparedness and Consequence Management of Terrorism and other Security-related Risks (CIPS):**

- Council Decision of 12 February 2007 establishing for the period 2007 to 2013, as part of General Programme on Security and Safeguarding Liberties, the Specific Programme Prevention, Preparedness and Consequence Management of Terrorism and other Security related risks (2007/124/EC, Euratom);

**6) Prevention of and Fight against Crime (ISEC):**

- Council Decision of 12 February 2007 establishing for the period 2007 to 2013, as part of General Programme on Security and Safeguarding Liberties, the Specific Programme Prevention of and Fight against Crime (2007/125/JHA).

The **advantage of tailor-made rules** for each programme or sector has to be weighed against the **disadvantage of the complexity** created through a large number of sector- or programme-specific financial regulations. This *"can [indeed] result in erroneous financial claims by beneficiaries who may misunderstand or misinterpret eligibility conditions: such financial errors are for the overwhelming majority involuntary and are not fraudulent."*<sup>32</sup> In this context, European Commissioner Šemeta declared in 2010 that *"simplification of these [sector- or programme-specific] eligibility rules could have a beneficial impact on error rates. The Commission considers also that simplification of eligibility rules is an important factor for reducing the risk of error in the future in certain policy areas. At the same time it is important to bear in mind that rules are also necessary to ensure that specific policy objectives are achieved."*<sup>33</sup>

For the two new funds foreseen by the European Commission DG Home Affairs for the Multiannual Financial Framework (MFF) period 2014-2020 – the Internal Security Fund and the Asylum and Migration Fund – the specific programme-specific financial regulations will be fully harmonised according to the plans of the European Commission DG Home Affairs (see section 4.3 below). That means that there would be only one single sector-specific financial regulation applicable to all grants awarded by the European Commission DG Home Affairs.

### 2.3.3. Grant agreements

The lowest level of granularity in the legal framework governing the EU financing for NGOs is the level of grant agreements signed between the European Commission and the grant beneficiary.

Typically, the European Commission uses sector- or programme-specific **model grant agreements**, which are published together with the calls for proposals for grants.<sup>34</sup>

<sup>32</sup> European Commission (2010): *More or less controls? Striking the right balance between the administrative costs of control and the risk of error*, COM(2010) 261 final, Brussels, p. 2.

<sup>33</sup> Šemeta, A. (2010): *Tolerable risk of error*, SPEECH/10/, Brussels, 5 pp.

<sup>34</sup> See for example the CIPS 2013 model grant agreement of the European Commission DG Home Affairs: [http://ec.europa.eu/dgs/home-affairs/financing/fundings/security-and-safeguarding-liberties/terrorism-and-other-risks/calls/call-2013/docs/cips\\_model\\_grant\\_agreement\\_2013\\_en.pdf](http://ec.europa.eu/dgs/home-affairs/financing/fundings/security-and-safeguarding-liberties/terrorism-and-other-risks/calls/call-2013/docs/cips_model_grant_agreement_2013_en.pdf)



While most grant agreements are signed on a project basis for a relatively short term (one to two years) to support a precisely defined set of objectives, the European Commission is also making use of multi-annual **Framework Partnership Agreements** (FPA), notably for external action<sup>35</sup>, allowing for larger grant amounts and longer periods of time, generally between three and five years, yet for a smaller number of beneficiaries. FPAs are typically tied to a specific thematic area in line with the funder's overall strategy and priorities.

So far, the European Commission DG Home Affairs is using FPAs only for public bodies – not for NGOs. While the European Commission DG Home Affairs is willing to move towards more multiannual programming and grant funding in the MFF period 2014-2020, including for NGOs, it underlines that FPAs may also have disadvantages for NGOs: The first application to enter into an FPA would be more burdensome with higher financial requirements than under specific calls for action grants in order to ensure that beneficiaries will be able to deliver over the longer engagement period. This might lead to the exclusion of smaller NGOs, which are not able to meet these higher requirements. In general, the European Commission DG Home Affairs considers that it is easier for smaller NGOs to make a case for EU funding under specific project calls. Furthermore, the European Commission DG Home Affairs argues that specific project calls leave more flexibility to adapt to evolving and newly emerging policy challenges and leave more room for innovation and greater diversity of beneficiaries.

Project-based funding for NGOs and funding through FPAs have both advantages and disadvantages. *"While short term funding is useful for small NGOs, or to support short term pilot projects, long term programmatic funding through arrangements such as Framework Agreements provides [...] strategic support to NGOs, and flexibility to respond to emerging opportunities. Programme funding also allows NGOs to improve their organisational development, which in turn improves their operations."*<sup>36</sup> The box below discusses the advantages and disadvantages in more detail.

### **Box 2: Advantages and disadvantages of project-based and FPA funding of NGO**

*"There are a number of **advantages** to **project funding**, which may explain its prevalence among the [European Commission] DGs. Firstly, project funding supports a greater level of donor oversight. Because funding is allocated to a specific set of activities the donor can agree with the NGO a set of outputs, outcomes, and indicators and can keep close control over how the funds are spent. Secondly, it is easier for donors to identify the specific results achieved as a result of project funding [...]. This in turn allows the donor to report back on the impact that public funding is having. Thirdly, the generally shorter-term nature of project funding means NGOs need to regularly re-apply for funding and demonstrate their effectiveness. [The European Commission DG] ENV, which only offers project based funding, argues that the competition that comes with regularly having to reapply for funding prevents complacency and in turn spurs innovation. While project funding may provide donors with a greater level of accountability for the use of funds, there are also **disadvantages** to this approach. Firstly, the process of frequently reapplying for funding places a high administrative burden on NGOs. [...] Even small [European Commission] project grants can involve lengthy and complex application processes. Secondly, project funding generates high administrative demands for the donor. Processing a high number of applications and project progress reports increases the transaction costs associated with administering a fund. [...] The final challenge with*

<sup>35</sup> See notably the FPA programme of the European Commission DG ECHO: [http://ec.europa.eu/echo/partners/humanitarian\\_aid/fpa\\_en.htm](http://ec.europa.eu/echo/partners/humanitarian_aid/fpa_en.htm)

<sup>36</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, pp. 1f.

*project funding is that funding individual projects can undermine the potential for long-term, sustainable change. If funding is only for a few years, there is a danger that the project activities will collapse once the funding is withdrawn."*

*"**Programme [or FPA] funding** has several **benefits** for both NGOs and donors. Firstly, it provides greater support to the overall organisational development of an NGO. Programme funding often comes in the form of core budget support, which means it can be used to cover an NGO's core costs, such as overheads, or support internal organisational strengthening, such as staff training. [...] Secondly, because grants are generally for between three to five years, and renewal rates are high, programme funding can support longer term planning for NGOs and provide them with the flexibility to respond to changing circumstances or emerging opportunities. Thirdly, providing larger grants to fewer NGOs reduces the transaction costs associated with administering a fund. Despite these advantages, programme funding can also be **problematic**. Firstly, programme funding can discriminate against smaller NGOs. Given the significant funds that are available, the application process is often detailed and lengthy: smaller organisations frequently lack the fundraising experience and capacity to compete against larger NGOs. The large sums of money involved can also involve financial checks and safeguards from the donors, such as bank guarantees, which smaller NGOs often struggle to meet. Secondly, programme funding is often a contribution to an NGOs' overall budget so it can be hard to attribute specific impact to the funds of a specific funder. This is less attractive to donors that need to account to their stakeholders on the impact that is being achieved through its funding. Thirdly, in some cases, programme funding can generate complacency among recipient NGOs, which in turn can stifle innovation. This is most likely when there is a long history of strategic funding between a donor and an NGO and the grant is seen as virtually guaranteed, or when grants are renewed without thorough evaluation of past performance or an open application process. [...] An inherent tension in programmatic funding is that while on the one hand it provides much needed long term strategic funding to NGOs which not only supports activities but also organisational development, on the other, because of its very nature, it is more difficult for the donor to control and track how it is used. Therefore, at the heart of any successful programmatic funding relationship there has to be trust."*

Source: European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, pp. 36ff.

In the area of home affairs, security and migration, the European Commission DG Home Affairs has so far only made use of project-based funding for NGOs. The NGOs interviewed in the framework of this study had diverging opinions on whether the European Commission DG Home Affairs should introduce FPAs in the future.

#### **Quotes from NGO case study interviews:**

*"We strongly support the introduction of FPAs and multi-annual funding at DG HOME. The current project durations are often too short in view of obtaining sustainable results. For instance, it often takes a long time to build the confidence and awareness of stakeholders needed for sustainable results. Furthermore, the administrative burden of projects is often the heaviest in the inception phase and final phase. In longer projects, more time is left for the actual project implementation. In our view, the ideal project duration is three years."*

*"We do not support the introduction of FPAs at DG HOME. This would privilege the large NGOs and*



*discriminate smaller players. Action grants ensure more diversity and more innovation. We have often the impression that FPAs are only introduced to cut administrative costs on the European Commission side.”*

## 2.4. TRANSPARENCY OF EU FINANCING FOR NGOS

In view of the considerable importance of NGOs in the shaping and implementation of EU policies, the transparency of EU financing for NGOs has been a high on the agenda of the European institutions and NGOs in the last years – as for instance evidenced by a large number of questions from MEPs directed to the European Commission<sup>37</sup>.

In this context, the European Commission stated in its strategic paper on the European Commission-NGO cooperation that *“programme stakeholders express the desire to operate in a transparent way. Not only do civil society organisations and cultural NGOs want to be seen as operating transparently to be in line with their ideals, but also the [European] Commission DGs want to ensure that programmes are funded and carried out transparently to end the perceived “democratic deficit” of the EU. There is a common deontological approach between the DGs and NGOs which is to develop mutual trust.”*<sup>38</sup>

This section presents the major efforts undertaken at EU-level to foster transparency of EU financing for NGOs, notably the European Commission’s Financial Transparency System (FTS) (section 2.4.1) and the Joint Transparency Register (JTR) of the European Parliament and the European Commission (section 2.4.2). It also discusses other initiatives and perspective for the development of transparency of EU financing for NGOs in the future (section 0).

### 2.4.1. Financial Transparency System

*“The [European Commission] presents funding data (including for NGOs) on its websites<sup>39</sup>, however, this information is not presented in a uniform way; the degree of visibility of this information varies; and generally, funding data [...] does not differentiate by type of organisation (i.e. no clear identification of NGOs).”*<sup>40</sup>

In view of augmenting the visibility and transparency of EU funding, the European Commission DG Budget has established the **Financial Transparency System** (FTS)<sup>41</sup> – a central web-based database of EU funding commitments of the European Commission since 2007. The FTS permits search by criteria such as the name of the beneficiary, its country, the Commission department that gave the grant or contract, the relevant budget line or the amount. The information is also downloadable in re-useable spreadsheet format. The legal basis of the FTS is Article 35 para 2 and 3 FR in combination with Article 25 RAP.

<sup>37</sup> See for instance Bradbourn, P. (2009), Campbell Bannerman, D. (2012), Caspary, D. & Gräßle, I. & Pieper, M. (2013), De Magistris, L. (2009) and Helmer, R. (2004).

<sup>38</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, p. 63.

<sup>39</sup> Central link catalogue to the funding websites of the different European Commission DGs:

[http://ec.europa.eu/contracts\\_grants/grants\\_en.htm](http://ec.europa.eu/contracts_grants/grants_en.htm)

<sup>40</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, p. 2.

<sup>41</sup> <http://ec.europa.eu/budget/fts/>

While the establishment of the FTS has been a major step towards more transparency on the use of the EU budget, including the EU financing for NGOs, some weaknesses remain. These include:

- The FTS **only** provides information on **financial commitments** – **not** on actual **payments**. This is explained by the European Commission as follows: *“Any amount awarded to a beneficiary must first be booked in a budget line in the form of a commitment. The amount committed is a fundamental element of the legal agreement. As many agreements last several years, with the committed amount being spread over that time, annual information on payments cannot give a view of the overall value of the agreement. Therefore the [FTS] focuses only on commitments (except for some administrative expenditure where this approach does not apply).”*<sup>42</sup>
- The FTS **only** provides information on commitments under **central management** by the European Commission, its staff in the Union’s delegations and executive agencies – not on the use of the EU budget under central indirect management by EU agencies and specialised bodies, under shared management, under decentralised management and under joint management. However, the bulk of the EU budget is not directly administered by the European Commission.<sup>43</sup>
- The FTS does **not** allow sorting the beneficiaries by **type of organisation**, such as “NGO”, “university”, “private company”, etc. In this regard, the European Commission states that it *“collects only the type of information necessary to carry out the required payments and other financial operations. Beneficiaries are not obliged to indicate which type of organisation they are, only whether they represent an individual (private person) or an organisation.”*<sup>44</sup>
- In case financial commitments (e.g. for a grant) are split over several co-beneficiaries, the FTS attributes the full commitment amount to one single beneficiary (not necessarily the coordinator<sup>45</sup>). The other co-beneficiaries are listed in the FTS with a grant of 0 EUR. The FTS thus does **not** contain the **actual amounts that the various co-beneficiaries received**.
- *“It has been reported that very few people and even project beneficiaries are aware of the existence of the FTS, which means that its **visibility needs to be improved**.”*<sup>46</sup>

#### Quotes from NGO case study interviews:

*“The funding information (who received how many EU funds?) available on the website of DG HOME and in the FTS is very difficult to access and read. Also, it does not include information on the beneficiaries of EU funds managed by national authorities. More transparency is needed in this regard.”*

*“The FTS is somewhat misleading with regard to the amounts of grants attributed to several co-beneficiaries. Such unclear information could be used to harm NGOs. The FTS needs to be improved and display the relevant shares of the grants obtained by each of the co-beneficiaries.”*

<sup>42</sup> [http://ec.europa.eu/budget/fts/faq\\_en.htm](http://ec.europa.eu/budget/fts/faq_en.htm)

<sup>43</sup> [http://ec.europa.eu/budget/fts/faq\\_en.htm](http://ec.europa.eu/budget/fts/faq_en.htm)

<sup>44</sup> [http://ec.europa.eu/budget/fts/faq\\_en.htm](http://ec.europa.eu/budget/fts/faq_en.htm)

<sup>45</sup> This issue seems to be caused by an error in the complex algorithm, which is used by the European Commission to extract data from its internal financial information system (ABAC) to the FTS database. The European Commission is currently investigating the issue.

In the framework of this study, the European Commission DG Budget has provided a direct data extract from its internal financial information system (ABAC Workflow) on grants of the European Commission DG Home Affairs in the years 2010 to 2013. The data attributes the full commitment amount to the grant coordinator. Yet, a split of the total commitment amount over the different co-beneficiaries is not available in ABAC Workflow.

<sup>46</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, p. 63.

In view of the third weakness of the FTS mentioned above, it is interesting to note that the **European Commission’s internal financial information system** (ABAC – Accrual Based Accounting), which feeds the information into the FTS, provides a **possibility to identify NGOs** among all those entities with which the European Commission conducted revenue or expenditure transactions (i.e. including grant commitments and payments). The ABAC legal entity files (LEF), which are used to register all third parties before executing financial transactions, contain a field to identify NGOs as a sub-category of not-for-profit organisations (NFPOs) (see screenshot below).

**Figure 2: Legal entity file in the European Commission’s internal financial information system (ABAC Release 6.5)**

The screenshot shows the 'Create - Legal Entity' form in the ABAC system. The form is for a 'Private Law Body' and includes fields for general information, registration, and address. A red box highlights the 'Legal Entity FPO Type' field, which is set to 'Non For Profit Organisation'.

General	
Language:	Country: BE
Account Group: PRIVATE COMPANIES	Legal Form: IRLN:UNPROFIT
Official Name:	Legal Form FPO Type: Organisation with Public Types
2:	Legal Entity FPO Type: Non For Profit Organisation
3:	Non Governmental Organisation: No
4:	Document Type:
Registration Authority:	Arrangem:
Date: 01/01/2013	VAT:
Number:	

Source: European Commission

Since 16 January 2013, the completion of the NGO identification field (yes/no) is **mandatory** for all new LEFs of NFPOs as well as existing LEFs of NFPOs that are used for new payments. No supporting documents have to be submitted to the European Commission DG Budget’s Legal Entity / Bank Account Validation Team to justify the chosen option. Incomplete LEFs of NFPOs are being progressively blocked by the European Commission DG Budget. As a result of this new information obligation in the ABAC LEF forms, more accurate data on European Commission funding of NGOs will become available for all transactions made as from 16 January 2013.

The European Commission DG Budget explained in interviews in the framework of the present study that this information on the NGO status will not be published on the FTS because the FR and RAP currently do not foresee an obligation for the European Commission to do so (cf. Art. 35 FR and Article 25 RAP). Also, the information on the NGO status is not of legal nature, but only used for internal reporting purposes. According to the European Commission DG Budget, the indication of the NGO status in a public database such as the FTS may lead to legal uncertainty for the concerned entities – for instance, in calls for proposals for grant funding, which may include exclusion criteria with regard to the NGO status of applicants. Nonetheless, the European Commission will make use of the information on the NGO status of its beneficiaries to respond to future enquiries on NGO funding by the European Parliament.

Despite its current weaknesses, the information contained in the FTS has been used in the framework of the present study as best (publically) available data source for an in-depth analysis of EU financing for NGOs in the area of home affairs, security and migration (see chapter 3). In addition, data extracted from the European Commission's internal financial information system (ABAC), including on the NFPO and NGO status of beneficiaries, has been assessed (see chapter 3 and annex 1).<sup>47</sup>

#### 2.4.2. Joint Transparency Register

The **Joint Transparency Register (JTR)**<sup>48</sup> of the European Parliament and the European Commission is operational since mid-2011 and builds upon the existing registration systems set up and launched by the European Parliament in 1996 (*"Accredited Lobbyist Scheme"*) and the European Commission in 2008 (*"Register of Interest Representatives"*). The JTR involves the voluntary – yet incentivised<sup>49</sup> – registration of *"all organisations and self-employed individuals engaged in activities carried out with the objective of directly or indirectly influencing the formulation or implementation of policy and decision-making processes of the EU institutions"*.<sup>50</sup>

*"The [JTR] currently provides European citizens with information about more than [5,900<sup>51</sup>] organisations engaged in activities seeking to influence the EU policy and decision making process, all bound by a common code of conduct."*<sup>52</sup> The JTR also includes a section for *"non-governmental organisations"* with more than 1,500<sup>53</sup> registered entities. For the purpose of the JTR, NGOs have been defined as *"independent from public authorities, political parties or commercial organisations. Includes foundations, charities, etc."*.<sup>54</sup>

*"When registering [on the JTR], an organisation needs to disclose its major sources of financing for its lobbying activity. NGOs and think-tanks as well as other organisations who register have to publish their overall budget i.e. the total budget of the organisation, and the main sources of its funding, such as public (European, national or sub-national) funding, donations, membership-fees, etc. have to be indicated. The information in this register is publicly available and the Commission actively encourages the NGOs it deals with to register."*<sup>55</sup>

Even though the JTR has regularly been considered as a very successful tool to promote transparency in EU decision shaping, including on NGOs involved in interest representation, some weaknesses remain:

- Registration on the JTR is **voluntary**; no entity can be forced to register. Consequently, the **coverage of the JTR is incomplete**. A recent study estimated the JTR's *"coverage of the intended population to be approximately three-quarters of business-related organisations and around 60 per cent of NGOs."*<sup>56</sup> Similarly, a European Parliament study found that *"criticism has*

<sup>47</sup> The study team thanks the European Commission DG Budget for the provision of this data.

<sup>48</sup> <http://ec.europa.eu/transparencyregister/info/homePage.do>

<sup>49</sup> Registrants receive alerts about new roadmaps and public consultation of the European Commission in their fields of interest. In addition, registration is a condition to the issuing and the control badges offering long-term access to the European Parliament's buildings.

<sup>50</sup> European Commission and European Parliament (2011): *Interinstitutional agreement on a common Transparency Register between the Parliament and the Commission*, P7\_TA(2011)0222, Brussels, pp. 8f.

<sup>51</sup> 5,987 as of 12 November 2013.

<sup>52</sup> European Commission and European Parliament Joint Transparency Register Secretariat (2012): *Annual Report on the operations of the Transparency Register 2012*, Brussels, p. 3.

See also: Šeščovič, M. (2013): *Transparency Register – Two years on*, SPEECH/13/2, Brussels, 4 pp.

<sup>53</sup> 1,552 as of 12 November 2013.

<sup>54</sup> European Commission and European Parliament (2011): *Interinstitutional agreement on a common Transparency Register between the Parliament and the Commission*, P7\_TA(2011)0222, Brussels, pp. 8f.

<sup>55</sup> Bradbourn, P. (2009): *Written parliamentary question on Commission financing of non-governmental organisations (NGOs)*, European Parliament, 27 April 2009, with an answer given by Siim Kallas on behalf of the Commission, P-3126/09.

<sup>56</sup> Greenwood, J. & Dreger, J. (2013): *The Transparency Register: A European vanguard of strong lobby regulation?*, *Interest Groups & Advocacy*, Vol. 2, Issue 2, pp. 139-162.

[...] been voiced over NGOs that are engaged in advocacy at the EU level, but that have failed to register. Research on the 258 NGOs covered by the NGO survey shows that 77 NGOs engaged in advocacy work (e.g. NGOs with a specific advocacy department or referring to advocacy work on their website) have not registered (about 30%).<sup>57</sup> This assessment in chapter 3.3 of this study shows that only about 5% of the NGOs, which have received grant funding by the European Commission DG Home Affairs under central direct management in the years 2010 to 2012, have registered on the JTR.

- The data contained in the JTR is provided by the registrants and the JTR Secretariat carries out about 400 non-systematic quality checks of entries per year – with identified errors in more than 50% of the checked entries.<sup>58</sup> Such “**data quality problems**” also include about “15 per cent of entries in the NGO category, which could better be re-assigned to other categories”.<sup>59</sup>
- Even though the “*Inter-institutional agreement on a common Transparency Register between the Parliament and the Commission*”<sup>60</sup> explicitly defines the **scope of the JTR** (cf. above), some **discussions remain on whether all NGOs receiving funding from the EU should register on the JTR** or if the registration should be limited to those NGOs that are engaged in advocacy. This relates to the problem that there is currently **no technical link between the EU funding information contained in the FTS and the organisational information contained in the JTR**. This may inter alia lead to errors in the self-declared amounts of EU funding in the JTR entries of NGOs and other organisations.<sup>61</sup> In this regard, European Commissioner Siim Kallas declared in 2008: “*It puzzles me that some of the NGOs that campaigned for greater transparency have not yet joined the register. It puzzles me even more that NGOs receiving significant funds from the Commission hesitate to declare this publicly. I believe the broader public has a right to know who gets EU funds for what. Why should NGOs be less accountable for the sound use of EU funds than other beneficiaries? These funds are not given to charity. They are given to NGOs in order to produce a result.*”<sup>62</sup>
- Finally, **many NGOs**, especially those that do not have a representative office in Brussels, are often **not aware of the existence of the JTR**.<sup>63</sup> In an interview in the framework of this study, the European Commission DG Home Affairs stated that it does not undertake any steps to promote the JTR among the NGOs that it deals with.

Due to its voluntary and self-declaratory nature – and subsequently its incomplete coverage and limited reliability – the **JTR is not well suited for the reporting and analysis of EU financing for NGOs**.

The JTR is currently subject to an in-depth review by the JTR Secretariat, which may lead to measures to overcome the identified issues.

<sup>57</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, pp. 68ff.

<sup>58</sup> European Commission and European Parliament Joint Transparency Register Secretariat (2012): *Annual Report on the operations of the Transparency Register 2012*, Brussels, pp. 9f.

<sup>59</sup> Greenwood, J. & Dreger, J. (2013): The Transparency Register: A European vanguard of strong lobby regulation?, *Interest Groups & Advocacy*, Vol. 2, Issue 2, pp. 139-162.

<sup>60</sup> European Commission and European Parliament (2011): *Interinstitutional agreement on a common Transparency Register between the Parliament and the Commission*, P7\_TA(2011)0222, Brussels, pp. 8f.

<sup>61</sup> See examples in the area of home affairs, security and migration in section 0.

<sup>62</sup> Kallas, S. (2008): *Non-Governmental Organisations: What is at stake?*, SPEECH/08/427, Brussels, 3 pp.

<sup>63</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, p. 64.



### 2.4.3. Other initiatives and perspectives

In addition to the FTS and JTR, several other European level initiatives are aimed at promoting transparency and accountability of NGOs.

In 2005, the European Commission submitted a **Communication on preventing the misuse of charitable organisations for the financing of terrorism**<sup>64</sup>, which contained a **code of conduct for non-profit organisations** as well as a number of recommendations. The European Commission inter alia "*[considered] whether Community funding of NPOs [(not-for-profit organisations)] could be linked to compliance with the enhanced transparency and accountability measures [of the code of conduct for non-profit organisations to promote transparency and accountability best practices].*" Furthermore, the European Commission "*[considered] whether registration of NPOs as lobby organisations could be made conditional to compliance with requirements of the Code*".<sup>65</sup> In an interview in the framework of the present study, the European Commission DG Home Affairs explained that the "*Code of conduct for non-profit organisations to promote transparency and accountability best practices*" is not specifically taken up in the implementation of its funding programmes. Yet, some of the code's basic principles – such as transparency and accountability – have been included in the programmes' general funding rules. Furthermore, the European Commission's internal Early Warning System is inter alia used to prevent the EU funding of terrorist organisations.<sup>66</sup>

As a follow-up of the aforementioned European Commission Communication, the Council agreed in December 2005 on **five principles** that should be taken into account when implementing **measures aimed at preventing terrorist abuse of the non-profit sector**<sup>67</sup>.

The Council of Europe's "**Recommendation on the legal status of non-governmental organisations in Europe**"<sup>68</sup> of 2007 also sets some basic principles regarding the transparency of public support to NGOs, including:

- "*Any form of public support for NGOs should be governed by clear and objective criteria.*" (para 58)
- "*NGOs which have been granted any form of public support can be required each year to submit reports on their accounts and an overview of their activities to a designated supervising body.*" (para 62)
- "*NGOs which have been granted any form of public support can be required to make known the proportion of their funds used for fundraising and administration.*" (para 63)
- "*NGOs which have been granted any form of public support can be required to have their accounts audited by an institution or person independent of their management.*" (para 65)

<sup>64</sup> European Commission (2005b): *The Prevention of and Fight against Terrorist Financing through enhanced national level coordination and greater transparency of the non-profit sector*, COM(2005) 620 final, Brussels, 16 pp.

<sup>65</sup> European Commission (2005a): *Draft recommendations to Member States regarding a code of conduct for non-profit organisations to promote transparency and accountability best practices: An EU design for implementation of FATF Special Recommendation VIII – Non-profit Organisations*, JLS/D2/DB/NSK D(2005) 8208, Brussels, 8 pp.

<sup>66</sup> The European Commission's Early Warning System is an internal information tool to identify entities representing financial and other risks in view of enabling the European Commission services to take the necessary precautionary measures.

<sup>67</sup> Council of the European Union (2005): *Main results of the 2696<sup>th</sup> Council Meeting on Justice and Home Affairs, Code of conduct: non-profit sector – Council conclusions*, C/05/296, Brussels, pp. 21-22.

<sup>68</sup> *Recommendation CM/Rec(2007)14 of the Committee of Ministers to member states on the legal status of non-governmental organisations in Europe*, Council of Europe, 10.10.2007.

The Council of Europe has established an Expert Council to monitor compliance of its Member States with the recommendations.<sup>69</sup>

Looking at the **future perspectives** for developing the transparency of EU financing for NGOs, one may expect a progressive improvement – potentially even a technical integration – of the FTS and JTR. Both systems are currently under evaluation and review. In this regard, it is also important to note that in the framework of the 2008 discharge, the European Parliament has “[invited] the Commission to **establish a public register of NGO-type bodies funded by Commission services, to harmonise its various databases on beneficiaries receiving funds from the EU budget or the European Development Fund, to indicate in its accounting system the 'not-for-profit' nature of the beneficiary entities and to look into the possibility of expanding the register of interest representatives by including information about their funding received from the EU**”.<sup>70</sup>

The idea of creating a **central database of all NGO beneficiaries of EU grants** is not new. In its strategic paper on the European Commission-NGO cooperation from 2000, the European Commission suggested that *“the improved processing of information on NGOs receiving grants would be a win-win option for both the Commission and the NGO partners. Whilst facilitating the risk assessment of operations on the Commission side, it would also reduce the need for NGOs to provide the same information for each individual project proposal. Modalities for improved processing of information on NGOs should be examined including the following elements: A database providing accurate information on NGOs and in particular on their operational and financial profile, track record, projects financed by the EU, other donors, and other relevant information regularly updated. This would capitalise on existing information inside the Commission in a co-ordinated way. If sufficient resources can be identified to make such a system workable and maintainable, it would be an extremely valuable tool for Commission staff both in Brussels and in delegations abroad.”*<sup>71</sup>

A Member of the European Parliament (MEP) interviewed in the framework of this study underlined that more efforts are necessary to improve the coverage and reliability of the EU’s transparency databases FTS and JTR. She suggested that the systems should be made interoperable, that a JTR registration should be made mandatory for entities receiving EU funding and that the FTS should also comprise EU spending through shared management (aggregating data provided by the Member States). This would lead to more transparency and could avoid double funding according to the interviewed MEP.

More generally, a recent study on the abuse of NGOs for financial criminal purposes at EU level commissioned by the European Commission concluded that *“registration and keeping accurate registers of basic details of NPOs [(not-for-profit organisations)] is essential as a prerequisite for increasing the knowledge base [on issues such as NPOs’ transparency, accountability and vulnerability for abuse]. The accuracy and completeness of registers should be continuously improved.”*<sup>72</sup>

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<sup>69</sup> European Center for Not-for-Profit Law (ENCL) (2009): *Study on Recent Public and Self-Regulatory Initiatives Improving Transparency and Accountability of Non-Profit Organisations in the European Union*, Brussels, p. 18.

<sup>70</sup> European Parliament (2010): *European Parliament decision of 5 May 2010 on discharge in respect of the implementation of the European Union general budget for the financial year 2008*, P7\_TA-PROV(2010)0134, Strasbourg, paragraph 248, <http://www.europarl.europa.eu/document/activities/cont/201005/20100511ATT74395/20100511ATT74395EN.pdf>

<sup>71</sup> European Commission (2000): *The Commission and non-governmental organisations: Building a stronger partnership*, Commission discussion paper, Brussels, p. 20.

<sup>72</sup> Matrix (2008): *Study to Assess the Extent of Abuse of Non-Profit Organisations for Financial Criminal Purposes at EU Level*, Brussels, p. 8.



Finally, some interviewed NGOs (incl. 5/10 case studies) argued that more transparency needs to be ensured with regard to the outcomes and impact of awarded grants – for instance through the centralised publication of final project reports on the European Commission’s website. Similarly, an MEP interviewed in the framework of this study underlined that the European Commission DG Home Affairs needs to ensure more transparency on the use of its funds and encourage the mutual learning of its grant beneficiaries and other entities by making project reports centrally available on the internet.

**Quotes from NGO case study interviews:**

*“We need more transparency on the results and impacts on projects that have received EU funding. We would suggest a mandatory publication of final project reports on the European Commission’s website. This would not only lead to more transparency, but also enable NGOs and other actors to benefit from the project results, encourage mutual learning and lead to more sustainable results through potential new partnerships.”*

## **2.5. CONCLUSIONS AND RECOMMENDATIONS**

This chapter has discussed the principles of EU financing for NGOs.

The European Commission is cooperating with NGOs in view of fostering democracy and civil society, ensuring the representation of the views of specific groups of citizens and causes to the European Institutions, benefiting from NGOs’ sector-specific expertise in the policy-making process, implementing EU policies and actions through NGOs and encouraging the transnational cooperation of NGOs to foster European integration. The cooperation involves inter alia a policy dialogue between the European Commission and NGOs as well as considerable amounts of EU financing for NGOs.

In the absence of an agreed legal definition of NGOs at EU level, the European Commission is using a set of core characteristics to identify NGOs: their not-for-profit and voluntary nature, their institutional/legal existence, their independence from government as well as their non-self-serving aim.

The absence of a legal NGO definition at EU level has led to a situation where very limited information is available on EU financing for NGOs. Indeed, under the EU’s Financial Regulation (FR) and Rules of Application (RAP), NGOs are treated in the same way as every other type of beneficiary of EU funding. Nonetheless, the European Commission is currently undertaking actions to identify NGOs in its internal financial information systems.

It is important to note that none of the financial rules applicable to EU grant funding differentiate between beneficiaries with NGO status and those without. EU grant financing is governed by the high-level rules of the FR and RAP, by programme- or sector-specific financial regulations as well as by individual grant agreements concluded between the European Commission and the grant beneficiaries.

In view of the considerable importance of NGOs in the shaping and implementation of EU policies, the transparency of EU financing for NGOs has been high on the agenda of the European institutions and NGOs in the last years. EU-level initiatives for transparency include the European Commission’s Financial Transparency System (FTS) – a central web-based database of EU funding commitments of the European Commission – and the Joint Transparency Register (JTR) of the European Parliament

and the European Commission – a central web-based register of interest representatives active at EU level. While both systems have improved the transparency of EU policy-making and implementation, some weaknesses remain.

The European Commission's internal financial information and accounting system (ABAC) includes a possibility to label legal entities as not-for-profit organisations (NFPOs) and as NGOs. While the NFPO/FPO status of an entity is determined based on its legal form, i.e. an objective criterion, the NGO labelling (yes/no) depends on the self-declaration of the concerned entity and the judgement of the responsible authorising officer. The information generated by this labelling, which became mandatory as of 2013, is currently not publically available.

In this regard, the following recommendations can be considered:

- An inter-institutional dialogue on a potential EU-level definition of the term NGO for reporting (rather than legal) purposes could take place. A widely accepted EU-level definition of NGOs would facilitate the measurement of EU financing for NGOs and contribute to more transparency on the European Commission-NGO cooperation.
- The introduction of NGO-specific rules for grant financing should be avoided as they would increase regulatory complexity and discriminate between different types of grant beneficiaries without providing substantial advantages.
- The European Commission and European Parliament should pursue their efforts to continuously improve the FTS and JTR. Notably, the FTS should include an NFPO and NGO labelling of relevant beneficiaries based on the information contained in the European Commission's internal financial information system. The feasibility and desirability of a technical link between the FTS and the JTR should be explored.
- The European Commission could encourage its NGO grant beneficiaries, notably those involved in advocacy, to register on the JTR. The possibility to make registration mandatory for NGO grant beneficiaries could be reflected upon.

### 3. EU FINANCING FOR NGOS IN THE AREA OF HOME AFFAIRS, SECURITY AND MIGRATION

#### KEY FINDINGS

- Even though a non-negligible proportion of the EU funds allocated to the area of home affairs, security and migration is implemented by NGOs, the European Commission does not have exhaustive lists of, nor statistics on, NGOs funded through the EU budget since there is no legal requirement to identify whether or not the recipient of EU funds has NGO status.
- Despite its weaknesses, the European Commission's FTS has been used as best (publically) available data source to conduct an in-depth analysis and quantification of EU financing for NGOs in the area of home affairs, security and migration under central direct management. Based on an analysis of funding data from the European Commission's FTS, it appears that grants committed to NGOs under central direct management in the area of home affairs, security and migration (i.e. granted by the European Commission DG Home Affairs) amount to about 12.0 M EUR (35 grants) in 2010, about 11.9 M EUR (36 grants) in 2011 and about 30.9 M EUR (70 grants) in 2012.
- Considering the overall amount of EU funds available in the area of home affairs, security and migration (about 4.7 billion EUR in the MFF period 2007-2013), the relevant NGO funding under central direct management is relatively limited. This is inter alia explained by the fact that a very large share (more than 90%) of the European Commission DG Home Affairs' programmes is implemented through shared management. Furthermore, other types of beneficiaries without NGO status – e.g. Member State authorities and regional authorities in the Member States – receive a non-negligible share of European Commission DG Home Affairs grants under central direct management.
- Each individual NGO typically received a very low number of grants (one to three) over the period 2010-2012. The average funding amount has been about 340,000 EUR in 2010, about 330,000 EUR in 2011 and about 440,000 EUR in 2012. Yet, one should note that the majority of grants has been attributed to NGO consortia – as a result the average EU funding obtained by the individual NGO beneficiaries can be expected to be significantly lower. NGOs from Italy, Spain and the United Kingdom have been particularly successful in obtaining grants from the European Commission DG Home Affairs.
- EU financing for NGOs is used both to cover operational expenditure (i.e. any expenditure directly and identifiably linked to the implementation of a project or action) and administrative expenditure (i.e. costs necessary for the functioning of the organisation which cannot be directly linked to the implementation of the project – the "overhead"). According to Article 125 para 4 FR *"the grant decision or agreement may authorise or impose, in the form of flat-rates, funding of the beneficiary's indirect costs up to a maximum of 7 % of total eligible direct costs for the action, except where the beneficiary is in receipt of an operating grant financed from the budget. The 7 % ceiling may be exceeded on the basis of a reasoned decision of the Commission."*
- The 7% cap on flat reimbursements of administrative costs is implemented by the European Commission DG Home Affairs across all its funding programmes. The European Commission DG Home Affairs explained that typically NGOs request 7% flat reimbursement to cover their administrative expenditure, but a non-negligible share of NGOs requests lower percentages. Indeed, the administrative costs can vary significantly across projects. For instance, a project

with a high number of co-beneficiaries in various Member States will typically generate higher administrative costs than a project that is implemented by a single beneficiary. The estimated administrative expenditure on grants committed to NGOs under central direct management in the area of home affairs, security and migration amounts to about 780,000 EUR in 2010, 776,000 EUR in 2011 and 2.0 M EUR in 2012.

- While most interviewed NGOs (incl. 9/10 case studies) support the 7% cap, some NGOs (incl. 4/10 case studies) call for higher caps for very complex projects involving a large number of co-beneficiaries. The correct application of the flat rate compensation of administrative expenditure and the operational expenditure is verified ex-ante at the stage of the applications, before payments are made and ex-post in audits. The checks and audits only cover the EU-funded action – not the entire NGO. The European Commission does not check the overall efficiency of its beneficiaries and their overheads. Typically, smaller NGOs face more difficulties to clearly disentangle administrative and operational costs than larger organisations that have specialised accountants and controllers in-house.

A non-negligible proportion of the EU funds allocated to the area of home affairs, security and migration is implemented by NGOs. The European Commission DG Home Affairs is operating several funding programmes under which NGOs may receive grants.

However, *“the [European] Commission does not have exhaustive lists of, nor statistics on, NGOs funded under the EC budget or the European Development Fund since there is no requirement to identify whether or not the recipient of EC funds has NGO status.”*<sup>73</sup> Indeed, the FTS contains information on beneficiaries of EU funds; yet without any information on their NGO status. Similarly, the European Commission DG Home Affairs confirmed in the framework of this study that its internal grant management system PRIAMOS does not contain any indication on the NGO status of grant beneficiaries.

This chapter provides the results of an in-depth analysis of FTS data that has been undertaken to quantify and qualify the EU financing for NGOs in the area of home affairs, security and migration. After a description of the scope and method of the analysis (section 3.1), it provides a data on the overall volume of EU financing for NGOs in the area of home affairs, security and migration (section 3.2), the characteristics of NGO beneficiaries (section 0), and an estimation of the administrative vs. operational expenditure within NGOs (section 3.4). Section 3.5 provides conclusions and recommendations.

### **3.1. SCOPE AND METHOD OF THE ANALYSIS**

An in-depth analysis of FTS data for the years 2010, 2011 and 2012 has been undertaken in the framework of this study in view of quantifying and qualifying the EU financing for NGOs in the area of home affairs, security and migration.

For this purpose, the full FTS datasets<sup>74</sup> of the years 2010, 2011 and 2012 containing all financial commitments of the European Commission have been screened for grants attributed by the European Commission Directorate-General for Home Affairs. Indeed, NGOs which are defined *inter alia* by their not-for-profit nature (cf. section 2.1), can receive EU funding only through grants which are ruled by the no-profit principle of Article 125 para 4 FR – not through public procurement.

<sup>73</sup> Bradbourn, P. (2009): *Written parliamentary question on Commission financing of non-governmental organisations (NGOs)*, European Parliament, 27 April 2009, with an answer given by Siim Kallas on behalf of the Commission, P-3126/09.

<sup>74</sup> [http://ec.europa.eu/budget/fts/index\\_en.htm](http://ec.europa.eu/budget/fts/index_en.htm)

Furthermore, the policy areas of home affairs, security and migration are fully covered by the ten funding programmes that were operated by the European Commission DG Home Affairs during the MFF period 2007-2013. The table below provides an overview of these ten funding programmes within the scope of this analysis.

**Table 1: European Commission funding programmes covered by the quantification analysis**

European Commission funding programmes covered by the quantification analysis					
<i>Funding entity</i>	<i>Policy area</i>	<i>Funding programme</i>	<i>Budget 2007-2013</i>	<i>Objective</i>	<i>Implementation mechanism</i>
Directorate-General for Home Affairs	Migration, Asylum and Borders	<b>External Borders Fund (EBF)</b>	1,820 M EUR	Establish financial solidarity between Schengen countries by supporting those countries for which the implementation of the common standards for control of the EU's external borders represents a heavy burden	Shared management; Central direct management
Directorate-General for Home Affairs	Migration, Asylum and Borders	<b>European Return Fund (RF)</b>	676 M EUR (2008-13)	Improve return management as well as to encourage the development of cooperation between EU countries and with countries of return	Shared management Central direct management
Directorate-General for Home Affairs	Migration, Asylum and Borders	<b>European Refugee Fund (ERF)</b>	628 M EUR (2008-13)	Support EU countries' efforts in receiving refugees and displaced persons and in guaranteeing access to consistent, fair and effective asylum procedures	Shared management; Central direct management
Directorate-General for Home Affairs	Migration, Asylum and Borders	<b>European Fund for the integration of third-country nationals (EIF)</b>	825 M EUR	Support national and EU initiatives that facilitate the integration of non-EU immigrants into European societies	Shared management; Central direct management
Directorate-General for Home Affairs	Migration, Asylum and Borders	<b>Preparatory Action/Pilot Project on Resettlement</b>	N/A	Create a network among targeted municipalities and local/regional authorities of EU countries, the UNHCR and NGOs, with a view to facilitating the sharing of experiences and best practices on resettlement and the integration of refugees	Central direct management
Directorate-General for Home Affairs	Migration, Asylum and Borders	<b>Pilot Project on Victims of Torture</b>	N/A	Create and support rehabilitation centres for and provide multidisciplinary assistance to victims of torture, including physical and psychotherapeutic treatment, psycho-social counselling, legal service and socio-economic support	Central direct management
Directorate-General for Home Affairs	Migration, Asylum and Borders	<b>Pilot Project on Unaccompanied Minors</b>	N/A	Identify good practices on prevention, reception, protection and integration policies for unaccompanied minors	Central direct management
Directorate-General for Home Affairs	Migration, Asylum and Borders	<b>Preparatory Action on Emergency Resettlement</b>	N/A	Support resettlement actions in emergency situations in the case of groups of persons in need of international protection according to United Nations High Commissioner for Refugees (UNHCR), who are under armed attack, that have been victims of a natural disaster, or that face other conjunctures of extreme vulnerability and life-threatening nature	Central direct management
Directorate-General for Home Affairs	Security and safeguarding liberties	<b>Prevention, Preparedness and Consequence Management of Terrorism and other Security-related Risks (CIPS)</b>	139 M EUR	Protect citizens and critical infrastructures from terrorist attacks and other security incidents	Central direct management
Directorate-General for Home Affairs	Security and safeguarding liberties	<b>Prevention of and Fight against Crime (ISEC)</b>	605 M EUR	Contribute to citizens' security through projects that prevent and combat crime	Central direct management

Source: European Commission DG HOME ([http://ec.europa.eu/dgs/home-affairs/financing/fundings/index\\_en.htm](http://ec.europa.eu/dgs/home-affairs/financing/fundings/index_en.htm))

This first screening of the FTS data according to the criteria “funding type = grant” and “responsible department = Directorate-General for Home Affairs” provided a view on the EU grant funding in the area of home affairs, security and migration – yet without differentiating between the different types of beneficiaries, notably between NGOs and other types of grant beneficiaries.

As the FTS does not contain any indication on the NGO status of beneficiaries and the information contained in other databases – notably in the JTR – proved to be incomplete and unreliable, a manual screening of the pre-sorted FTS entries has been undertaken with the objective to identify those financial commitments of the European Commission that have been made to the benefit of NGOs (as opposed to all other types of beneficiaries). This manual screening for grants attributed to NGOs in the area of home affairs, security and migration has been based on the broad non-legal definition of NGOs used by the European Commission (cf. section 2.1).

In spite of best efforts to ensure accuracy of the analysis, some error cannot be excluded because of human error in the manual screening and because of the non-legal NGO definition, which leaves some room for (different) interpretations.

The in-depth analysis of the FTS data undertaken in the framework of this study yields an accurate view on the overall volume of EU financing for NGOs in the area of home affairs, security and migration (section 3.2) and the characteristics of NGO beneficiaries (section 0).

Nonetheless, one should keep in mind the **limitations of this analysis**, which are linked to the FTS data characteristics and quality: (1) The FTS funding data refers to financial commitments and not to actual payments. (2) In cases of grants, which are split over several co-grant-beneficiaries, the FTS attributes the full commitment amount to one single grant beneficiary (not necessarily the grant coordinator<sup>75</sup>). The other co-grant-beneficiaries are listed in the FTS with a grant of 0 EUR. The FTS thus does not contain the actual amounts that the various co-grant-beneficiaries received. In these cases, the present analysis is limited to the grant beneficiaries to which the grant has been attributed in the FTS (with the full grant amount). (3) The FTS only contains data on financial commitments under central management by the European Commission. Any EU funding of NGOs under shared management, i.e. operationally managed by Member State authorities, is therefore excluded from the present analysis.

### 3.2. VOLUME OF EU FINANCING FOR NGOS

Based on an **analysis of funding data from the European Commission’s FTS**, it appears that grants committed to NGOs under central direct management in the area of home affairs, security and migration amount to about 12.0 M EUR (35 grants) in 2010, about 11.9 M EUR (36 grants) in 2011 and about 30.9 M EUR (70 grants) in 2012.

Considering the overall amount of EU funds available in the area of home affairs, security and migration, the relevant NGO funding under central direct management appears to be relatively limited. This is inter alia explained by the fact that a very large share (more than 90%) of the European Commission DG Home Affairs’ programmes is implemented through shared management. Furthermore, other types of beneficiaries without NGO status – e.g. Member State authorities and

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<sup>75</sup> As mentioned above, this issue seems to be caused by an error in the complex algorithm, which is used by the European Commission to extract data from its internal financial information system (ABAC) to the FTS database. The European Commission is currently investigating the issue.



regional authorities in the Member States – receive a non-negligible share of European Commission DG Home Affairs grants under central direct management.

The table below provides a detailed view on the volume of EU financing for NGOs in the area of home affairs, security and migration per year and per funding programme.

**Table 2: Financing for NGOs by the European Commission DG HOME, 2010-2012**

Year	2010		2011		2012	
	Number of grants	Total amount in EUR	Number of grants	Total amount in EUR	Number of grants	Total amount in EUR
External Border Fund (EBF)	0	-	0	-	1	996,333
European Return Fund (RF)	0	-	2	1,317,270	6	2,982,123
European Refugee Fund (ERF)	12	3,814,816	8	1,957,180	5	4,193,740
European Fund for the integration of third-country nationals (EIF)	2	841,020	3	1,288,268	5	2,874,518
Preparatory Action/Pilot Project on Resettlement	0	-	0	-	2	1,075,841
Pilot Project on Victims of Torture	0	-	0	-	7	1,621,428
Pilot Project on Unaccompanied Minors	0	-	0	-	0	-
Preparatory Action on Emergency Resettlement	0	-	0	-	0	-
Prevention, Preparedness and Consequence Management of Terrorism and other Security-related Risks (CIPS)	1	1,119,286	3	1,583,317	0	-
Prevention of and Fight against Crime (ISEC)	20	6,230,898	20	5,789,525	44	17,125,932
<b>Total</b>	<b>35</b>	<b>12,006,020</b>	<b>36</b>	<b>11,935,560</b>	<b>70</b>	<b>30,869,915</b>

**Source:** Deloitte analysis based on data published on the Financial Transparency System

In addition to the analysis of the publically available information contained in the FTS, **data extracted from the European Commission's internal financial information system (ABAC)** has been assessed in the framework of this study.<sup>76</sup>

As explained above (see sections 2.1 and 2.4.1), the European Commission's internal financial information system foresees a labelling of NFPOs and NGOs in the entities' LEFs. This labelling information has been used to identify the number and total amount of grants committed to NFPOs (and NGOs) by the European Commission DG Home Affairs under central direct management in the years 2010 to 2013. The results of this assessment are presented in the table below.

**Table 3: Financing for NFPOs by the European Commission DG HOME, 2010-2013**

Grants committed to NFPOs the European Commission DG Home Affairs				
Year	NFPOs		Thereof labelled as NGOs in the European Commission's internal financial information system	
	Total amount in EUR	Number of grants	Total amount in EUR	Number of grants
2010	14,390,023	43	5,774,232	12
2011	12,697,426	39	2,277,744	7
2012	24,659,027	66	7,460,283	16
2013	28,052,129	77	13,612,005	30

**Source:** Deloitte analysis based on data extracted from the European Commission's internal financial information system (ABAC Workflow) – Data provided by the European Commission DG Budget

The number and volume of grants that have been attributed to NFPOs, which are labelled as NGOs in ABAC, are significantly smaller than the number and volume of grants that have been attributed to NGOs according to the FTS analysis above. Largely, this difference is linked to the fact that the **NGO labelling in ABAC is so far not sufficiently complete and reliable to ensure a robust reporting on EU financing for NGOs on this basis only**. It appears that for a large share of NFPO grant beneficiaries the NGO labelling (yes/no) has still not been completed (see annex 1).

Nonetheless, in the absence of better data, the number and volume of NFPO grants may give a broad indication on the EU financing for NGOs. Yet, one needs to keep in mind that the NFPO category also includes entities which cannot be considered as NGOs – such as universities, semi-public research institutes or trade unions.

### 3.3. CHARACTERISTICS OF NGO BENEFICIARIES

The **FTS data analysis** also allows providing a view on the characteristic of the NGO grant beneficiaries of the European Commission DG Home Affairs.

The tables 3 to 5 below list the NGO grant beneficiaries for the years 2010, 2011 and 2012 – together with the total funding amount and number of grants received. They also indicate whether the NGO beneficiaries have registered in the JTR.

<sup>76</sup> The study team thanks the European Commission DG Budget for the provision of this data.

As noted above, one should keep in mind a key **limitation of this analysis**, which is linked to the FTS data quality: In cases of grants, which are split over several co-grant-beneficiaries, the FTS attributes the full commitment amount to one single grant beneficiary (not necessarily the grant coordinator<sup>77</sup>). The other co-grant-beneficiaries are listed in the FTS with a grant of 0 EUR. The FTS thus does not contain the actual amounts that the various co-grant-beneficiaries received. In these cases, the present analysis is limited to the grant beneficiaries to which the grant has been attributed in the FTS (with the full grant amount). Consequently, the **rankings and amounts** shown below can only be of **indicative nature**.

**Table 4: NGO beneficiaries of grants of the European Commission DG HOME, 2010**

Year 2010				
Rank	NGO beneficiary <i>(In case of consortia: NGO beneficiary to which FTS has attributed the entire grant amount. This is not necessarily the grant coordinator)</i>	Total amount in EUR	Number of grants	Registration in the Joint Transparency Register
1	ASOCIATIA ROMANA PENTRU TRANSPARENTA*TRANSPARENCY INTERNATIONAL ROMANIA	1,633,454	1	Yes
2	AMANZITEL AB*	1,119,286	1	No
3	ARCI NUOVA ASSOCIAZIONE*	728,203	2	No
4	ASSOCIATION KISA - ACTION FOR EQUALITY, SUPPORT AND ANTIRACISM*KISA	682,366	2	No
5	ASSOCIAZIONE TERRA DEL FUOCO*	657,578	1	No
6	ASOCIACION COMISION CATOLICA ESPANOLA DE MIGRACION ACCEM*	593,283	2	No
7	ACCOMPAGNEMENT LIEUX D'ACCUEILCARREFOUR EDUCATIF ET SOCIALASSOCIATION RECONNUE D UTILITEPUBLIQUE*ALC	583,616	2	No
8	ASOCIACION SOCIO CULTURAL IBN BATUTA - ASCIB*	493,434	1	No
9	ASSOCIAZIONE AVVOCATURA PER I DIRITTI LGBT*	479,824	1	No
10	ASSISTANCE CENTRE FOR TORTURE SURVIVORS-ACET FOUNDATION*	418,413	1	No
11	ARCI LOMBARDIA ASSOCIAZIONE*	385,271	1	No
12	JAAN TONISSONI INSTITUUT MTU*JAAN TONISSON INSTITUTE	362,958	1	No
13	FUGGETLEN UJSAGIROK ALAPITVANYA*INDEPENDENT JOURNALISM FOUNDATION FUGGETLEN MEDIAKOZPONT CENTER FOR INDEPENDENT JOURNALISM	347,586	1	No
14	TISPOL ORGANISATION LBG*	345,203	1	No
15	ASSOCIAZIONE PER LA COOPERAZIONE TRANSREGIONALE LOCALE ED EUROPEA*ASSOCIATION POUR LA COOPERATION TRANSREGIONALE LOCALE ET EUROPEENNE	325,655	1	No
16	ARQ STICHTING*ARQ FOUNDATION PSYCHOTRAUMA EXPERT GROUP	319,573	1	No
17	LA STRADA CESKA REPUBLIKA OPS*	281,823	1	No
18	CENTRO DI CULTURA SCIENTIFICA A,VOLTA*	281,495	1	No

<sup>77</sup> As mentioned above, this issue seems to be caused by an error in the complex algorithm, which is used by the European Commission to extract data from its internal financial information system (ABAC) to the FTS database. The European Commission is currently investigating the issue.

Year 2010				
Rank	NGO beneficiary (In case of consortia: NGO beneficiary to which FTS has attributed the entire grant amount. This is not necessarily the grant coordinator)	Total amount in EUR	Number of grants	Registration in the Joint Transparency Register
19	EUROPEAN COUNCIL ON REFUGEES AND EXILES AISBL*ECRE	278,070	1	Yes
20	CARITAS INTERNATIONAL ASBL*	231,680	1	Yes
21	ASYLUM AID LBG*	219,494	1	No
22	ANTIGONE KENTRO PLIROFORISIS KAI TEKMIRIOSIS GIA TO RATSISMO TIN OIKOLOGIA TIN EIRINI KAI TI MI NIA ASTIKI ETAIRIA*ANTIGONE INFORMATION AND	206,964	1	No
23	ASSOCIAZIONE NAZIONALE FAMIGLIE DEGLI EMIGRATI*NOTIZIE FATTI PROBLEMIDELL EMIGRAZIONE ANFE	205,273	1	No
24	ASSOCIAZIONE CENTRO DI FORMAZIONE STUDI*ASSOCIAZIONE FORMEZ	178,136	1	No
25	ASSOCIATION FORUM FRANCAIS POUR LA SECURITE URBAINE*FFSU	164,908	1	Yes
26	ASOCIATIA POLICY EURONETWORK*POLICY EURONETWORK ASSOCIATION PENW	127,863	1	No
27	CISMAI COORDINAMENTO ITALIANO DEI SERVIZI CONTRO IL MALTRATTAMENTO E L' ABUSO ALL' INFANZIA ASSOCIAZIONE*	98,670	1	No
28	ASSOCIATION POUR LA COOPERATION EUROPEENNE DANS LA DOMAINE DE LA JUSTICE ET DES AFFAIRES INTERIEURES AISBL*EUCOJUST	97,515	1	No
29	OBSERVATOIRE INTERNATIONAL DE JUSTICE JUVENILE FONDATION*OIJJ	85,000	1	Yes
30	ASSOCIATION UNION DES FABRICANTS POUR LA PROTECTION INTERNATIONALE DELA PROPRIETE INTELLECTUELLE ET ARTISTIQUE*UNIFAB	68,900	1	No
31	IPA CESKA UZEMNI SKUPINA 114*INTERNATIONAL POLICE ASSOCIATION UZEMNI SKUPINA 114	4,528	1	No
	<b>Total</b>	<b>12,006,020</b>	<b>35</b>	

**Source:** Deloitte analysis based on data published on the Financial Transparency System and the Joint Transparency Register

**Table 5: NGO beneficiaries of grants of the European Commission DG HOME, 2011**

Year 2011				
Rank	NGO beneficiary (In case of consortia: NGO beneficiary to which FTS has attributed the entire grant amount. This is not necessarily the grant coordinator)	Total amount in EUR	Number of grants	Registration in the Joint Transparency Register
1	ASOCIACION COMISION CATOLICA ESPANOLA DE MIGRACION ACCEM*	852,940	1	No
2	BULGARIAN ATOMIC FORUM ASSOCIATION(BAF)*BULATOM	584,975	1	No
3	ASOCIACION DE INGENIEROS E INGENIEROS TECNICOS EN INFORMATICA*ALI	573,576	1	No
4	DRUSTVO EVRO-ATLANTSKI SVET SLOVENIJE*EASS EURO-ATLANTIC COUNCIL OF SLOVENIA	570,144	1	No

Year 2011				
Rank	NGO beneficiary <i>(In case of consortia: NGO beneficiary to which FTS has attributed the entire grant amount. This is not necessarily the grant coordinator)</i>	Total amount in EUR	Number of grants	Registration in the Joint Transparency Register
5	FAIRBRIDGE LBG*	569,059	1	No
6	TISPOL ORGANISATION LBG*	493,277	1	No
7	ASSOCIACAO LUSOFONIA CULTURA E CIDADANIA*	464,330	1	No
8	ASSOCIAZIONE ITALIANA DIFESA CONSUMATORI ED AMBIENTE*	463,409	1	No
9	IMMIGRANT COUNCIL OF IRELAND LIMITED BY GUARANTEE*ICI	463,327	1	No
10	PAYOKE VZW*	454,471	1	No
11	ASOCIACION POR LA INTEGRACION DE PROFESIONALES INMIGRANTES*INPROIN	431,981	1	No
12	ASOCIACION CENTRO DE TECNOLOGIAS DEINTERACCION VISUAL Y COMUNICACIONES VICOMTECH*ASOCIATION VICOMTECH	428,198	1	No
13	DEUTSCHE STIFTUNG FUR INTERNATIONALE RECHTLICHE ZUSAMMENARBEIT IRZ-STIFTUNG*	419,607	2	No
14	FORMAZIONE CO&SO NETWORK - CONSORZIO DI COOPERATIVE SOCIALI SOCIETA COOPERATIVA SOCIALE SOCIETA COOPERATIVA CONSORTILE*FCN	392,961	1	No
15	ASOCIATIA CHILDREN'S HIGH LEVEL GROUP*	391,873	1	No
16	EALING COMMUNITY AND VOLUNTARY SERVICE LBG*ECVS	377,190	1	No
17	EUROPEAN COUNCIL ON REFUGEES AND EXILES AISBL*ECRE	349,530	1	Yes
18	AITIMA ASTIKI ETAIRIA*	344,626	1	No
19	CARITAS SOFIA SDRUZHENIE*	339,289	2	Yes
20	ASYLUM AID LBG*	302,139	1	No
21	ASSOCIAZIONE CULTURALE GIANCARLO SIANI*	291,264	1	No
22	ARQ STICHTING*ARQ FOUNDATION PSYCHOTRAUMA EXPERT GROUP	266,588	1	No
23	FUNDACJA DZIECI NICZYJE*	262,819	1	No
24	ASOCIATIA SERVICIUL IEZUITILOR PENTRU REFUGIATII DIN ROMANIA*JRS ROMANIA	244,238	1	No
25	ASSOCIATION POUR LA PROMOTION DE LA TRANSPARENCY ASBL*APPT TI LUXEMBOURG TRANSPARENCY INTERNATIONAL LUXEMBOURG	238,983	1	Yes
26	ASSOCIAZIONE COMUNITA TERAPEUTICA PER IL RECUPERO DEI TOSSICODIPENDENTI MARIA FANELLI ONLUS*	232,617	1	No
27	CENTRE FOR THE ADVANCEMENT OF RESEARCH AND DEVELOPMENT IN EDUCATIONALTECHNOLOGY LIMITED*CARDET	228,325	1	No
28	VIOLENCE PREVENTION NETWORK EV*VPN	188,983	1	No

Year 2011				
Rank	NGO beneficiary (In case of consortia: NGO beneficiary to which FTS has attributed the entire grant amount. This is not necessarily the grant coordinator)	Total amount in EUR	Number of grants	Registration in the Joint Transparency Register
29	ASOCIATIA ECUMENICA A BISERCILOR DIN ROMANIA*AIDROM ECUMENICAL ASSOCIATION OF CHURCHES IN ROMANIA	159,491	1	No
30	ASSOCIATION FRANCAISE DES VICTIMESDU TERRORISME*AFVT,ORG	138,594	1	No
31	CENTRO DI CULTURA SCIENTIFICA A,VOLTA*	117,103	1	No
32	FAITH MATTERS CIC*	115,317	1	No
33	CARITAS INTERNATIONAL ASBL*	110,770	1	Yes
34	ASSOCIATION POUR LA COOPERATION EUROPEENNE DANS LA DOMAINE DE LA JUSTICE ET DES AFFAIRES INTERIEURES AISBL*EUJUST	73,567	1	No
	<b>Total</b>	<b>11,935,560</b>	<b>36</b>	

**Source:** Deloitte analysis based on data published on the Financial Transparency System and the Joint Transparency Register

**Table 6: NGO beneficiaries of grants of the European Commission DG HOME, 2012**

Year 2012				
Rank	NGO beneficiary (In case of consortia: NGO beneficiary to which FTS has attributed the entire grant amount. This is not necessarily the grant coordinator)	Total amount in EUR	Number of grants	Registration in the Joint Transparency Register
1	COMMISSION INTERNATIONALE CATHOLIQUE POUR LES MIGRATIONS CICM*INTERNATIONAL CATHOLIC MIGRATION COMMISSIONC	2,107,000	1	No
2	ASSOCIATION POUR LA PROMOTION DE LA TRANSPARENCY ASBL*APPT TI LUXEMBOURG TRANSPARENCY INTERNATIONAL LUXEMBOURG	1,107,786	1	Yes
3	CHRISTLICHES JUGENDDORFWERK DEUTSCHLANDS GEMEINNUTZIGER EV (CJD)*CHRISTIAN ASSOCIATION OF YOUTH VILLAGES	1,103,046	2	No
4	CENTRO DI INFORMAZIONE E EDUCAZIONE ALLO SVILUPPO,ASSOCIAZIONE*CENTREFOR DEVELOPMENT INFORMATION AND EDUCATION	996,333	1	No
5	SUSTAINABLE CRIMINAL JUSTICE SOLUTIONS COMMUNITY INTEREST COMPANY*SCJS	961,019	1	No
6	ARSIS KOINONIKI ORGANOSI YPOSTIRIXIS NEON*ARSIS - ASSOCIATION FOR THESOCIAL SUPPORT OF YOUTH	941,732	2	No
7	ASSOCIAZIONE CENTRO DI FORMAZIONE STUDI*ASSOCIAZIONE FORMEZ	879,024	1	No
8	ANTI-SLAVERY INTERNATIONAL*	869,609	2	No
9	EUROPEAN COUNCIL ON REFUGEES AND EXILES AISBL*ECRE	775,808	2	Yes
10	REPUBBLIKA TA MALTA*REPUBLIQUE DE MALTE*REPUBLIC OF MALTA	771,270	1	No



Year 2012				
Rank	NGO beneficiary (In case of consortia: NGO beneficiary to which FTS has attributed the entire grant amount. This is not necessarily the grant coordinator)	Total amount in EUR	Number of grants	Registration in the Joint Transparency Register
11	ASOCIACION FONDO ANDALUZ DE MUNICIPIOS PARA LA SOLIDARIDAD INTERNACIONAL (FAMSI)*	743,635	1	No
12	UNIONE ITALIANA DELLE CAMERE DI COMMERCIO INDUSTRIA ARTIGIANATO E AGRICOLTURA UNIONCAMERE*	733,140	1	No
13	ANIMUS ASSOCIATION FOUNDATION AAF*	701,216	1	No
14	ASBL INTERNATIONAL CATHOLIC MIGRATION COMMISSION - EUROPE*ICMC EUROPECOMMISSION INTERNATIONALE CATHOLIQUE POUR LES MIGRATIONS - EUROPE*	649,818	1	No
15	ASSOCIATION DIAGRAMA INTERVENTION PSYCHOSOCIALE*	645,480	1	No
16	CONFERENCE PERMANENTE EUROPEENNE DE LA PROBATION VERENIGING*CEP	628,228	1	No
17	FUNDACION ACOBE*	608,410	1	No
18	BULGARIAN CENTER FOR BIOETHICS FOUNDATION*BCB	600,000	1	No
19	ACULCO ASOCIACION SOCIO-CULTURAL YDE COOPERACION AL DESARROLLO POR COLOMBIA E IBEROAMERICA*	579,601	1	No
20	ARBEITERWOHLFAHRT KREISVERBAND BREMERHAVEN EV*	558,879	1	No
21	FUNDACION AGUSTIN DE BETANCOURT*	555,834	1	No
22	TISPOL ORGANISATION LBG*	548,885	1	No
23	EUROPEAN FEDERATION FOR MISSING AND SEXUALLY EXPLOITED CHILDREN AISBL*FEDERATION EUROPEENNE POUR ENFANTS DISPARUS ET SEXUELLEMENT EXPLOITES	544,124	1	No
24	ASOCIACION COMISION CATOLICA ESPANOLA DE MIGRACION ACCEM*	539,661	1	No
25	BULGARIAN GENDER RESEARCH FOUNDATION*BGRF	519,177	2	No
26	ACTION FOR IMMIGRATION AND DEVELOPMENT CIVIL SOCIETY*METACTION ACTIONFOR MIGRATION AND DEVELOPMENT	471,259	1	No
27	ASSOCIAZIONE CENTRO STUDI ED INIZIATIVE EUROPEO CE,S,I,E, ONLUS*	443,776	1	No
28	ASOCIACION DE AYUDA A LAS VICTIMAS DEL 11-M*AV11M	436,875	1	No
29	ACTORI EUROPENI ASOCIATIA*	427,120	1	No
30	AVVOCATO DI STRADA ASSOCIAZIONE*ADS	426,023	1	No
31	FLARE FREEDOM LEGALITY AND RIGHTS IN EUROPE ASSOCIAZIONE*	424,284	1	No
32	JAUNATNE AR MISIJU - RIGA RELIGISKA ORGANIZACIJA*	411,902	1	No
33	ASSOCIATION FORUM FRANCAIS POUR LA SECURITE URBAINE*FFSU	406,162	1	Yes

Year 2012				
Rank	NGO beneficiary (In case of consortia: NGO beneficiary to which FTS has attributed the entire grant amount. This is not necessarily the grant coordinator)	Total amount in EUR	Number of grants	Registration in the Joint Transparency Register
34	CENTER FOR THE STUDY OF DEMOCRACY ASSOCIATION*	405,030	1	Yes
35	FONDAZIONE BRUNO KESSLER*	403,660	1	No
36	CESVI FONDAZIONE ONLUS ASSOCIAZIONE*	400,124	1	No
37	BORGORETE SOCIETA COOPERATIVA SOCIALE*	395,049	1	No
38	ARKTOS VZW*	359,969	1	No
39	CENTRE POUR L'EGALITE DES CHANCES ET LA LUTTE CONTRE LE RACISME*CECLRCENTRUM VOOR GELIJKHEID VAN KANSENEN VOOR RACISMEBESTRIJDING	348,022	1	No
40	ASSOCIACIO PER A LA CREACIO I ESTUDIS DE PROJECTES SOCIALS C,E,P,S,*ASOCIACION	330,174	1	No
41	ASSOCIAZIONE ILARIA ALPI COMUNITA APERTA*ASS ILARIA ALPI	311,250	1	No
42	BRITISH REFUGEE COUNCIL LBG*	299,000	1	No
43	CONSEIL INTERNATIONAL MUSEES ASSOCIATION*INTERNATIONAL COUNCIL OF MUSEUMS ICOM	295,840	1	No
44	IFF-REFUGIO MUNCHEN EV*	276,477	1	No
45	ASSOCIACIO COMISSIO CATALANA D AJUDA AL REFUGIAT*CCAR	271,468	1	No
46	MICADO MIGRATION GEMEINNUTZIGE GMBH*MM	265,833	1	No
47	BEHANDLUNGSZENTRUM FUR FOLTEROPFEREV*	261,025	1	No
48	CULTURES INTERACTIVE E,V, - VEREINZUR INTERKULTURELLEN BILDUNG UND GEWALTPRAVENTION*CULTURES	256,174	1	No
49	ASOCIATIA CENTRUL ROMAN PENTRU COPII DISPARUTI SI EXPLOATATI SEXUAL*FOCUS	234,702	1	No
50	THE LOKAHI FOUNDATION LBG*	222,660	1	No
51	INSTITUT ZA DEMOKRATICNI NADZOR NAD OBOROZENIMI SILAMI (DCAF) LJUBLJANA ZAVOD*INSTITUTE FOR THE DEMOCRATIC CONTROL OF ARMED FORCES DCAF LJUB	219,729	1	No
52	CLOVEK V TISNI OPS*PEOPLE IN NEED	212,431	1	No
53	ASSOCIATION FRANCAISE DES VICTIMESDU TERRORISME*AFVT,ORG	198,015	1	No
54	DEUTSCHE STIFTUNG FUR INTERNATIONALE RECHTLICHE ZUSAMMENARBEIT IRZ-STIFTUNG*	190,225	1	No

Year 2012				
Rank	NGO beneficiary (In case of consortia: NGO beneficiary to which FTS has attributed the entire grant amount. This is not necessarily the grant coordinator)	Total amount in EUR	Number of grants	Registration in the Joint Transparency Register
55	ASOCIATIA EXPERT FORUM*EFOR	186,056	1	No
56	ASSOCIATION PRIMO LEVI*	179,335	1	No
57	DIGNITY-DANSK INSTITUT MOD TORTUR FORENING*DIGNITY-DANISH INSTITUTE AGAINST TORTURE	174,825	1	No
58	LE ONDE CENTRO ACCOGLIENZA E CASADELLE MOIRE UDI ONLUS ASSOCIAZIONE*	163,792	1	No
59	FONDATSIYA RISKMONITOR*RM RISKMONITOR FOUNDATION	162,278	1	No
60	ASSOCIATION CENTER MARIA*	160,407	1	No
61	BUNDESWEITE ARBEITSGEMEINSCHAFT DERPSYCHOSOZIALEN ZENTREN FUR FLUCHTLINGE UND FOLTEROPFER (BAFF) EV*BAFF	159,298	1	No
62	ROCCO CHINNICI FONDAZIONE*	154,012	1	No
63	CISMAI COORDINAMENTO ITALIANO DEI SERVIZI CONTRO IL MALTRATTAMENTO E L' ABUSO ALL' INFANZIA ASSOCIAZIONE*	150,349	1	No
64	CENTER NADYA FONDATSIYA*NADJA CENTRE FOUNDATION NCF	106,383	1	No
65	ASSOCIAZIONE DIAKONIA ONLUS*	208	1	No
	<b>Total</b>	<b>30,869,915</b>	<b>70</b>	

**Source:** Deloitte analysis based on data published on the Financial Transparency System and the Joint Transparency Register

It appears that each individual NGO typically received a very low number of grants (one to three) over the period 2010-2012. The average funding amount has been about 340,000 EUR in 2010, about 330,000 EUR in 2011 and about 440,000 EUR in 2012. Yet, one should note that the majority of grants has been attributed to NGO consortia. As a result, the average EU funding obtained by the individual NGO beneficiaries can be expected to be significantly lower.

Finally, it appears that only six out of more than 100 NGO grant beneficiaries of the European Commission DG Home Affairs in the years 2010 to 2012 have registered on the JTR. The JTR coverage and data quality are further discussed below.

In addition to the FTS analysis, **data extracted from the European Commission's internal financial information system** has been screened for NFPO grant beneficiaries of the European Commission DG Home Affairs under central direct management in the years 2010 to 2013. A list of relevant NFPO grant beneficiaries has been compiled in annex 1 of the present report; the list also includes the current NGO labelling (yes / no / no indication) of the NFPO grant beneficiaries as registered in ABAC.

When assessing this list, one should note that – contrary to the FTS, which is mainly composed of data from the “ABAC Contracts” system – this information covers commitments as registered in the “ABAC Workflow” system. It **only displays the principal contractor**, i.e. the grant coordinator in case of consortia. This means that in cases of several co-beneficiaries the entire grant amount in this list is attributed to the grant coordinator. In the FTS, the total grant amount is currently also attributed to one single beneficiary; yet – due to a technical issue – this is not necessarily the grant coordinator. This explains some of the differences between the list of NGO grant beneficiaries as compiled from the FTS analysis above and the list in annex 1.

Based on the **FTS data analysis**, the tables 6 to 8 present the countries of origin of the NGO grant beneficiaries of the European Commission DG Home Affairs in the years 2010 to 2012.

**Table 7: Countries of origin of NGO grant beneficiaries of the European Commission DG HOME, 2010**

Year 2010			
Rank	Country	Total amount in EUR	Number of grants
1	Italy	3,340,104	10
2	Romania	1,761,317	2
3	Sweden	1,119,286	1
4	Spain	1,086,717	3
5	France	817,424	4
6	Belgium	692,265	4
7	Cyprus	682,366	2
8	United Kingdom	564,697	2
9	Bulgaria	418,413	1
10	Estonia	362,958	1
11	Hungary	347,586	1
12	Netherlands	319,573	1
13	Czech Republic	286,351	2
14	Greece	206,964	1
	<b>Total</b>	<b>12,006,020</b>	<b>35</b>

**Source:** Deloitte analysis based on data published on the Financial Transparency System

**Table 8: Countries of origin of NGO grant beneficiaries of the European Commission DG HOME, 2011**

Year 2011			
Rank	Country	Total amount in EUR	Number of grants
1	Spain	2,286,695	4
2	United Kingdom	1,856,982	5
3	Italy	1,497,355	5
4	Belgium	988,338	4
5	Bulgaria	924,265	3

Year 2011			
Rank	Country	Total amount in EUR	Number of grants
6	Romania	795,602	3
7	Germany	608,590	3
8	Slovenia	570,144	1
9	Portugal	464,330	1
10	Ireland	463,327	1
11	Greece	344,626	1
12	Netherlands	266,588	1
13	Poland	262,819	1
14	Luxembourg	238,983	1
15	Cyprus	228,325	1
16	France	138,594	1
	<b>Total</b>	<b>11,935,560</b>	<b>36</b>

**Source:** Deloitte analysis based on data published on the Financial Transparency System

**Table 9: Countries of origin of NGO grant beneficiaries of the European Commission DG HOME, 2012**

Year 2012			
Rank	Country	Total amount in EUR	Number of grants
1	Italy	5,881,023	14
2	Spain	4,065,658	8
3	Germany	3,070,958	9
4	United Kingdom	2,901,173	6
5	Belgium	2,677,741	6
6	Bulgaria	2,654,491	8
7	Switzerland	2,107,000	1
8	France	1,724,832	5
9	Greece	1,412,991	3
10	Luxembourg	1,107,786	1
11	Romania	847,878	3
12	Malta	771,270	1
13	Netherlands	628,228	1
14	Latvia	411,902	1
15	Slovenia	219,729	1
16	Czech Republic	212,431	1
17	Denmark	174,825	1
	<b>Total</b>	<b>30,869,915</b>	<b>70</b>

**Source:** Deloitte analysis based on data published on the Financial Transparency System

It appears that NGOs from Italy, Spain and the United Kingdom have been particularly successful in obtaining grants from the European Commission DG Home Affairs.

Crossing the FTS and JTR data, it appears that very few<sup>78</sup> (about 5%) of the NGOs benefiting of grants of the European Commission DG Home Affairs under central direct management have registered on the JTR. Also, several inconsistencies with regard to the volumes of EU funding – published in the FTS on the one hand and self-declared in the JTR on the other – have been identified.<sup>79</sup> As a result, the **JTR is not well suited for the reporting and analysis of EU financing for NGOs.**

The table below compares FTS and JTR data for those NGOs that could be identified in both registers simultaneously (as European Commission DG Home Affairs beneficiaries in the case of the FTS).

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<sup>78</sup> 6 out of more than 100 NGO grant beneficiaries (as of 01 October 2013).

<sup>79</sup> Result of a comparison of relevant entries in the Financial Transparency System and the Joint Transparency Register.

**Table 10: NGO grant beneficiaries of the European Commission DG HOME with a registration in the Joint Transparency Register, 2012**

Financial Transparency Register		Self-declaration by NGO in the Joint Transparency Register				
NGO beneficiary	Total amount of grants obtained from the European Commission DG HOME, 2012	Joint Transparency Register Registration N°	Number of persons engaged in activities falling under the scope of the Transparency Register	Total budget in 2012 in EUR	EU grants in 2012	Estimated costs to the organisation directly related to representing interests to EU institutions in that year in EUR
TRANSPARENCY INTERNATIONAL	1,107,786	501222919-71	10	635,000	0	800,000 - 900,000
EUROPEAN COUNCIL ON REFUGEES AND EXILES AISBL*ECRE	775,808	43750202163-43	20	1,768,000	291,000	150,000 – 200,000
ASSOCIATION FORUM FRANCAIS POUR LASECURITE URBAINE*FFSU	406,162	4900814699-31	10	1,237,825	715,803	-
CENTER FOR THE STUDY OF DEMOCRACY ASSOCIATION*	405,030	15789364550-66	35	1,052,820	386,000	<50,000
CARITAS INTERNATIONAL ASBL*	-(only in 2010 and 2011)-	6082564924-85	10	1,812,075	586,979	800,000 – 900,000
OBSERVATOIRE INTERNATIONAL DE JUSTICE JUVENILE FONDATION*OIJJ	-(only in 2010)-	47310234921-93	6	250,000	250,000	250,000-300,000

**Source:** Deloitte analysis based on data published on the Financial Transparency System and the Joint Transparency Register



### 3.4. ADMINISTRATIVE VS. OPERATIONAL EXPENDITURE WITHIN NGOS

EU financing for NGOs is used both to cover **operational expenditure** (i.e. any expenditure directly and identifiably linked to the implementation of a project or action) and **administrative expenditure** (i.e. costs necessary for the functioning of the organisation which cannot be directly linked to the implementation of the project – the “overhead”).

As mentioned above, the FR as a general rule caps the administrative expenditure to 7% of the total amount of action grants. According to Article 125 para 4 FR *“the grant decision or agreement may authorise or impose, in the form of flat-rates, funding of the **beneficiary’s indirect costs up to a maximum of 7 % of total eligible direct costs for the action, except where the beneficiary is in receipt of an operating grant financed from the budget. The 7 % ceiling may be exceeded on the basis of a reasoned decision of the Commission.**”* The European Commission DG Budget explained that the maximum value of 7% has been set based on the average administrative expenditure of public administrations across the EU Member States, which was taken as a benchmark.

In addition, *“the [European] Commission [...] provides considerable amounts of core-funding for the running costs of a variety of organisations”* through operating grants.<sup>80</sup>

In the area of home affairs, security and migration, the European Commission DG Home Affairs is nearly exclusively making use of action grants<sup>81</sup> and has implemented the 7% cap for administrative expenditure of Article 125 para 4 FR in all of its funding programmes.

In an interview in the framework of this study, the European Commission DG Home Affairs explained that **typically NGOs request 7% flat reimbursement to cover their administrative expenditure, but a non-negligible share of NGOs requests lower percentages**. Indeed, the administrative costs can vary significantly across projects. For instance, a project with a high number of co-beneficiaries in various Member States will typically generate higher administrative costs than a project that is implemented by a single beneficiary.

#### Quotes from NGO case study interviews:

*“7% is a reasonable approximation of our administrative costs.”*

*“We are implementing a project with partner NGOs in different countries across Europe. The administrative cost of managing such a network is clearly higher than the flat coverage of 7%. However, if we would implement a research project without such an international network, the administrative costs can be expected to be lower than 7%.”*

*“7% flat reimbursement for administrative costs is relatively low, particularly for the implementation of transnational projects. From other institutional donors we receive much higher compensation for administrative costs: up to 19% of the operational funding.”*

*“The 7% cap is a good principle from a deontological point of view. Yet, the administrative costs will vary*

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<sup>80</sup> European Commission (2000): *The Commission and non-governmental organisations: Building a stronger partnership*, Commission discussion paper, Brussels, p. 13.

<sup>81</sup> Since 2010 the European Commission DG Home Affairs has not opened any call for operating grants and does not intend to do so in the near future according to an interview performed in the framework of this study.

*strongly across projects and depending on the size of the NGO.”*

*“Our small NGO is nearly entirely funded through the ERF, both through national and Community action grants. We are working only with volunteers and no professional staff. We find it very difficult to cover our operating expenses (office rent, office supplies, PCs, telephone costs, etc.) with the 7% flat reimbursement for administrative expenses. Under national ERF funding we have received up to 20% of flat reimbursement in the past; this was much closer to the real costs.”*

*“7% is a reasonable approach, but it needs to be clearly defined what is covered and what not. Our national level donors apply a 6% cap for overhead costs.”*

As administrative expenditure is covered by a **flat rate reimbursement** (i.e. a percentage of the total eligible direct costs), no specific supporting documents are required as a proof for the administrative expenditure.

The ECA considered such a flat reimbursement as most proportionate approach and argued that any additional reporting obligations on administrative expenditure would lead to unnecessary and costly administrative burden both for NGOs and the European Commission.

Typically, smaller NGOs face more difficulties to clearly disentangle administrative and operational costs than larger organisations that have specialised accountants and controllers in-house. Some NGOs called for more guidance on the implementation of the rules on flat reimbursements of administrative costs.

**Quotes from NGO case study interviews:**

*“As a relatively small organisation, we do not specifically measure the amount of administrative costs vs. operational costs. The percentage of time/resources needed for administrative work (i.e. overhead) is also varying across projects. The time sheets completed for the different EU projects (administrative requirement) may give an indication, but we have never assessed this in detail.”*

*“We are not specifically measuring and attributing the administrative costs to each of our projects. This would require quite some time and effort, which we prefer to invest in operational project work.”*

*“At national level, we need to provide detailed reporting on our administrative costs. We have thus prepared long lists of all the costs that are covered by the flat rate reimbursement of administrative costs.”*

*“As a relatively small NGOs that is exclusively working with volunteers we do not have any specific accounting system to differentiate administrative and operational expenditure.”*

*“More explanations on the implementation of the rules on flat reimbursements of administrative costs are needed. This would avoid bad surprises during the audits.”*

The correct application of the flat rate compensation of administrative expenditure and the operational expenditure is verified ex-ante at the stage of the applications, before payments are made and ex-post in audits. The checks and audits only cover the EU-funded action – not the entire NGO. The European Commission does not check the overall efficiency of its beneficiaries and their overheads.

While only a small minority of NGOs publishes data on overhead costs, it appears from the available information that NGOs' overall overhead costs (i.e. NGOs' overall administrative costs including fundraising and communication expenditure) typically exceed the 7% cap, when compared to the organisations' overall expenditure. The table below presents the overall overhead expenditure ratios of selected NGOs, which have been beneficiaries of European Commission DG Home Affairs grants in 2010, 2011 and/or 2012.

**Table 11: Overall overhead expenditure ratio of selected NGOs (beneficiaries of European Commission DG Home Affairs grants in 2010, 2011 and/or 2012)**

NGO	Country	Overall overhead expenditure ratio = Total administrative costs (incl. fundraising and communication expenditure) / Total expenditure
ANTI-SLAVERY INTERNATIONAL*	United Kingdom	13.6%
ASYLUM AID LBG*	United Kingdom	11.0%
BRITISH REFUGEE COUNCIL LBG*	United Kingdom	10.7%
CARITAS INTERNATIONAL ASBL*	Belgium	12.6%
CENTRO DI INFORMAZIONE E EDUCAZIONE ALLO SVILUPPO, ASSOCIAZIONE*	Italy	16.0%
COMMISSION INTERNATIONALE CATHOLIQUE POUR LES MIGRATIONS CICM*	Switzerland	13.2%
DIGNITY-DANSK INSTITUT MOD TORTUR FORENING*	Denmark	9.0%
FUNDACJA DZIECI NICZYJE*	Poland	9.5%

**Source:** Calculated based on: Anti-Slavery International Report and Financial Statements 31 March 2012; Asylum Aid Annual Report 2012; Refugee Council Impact Report 2011/2012; Caritas International Annual Report 2012; Centro di Informazione e Educazione allo Sviluppo Financial Statements of 31/12/2012; ICMC Annual Report 2011; Rehabilitation and Research Centre for Torture Victims Annual Report 2011; Nobody's Children Foundation Poland Annual Activity Report 2011

If one assumes that the administrative expenditure on EU-funded projects is not significantly different to other projects implemented by NGOs, then one may consider the possibility that in some cases not all of the administrative expenses linked to an EU-funded project (including a proportional share of the non-attributable overhead) are fully covered by the 7% flat reimbursement. In such cases, some cross-funding of administrative expenses of EU projects by other donors may occur (insofar all donors have made earmarked donations).

Such a cross-funding of administrative expenses (overheads) by different donors may notably occur in case of different flat reimbursements rates for administrative costs by different donors. The table below provides a few illustrative examples of flat reimbursement rates applied by selected institutional donors for NGO funding within the EU.

**Table 12: Illustrative examples of flat reimbursements rates for administrative costs of NGOs by different institutional donors**

Donor	Call for proposal	Maximum flat reimbursement of administrative expenditure
European Commission DG Home Affairs (European Refugee Fund)	Call for proposals "Community actions" 2012 <sup>82</sup>	7% of the total direct eligible costs of the project
EEA countries: Norway, Iceland, Liechtenstein (EEA Financial Mechanism 2009-2014)	Second open call for proposals under "NGO Project Measure" of the EEA Grants 2009-2014 programme "NGO fund" in Latvia <sup>83</sup>	18% (for micro projects) or 17% (for medium and macro projects) of the direct eligible costs of the project
Switzerland (Swiss Enlargement Contribution)	Block Grant for Non-Governmental Organisations and Polish-Swiss Regional Partnership Projects <sup>84</sup>	10% of the project eligible costs
Belgium (Agence fédérale pour l'accueil des demandeurs d'asile (Fedasil))	Fedasil grants 2014 <sup>85</sup>	7% of the total direct eligible costs of the project
Germany (Bundesamt für Migration und Flüchtlinge)	Call for proposals for operating grants for migrants' organisations at federal level <sup>86</sup>	5% of the total direct eligible costs of the project

In the framework of this study, some NGOs (incl. 3/10 case studies) complained about the permanent political distrust with regard to their overhead expenditure.

#### Quotes from NGO case study interviews:

*"We have the impression that there is a permanent political distrust with regard to NGOs' use of EU funds – much more than for other types of beneficiaries. Discussions about NGOs at EU level are generally about financials and not about the work we are doing every day to implement EU policies."*

The table below provides an estimation of the administrative and operational expenditure under EU financing for NGOs by the European Commission DG Home Affairs in the years 2010, 2011 and 2012. The estimations are based on the assumption that all NGOs request the flat reimbursement of administrative expenditure of 7% of the total eligible direct costs which is fixed as a maximum by Article 125 para 4 FR. For example, for a project with eligible direct costs of 100,000 EUR (i.e. the operational expenditure to implement the action), a flat reimbursement of 7% \* 100,000 EUR = 7,000 EUR would be requested to cover costs necessary for the functioning of the organisation which cannot be directly linked to the implementation of the project, such as pro rata salaries of staff members in charge of the project's accounting, controlling and reporting, office rents, office supplies, etc. Out of a total grant of 107,000 EUR, 100,000 EUR would be operational expenditure (93.5%) and 7,000 EUR would be administrative expenditure (6.5%). As mentioned above, in practice, some NGOs request lower flat reimbursements of administrative expenditures. The estimations provided in the table below may thus be considered as upper range limit estimations.

<sup>82</sup> [http://ec.europa.eu/dgs/home-affairs/financing/fundings/migration-asylum-borders/refugee-fund/calls/call-2012-01/index\\_en.htm](http://ec.europa.eu/dgs/home-affairs/financing/fundings/migration-asylum-borders/refugee-fund/calls/call-2012-01/index_en.htm)

<sup>83</sup> [http://www.sif.lv/index.php?option=com\\_content&view=article&id=9046%3A2-atlase&catid=31%3ANVO-projektu-programma-%282009-2014%29&Itemid=121&lang=en](http://www.sif.lv/index.php?option=com_content&view=article&id=9046%3A2-atlase&catid=31%3ANVO-projektu-programma-%282009-2014%29&Itemid=121&lang=en)

<sup>84</sup> [http://www.programszwajcarski.gov.pl/english/thematic\\_priorities/block\\_grant/strony/start.aspx](http://www.programszwajcarski.gov.pl/english/thematic_priorities/block_grant/strony/start.aspx)

<sup>85</sup> <http://fedasil.be/fr/news/conventions-fedasil-appel-projets-2014>

<sup>86</sup> [http://www.bamf.de/SharedDocs/Anlagen/DE/Downloads/Infothek/Integrationsprojekte/interessenbekundungsverfahren-strukturfoerderung-mo-2013.pdf?\\_\\_blob=publicationFile](http://www.bamf.de/SharedDocs/Anlagen/DE/Downloads/Infothek/Integrationsprojekte/interessenbekundungsverfahren-strukturfoerderung-mo-2013.pdf?__blob=publicationFile)

The estimated administrative expenditure on grants committed to NGOs under central direct management in the area of home affairs, security and migration amount to about 780,000 EUR in 2010, 776,000 EUR in 2011 and 2.0 M EUR in 2012.

**Table 13: Financing for NGOs by the European Commission DG HOME: Estimated administrative vs. operational expenditure, 2010-2012**

Year	2010			2011			2012		
<i>European Commission DG HOME funding programme</i>	<i>Total amount in EUR</i>	<i>Estimated administrative expenditure (6.5%) in EUR</i>	<i>Estimated operational expenditure (93.5%) in EUR</i>	<i>Total amount in EUR</i>	<i>Estimated administrative expenditure (6.5%) in EUR</i>	<i>Estimated operational expenditure (93.5%) in EUR</i>	<i>Total amount in EUR</i>	<i>Estimated administrative expenditure (6.5%) in EUR</i>	<i>Estimated operational expenditure (93.5%) in EUR</i>
External Border Fund (EBF)	-	-	-	-	-	-	996,333	64,762	931,571
European Return Fund (RF)	-	-	-	1,317,270	85,623	1,231,647	2,982,123	193,838	2,788,285
European Refugee Fund (ERF)	3,814,816	247,963	3,566,853	1,957,180	127,217	1,829,963	4,193,740	272,593	3,921,147
European Fund for the integration of third-country nationals (EIF)	841,020	54,666	786,354	1,288,268	83,737	1,204,531	2,874,518	186,844	2,687,674
Preparatory Action/Pilot Project on Resettlement	-	-	-	-	-	-	1,075,841	69,930	1,005,911
Pilot Project on Victims of Torture	-	-	-	-	-	-	1,621,428	105,393	1,516,035
Pilot Project on Unaccompanied Minors	-	-	-	-	-	-	-	-	-
Preparatory Action on Emergency Resettlement	-	-	-	-	-	-	-	-	-
Prevention, Preparedness and Consequence Management of Terrorism and other Security-related Risks (CIPS)	1,119,286	72,754	1,046,532	1,583,317	102,916	1,480,401	-	-	-
Prevention of and Fight against Crime (ISEC)	6,230,898	405,008	5,825,890	5,789,525	376,319	5,413,206	17,125,932	1,113,186	16,012,746
<b>Total</b>	<b>12,006,020</b>	<b>780,391</b>	<b>11,225,629</b>	<b>11,935,560</b>	<b>775,811</b>	<b>11,159,749</b>	<b>30,869,915</b>	<b>2,006,544</b>	<b>28,863,371</b>

**Source:** Deloitte analysis based on data published on the Financial Transparency System

### 3.5. CONCLUSIONS AND RECOMMENDATIONS

This chapter has quantified and qualified EU financing for NGOs in the area of home affairs, security and migration.

Even though a non-negligible proportion of the EU funds allocated to the area of home affairs, security and migration is implemented by NGOs, the European Commission does not have exhaustive lists of, nor statistics on, NGOs funded through the EU budget since there is no legal requirement to identify whether or not the recipient of EU funds has NGO status.

Despite its weaknesses, the European Commission's FTS has been used as best (publically) available data source to conduct an in-depth analysis and quantification of EU financing for NGOs in the area of home affairs, security and migration under central direct management. Based on an analysis of funding data from the European Commission's FTS, it appears that grants committed to NGOs under central direct management in the area of home affairs, security and migration (i.e. granted by the European Commission DG Home Affairs) amount to about 12.0 M EUR (35 grants) in 2010, about 11.9 M EUR (36 grants) in 2011 and about 30.9 M EUR (70 grants) in 2012.

Considering the overall amount of EU funds available in the area of home affairs, security and migration (about 4.7 billion EUR in the MFF period 2007-2013), the relevant NGO funding under central direct management is relatively limited. This is inter alia explained by the fact that a very large share (more than 90%) of the European Commission DG Home Affairs' programmes is implemented through shared management. Furthermore, other types of beneficiaries without NGO status – e.g. Member State authorities and regional authorities in the Member States – receive a non-negligible share of European Commission DG Home Affairs grants under central direct management.

Each individual NGO typically received a very low number of grants (one to three) over the period 2010-2012. The average funding amount has been about 340,000 EUR in 2010, about 330,000 EUR in 2011 and about 440,000 EUR in 2012. Yet, one should note that the majority of grants has been attributed to NGO consortia – as a result the average EU funding obtained by the individual NGO beneficiaries can be expected to be significantly lower. NGOs from Italy, Spain and the United Kingdom have been particularly successful in obtaining grants from the European Commission DG Home Affairs.

EU financing for NGOs is used both to cover operational expenditure (i.e. any expenditure directly and identifiably linked to the implementation of a project or action) and administrative expenditure (i.e. costs necessary for the functioning of the organisation which cannot be directly linked to the implementation of the project – the "overhead"). According to Article 125 para 4 FR *"the grant decision or agreement may authorise or impose, in the form of flat-rates, funding of the beneficiary's indirect costs up to a maximum of 7 % of total eligible direct costs for the action, except where the beneficiary is in receipt of an operating grant financed from the budget. The 7 % ceiling may be exceeded on the basis of a reasoned decision of the Commission."*

The 7% cap on flat reimbursements of administrative costs is implemented by the European Commission DG Home Affairs across all its funding programmes. The European Commission DG Home Affairs explained that typically NGOs request 7% flat reimbursement to cover their administrative expenditure, but a non-negligible share of NGOs requests lower percentages. Indeed, the administrative costs can vary significantly across projects. For instance, a project with a high



number of co-beneficiaries in various Member States will typically generate higher administrative costs than a project that is implemented by a single beneficiary. The estimated administrative expenditure on grants committed to NGOs under central direct management in the area of home affairs, security and migration amounts to about 780,000 EUR in 2010, 776,000 EUR in 2011 and 2.0 M EUR in 2012.

Other institutional donors funding NGOs active in the area of home affairs, security and migration within the EU, such as the EEA, the Swiss Confederation or the Member States, grant flat reimbursements of administrative costs in the range of 5%-18%. In addition, it appears that the overall administrative costs (incl. fundraising and communication) of relevant NGOs typically lie in the area of 9%-15%, i.e. above the 7% cap foreseen by the EU's FR.

While most interviewed NGOs (incl. 9/10 case studies) support the 7% cap, some NGOs (incl. 4/10 case studies) call for higher caps for very complex projects involving a large number of co-beneficiaries. The correct application of the flat rate compensation of administrative expenditure and the operational expenditure is verified ex-ante at the stage of the applications, before payments are made and ex-post in audits. The checks and audits only cover the EU-funded action – not the entire NGO. The European Commission does not check the overall efficiency of its beneficiaries and their overheads. Typically, smaller NGOs face more difficulties to clearly disentangle administrative and operational costs than larger organisations that have specialised accountants and controllers in-house.

In this regard, the following conclusions and recommendations can be considered:

- In view of quantifying the EU financing for NGOs under central direct management in the future, the improvement of FTS data and functionalities, notably an NFPO and NGO labelling based on the information contained in the European Commission's internal financial information system, appears to be the most feasible and accurate approach. The European Commission should foster the implementation of its internal NGO labelling obligations and make the information publically available through the FTS.
- Due to its voluntary and self-declaratory nature – and subsequently its incomplete coverage and limited reliability – the JTR is not well suited for the reporting and analysis of EU financing for NGOs.
- The 7% cap on the flat reimbursement of administrative costs foreseen by the EU's FR appears to be in line with the actual needs of NGOs and can be considered as sufficiently low to encourage "overhead" efficiency at NGO beneficiaries. The flat reimbursement method for administrative expenditure is generally considered as most efficient and less burdensome practice.

## 4. ADMINISTRATIVE BURDEN FACED BY NGOS

### KEY FINDINGS

- Overly burdensome grant administration has been repeatedly pointed out as a major issue for NGOs that apply for and implement EU funds (incl. 9/10 case studies). The major concern is that overly burdensome grant administration can divert limited resources away from project delivery – both on the side of the European Commission and on the side of NGOs.
- While the need of conducting thorough selection procedures before granting EU funds to NGOs and other types of beneficiaries is widely accepted, some concerns have been voiced with regard to the complexity of procedures and the administrative burden imposed on applicants. It has been reported (incl. by 7/10 case studies) that overly burdensome grant application procedures might even discourage potential candidate NGOs to apply for EU grants and turn to other sources of funding.
- Several NGOs (incl. 4/10 case studies) reported that the complexity of grant application processes is so high, that many NGOs hire specialised consulting firms to assist them in the EU fund-raising. Another issue in the grant application phase is the perceived lack of sufficient information and guidance for NGOs, in particular on funding possibilities and financial procedures (incl. 7/10 case studies).
- The need for thorough grant management procedures for NGOs and other types of beneficiaries is generally recognised in view of a sound, accountable and transparent implementation of the EU budget. Yet, some concerns with regard to the efficiency and appropriateness of the current procedures have been raised (incl. by 9/10 case studies), notably where they are considered to create unnecessary and un-proportionate administrative burden for NGOs and the European Commission. Many NGOs (incl. 7/10 case studies) are having problems with the financial administration of European Commission grants. Problems relate both to general European Commission requirements such as co-financing and to issues specific to the European Commission's grant management procedures.
- In particular, small NGOs are facing problems because they are not necessarily equipped with adequate tools, resources and expertise to report to the European Commission on financial aspects as required by the financial regulations applicable to the grants. Many NGOs (incl. 8/10 case studies) called for more proportionate grant management arrangements, i.e. lighter procedures and administrative requirements for small grants.
- An important concern of NGOs (incl. 5/10 case studies) relates to the perceived inflexibility of the European Commission with regard to project design or budget modifications. Another issue is the fact that the depth and scope of audits are neither proportional to the size of NGOs nor the amounts granted, with small NGOs being unnecessarily burdened (incl. 4/10 case studies). Finally, many NGOs (incl. 9/10 case studies) criticised the relatively short duration – typically one year – of action grants awarded by the European Commission DG Home Affairs. A large majority of NGOs (incl. 9/10 case studies) called for multi-annual funding, in order to allow them greater security and to reduce the administrative burden of having to reapply for funding every year.
- Despite the remaining difficulties, the European Commission has been able to make considerable progress in recent years in view of ensuring simpler and faster access to EU funds for NGOs and other types of beneficiaries.

- Some of the most significant improvements have been introduced with the reviewed FR and RAP, applicable as of 01 January 2013 (and for all types of beneficiaries and policy areas). The new legal framework for grant funding inter alia includes simplifications such as the cancellation of the requirement to reimburse interest on pre-financing payments; the cancellation of the requirement to provide VAT declarations for recovery; light documentation requirements for grants of small amounts; the possibility to accept, where justified, co-financing in kind (e.g. through the work done by volunteering staff); the possibility to waive, after a risk assessment, the requirement of financial guarantees for grant pre-financing below 60,000 EUR; the possibility to use two-stage grant application processes; more possibilities to use lump sum reimbursements; and the possibility to give to grant applicants to correct non-substantial errors in their applications at a later stage.
- In view of facilitating the grant application process, the European Commission DG Home Affairs has introduced – together with the European Commission DG Justice – a web-based grant management system for grants under central direct management (“PRIAMOS”).
- For the next MFF period 2014-2020, the European Commission DG Home Affairs has foreseen a series of novelties for its funding activities under central direct management in view of reducing administrative burden, simplifying and improving the access to EU funds. These include a shared set of rules on programming, reporting, financial management, controls and evaluation for the two funding programmes; multiannual programming; and a flexible emergency response mechanism to ensure that funding can be released in a matter of days, where needed.

Overly burdensome grant administration has been repeatedly pointed out as a major concern of NGOs that apply for and implement EU funds. For instance, in the European Commission’s recent public consultation on the future of EU funding for Home Affairs policies<sup>87</sup> *“the overwhelming majority of respondents (81%) responded that simplification of the delivery mechanism [of DG HOME funding programmes] would be desirable.”* Many respondents to the public consultation called for measures such as *“simplification of procedures”, “increased use of the principle of proportionality with respect to application of implementing rules, reporting and control”, “reduction of administrative burden by using external audit reports”, or “lower levels of details and use of lump sums or flat rates in budget templates”.*

This chapter assesses the administrative burden faced by NGOs applying for and receiving EU grants (sections 4.1 and 4.2) and discusses the progress made in administrative burden reduction and simplification (section 4.3). Section 4.4 provides conclusions and recommendations.

#### 4.1. ADMINISTRATIVE BURDEN FOR NGOS APPLYING FOR EU GRANTS

While the need of conducting thorough selection procedures before granting EU funds to NGOs and other types of beneficiaries is widely accepted, some concerns have been voiced with regard to the complexity of procedures and the administrative burden imposed on applicants.

For instance, a recent European Parliament study pointed to significant **concerns about the efficiency of European Commission grant application processes**: *“A key point of contention [among survey respondents] was the complexity of the [European Commission’s grant] application forms. One respondent noted that [applicants’] staff should not have to be sent to training courses in Brussels in order*

<sup>87</sup> European Commission (2011h): *Summary of stakeholder responses to the public consultation on the future of EU funding for Home Affairs policies*, Brussels, 25 pp.

to understand funding procedures: the application forms should be self-explanatory. [...] The **complexity of the application process** is a particular problem for small organisations that struggle to meet the administrative demands."<sup>88</sup>

Currently, the European Commission's "co-operation with NGOs is organised by policy areas [...] implying considerable differences in the relationship between NGOs and the [European] Commission from one sector to another with regard to access to information, the way dialogue and consultation is organised and the availability of [...] funding. While recognising the specificity of different sectors, most NGOs feel that there should be a greater effort at a coherent [European] Commission-wide approach."<sup>89</sup> As a result of this **non-coordinated approach in EU financing for NGOs**, NGOs face, for instance, different grant application forms, different (and non-interoperable) electronic grant management systems and different selection procedures across the different DGs of the European Commission. An NGO that has applied for a grant through the European Commission DG Home Affairs' electronic grant management system PRIAMOS will not be able to re-use this account for a grant application at the European Commission DG Education and Culture. This leads to additional complexity and administrative burden for NGOs that are considering applications for funding from several DGs.

#### Quotes from NGO case study interviews:

*"The funding rules differ from one European Commission DG to another. They all use different rules for co-financing, minimum number of partners, etc. Also, the application forms differ across DGs and programmes. This adds unnecessary administrative burden – more harmonisation is needed."*

High levels of complexity and administrative burden in grant application processes can have various adverse effects. The major concern is that "**overly burdensome grant administration can divert limited resources away from project delivery**"<sup>90</sup> – both on the side of the European Commission on the side of NGOs. Many NGOs (incl. 9/10 case studies) argued that "*the inefficient processes in the [European] Commission cause equally excessive costs for the NGOs. Long and complicated application forms have to be completed, calls for tenders written for supplies, invoices have to be copied, procedures followed and questions answered. As non-profit making organisations, money saved on administration could go directly to benefit the activities that the [European] Commission is trying itself to support.*"<sup>91</sup> It has been reported (incl. by 7/10 case studies) that overly burdensome grant application procedures might even **discourage potential candidate NGOs to apply for EU grants** and turn to other sources of funding. More generally, the European Commission admitted that "*some of the consequences of the current situation are **considerable delays in handling applications, ill-adapted procedures particularly for dealing with small projects and a breakdown in confidence.***"<sup>92</sup>

<sup>88</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, p. 46.

<sup>89</sup> European Commission (2000): *The Commission and non-governmental organisations: Building a stronger partnership*, Commission discussion paper, Brussels, pp. 6f.

<sup>90</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, p. 2.

<sup>91</sup> Open Society Institute-Brussels et al. (2005): *Striking a Balance: Efficiency, Effectiveness and Accountability, The impact of the EU Financial Regulation on the relationship between the European Commission and NGOs*, Brussels, p. 77.

<sup>92</sup> European Commission (2000): *The Commission and non-governmental organisations: Building a stronger partnership*, Commission discussion paper, Brussels, pp. 6f.

**Quotes from NGO case study interviews:**

*“European Commission grants applications are very burdensome and complicated – especially when you apply for the first time or if you set up cross-national partnerships with other NGOs.”*

*“Our latest grant application contained 90 mandatory administrative documents!”*

*“Applying for EU grants is extremely burdensome, especially as grant coordinator. Therefore, as a small NGO, we normally only join other NGOs as co-applicants. Once we wanted to submit an application on our own, but the administrative requirements were so heavy that we gave up. We do not have the means to hire an additional person to prepare such burdensome applications.”*

*“The financial requirements and administrative charge for a grant applicant are simply too high for a small organisation like ours. We therefore can only join grant applications of other NGOs as a co-applicant. The European Commission should think about the introduction of a simplified funding scheme for small NGOs.”*

*“The administrative burden and inflexibility on EU projects makes EU funding less attractive for us. Other donors, for instance national governments, are much easier to work with.”*

*“In view of the complexity of the calls for proposals and the very short time period between the publication of the calls and the submission deadline, we have set up formal and informal networks with other NGOs across Europe in view of being able to rapidly respond to the calls and pool expertise and resources needed to prepare solid applications.”*

Several NGOs (incl. 4/10 case studies) reported that the complexity of grant application processes is so high, that **many NGOs hire specialised consulting firms to assist them in the EU fund-raising**. The NGOs argued that the high costs of such consultants are ultimately missing for the operational project implementation and called for a simplification of procedures and requirements.

**Quotes from NGO case study interviews:**

*“The grant application procedures are so complex and burdensome that we have hired specialised EU fund-raising consultants. This is required to adapt our project ideas to the specific requirements and preferences of the European Commission and to adapt the drafting to the EU jargon. Such consultancy services are very expensive and we find it very sad that we have to spend money on such specialised advice rather than using this money for project to help refugees and migrants. But from our experience this is required to have good chances to obtain the EU funding. Our NGO’s expertise is in implementing projects – not on the administrative rules and procedures of the European Commission.”*

*“We would also like to work with EU fundraising consultants to increase our chances of obtaining grants, but this is prohibitively expensive for a small NGO like ours. We are thus often working with trainees with a legal background to deal with EU grant applications, but when they leave at the end of their traineeship the specialised knowledge on EU administrative processes is lost.”*

*"The [European] Commission has also been opting in some cases for **concentrating the available resources on a smaller number of larger projects** with a view to reducing the administrative burden of grant management. The [European] Commission is nevertheless aware that this approach cannot be applied across the board as in certain policy fields the small size of a project run by an NGO might be a necessary precondition for implementing it successfully."*<sup>93</sup> Even though the European Commission DG Home Affairs is not pursuing such a policy of concentrating funds on a smaller number of large NGOs, several interviewed NGOs (incl. 7/10 case studies) argued that the heavy administrative and financial requirements of the grant application procedures may de facto lead to an exclusion of smaller NGOs.

In an interview in the framework of this study, the European Commission DG Home Affairs referred to the high number of grant applications that it receives for relatively low amounts of available funding – e.g. more than 100 applications for a recent call with a volume of 12 M EUR, where  $\frac{3}{4}$  of the applicants had to be rejected. The European Commission DG Home Affairs explained that in view of guaranteeing a fair selection of the best proposals, detailed applications – sometimes considered as burdensome – need to be provided by the applicants. The evaluation of such detailed grant applications is also burdensome for the European Commission, but this level of granularity is considered as the only way to ensure the best possible allocation of the very limited EU funds.

**Quotes from NGO case study interviews:**

*"We sometimes have the impression that the heavy administrative requirements in European Commission grant application procedures have been introduced to test the operating capacities of NGOs and to exclude smaller organisations."*

*"For a small NGO it is impossible to submit an EU grant application while implementing another grant. You need one dedicated person to prepare such an application and we simply cannot afford this."*

**Two-stage application processes** – making it possible to reject, at an early stage, those proposals which have no prospect of being successful – can be an interesting measure to reduce the burden for grant applicants. At the first step, the applications are typically of lighter nature focussing on project implementation rather than administrative and financial issues. Indeed, in the framework of a recent European Parliament study *"several [survey] respondents suggested simplifying the application procedure to consist of a short summary application at [a] first [stage], which could be expanded in consultation with [European Commission] representatives if the application passed through a preliminary round of assessment. This type of two-stage application process was reportedly introduced by the [European] Commission in 2006/7, however clearly it has yet to be implemented consistently across all [European Commission] DGs."*<sup>94</sup> Even though the FR and RAP allow for such two-step application procedures, the European Commission DG Home Affairs has so far decided not to make use of them.

**Quotes from NGO case study interviews:**

*"DG HOME should introduce a two-step application process: first the submission of a project concept note and only if this is retained the submission of all the administrative documents. We have made very good experiences with such processes at EuropeAid."*

<sup>93</sup> European Commission (2000): *The Commission and non-governmental organisations: Building a stronger partnership*, Commission discussion paper, Brussels, p. 16.

<sup>94</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, p. 46.



Another perceived problem in the grant application phase is the perceived **“lack of sufficient information [and guidance] for NGOs in particular on funding [possibilities] and financial procedures”**<sup>95</sup>. Several interviewed NGOs (incl. 4/10 case studies) stated that they feel insufficiently informed about the European Commission DG Home Affairs’ future funding priorities and, as a consequence, face difficulties in anticipating and preparing new calls for proposal before their official launch. In addition, many interviewed NGOs (incl. 7/10 case studies) indicated that the grant application manuals provided by the European Commission DG Home Affairs are complex and difficult to read, especially for smaller NGOs with no specialised financial departments and, more generally, all those NGOs that are not used to apply for EU funds.

**Quotes from NGO case study interviews:**

*“The guidance material is quite complex, difficult to read and not very user-friendly. We suggest producing more digestible guides that summarise the main guiding principles; specific rules and exceptions could be explained in an annex.”*

*“The guides are quite long and complex, but the checklists are very useful.”*

*“We would appreciate guides that are free from EU jargon that is difficult to understand by non-specialists.”*

*“While the guides are very complex and hard to understand, the European Commission officials are very helpful and reactive to help us on all the questions we had.”*

*“At national level, the authorities are very helpful and competent in advising us on EU funds under shared management. It would be good if the EU would have a helpdesk for EU funds in each Member States. This would remove the need for EU fund-raising consultants.”*

*“We would appreciate more information from the European Commission about its funding priorities and upcoming calls for proposal. This is somewhat intransparent and does not allow us to prepare for calls before they officially published.”*

*“The European Commission should organise more events in the Member States to inform local NGOs about the funding opportunities. They cannot expect all the NGOs to come to Brussels.”*

The European Commission DG Home Affairs considered that it provides a broad and sufficient range of guidance tools for grant applicants, including specific guidance manuals provided for each call for proposals, the PRIAMOS helpdesk, functional help mailboxes, information events on funding opportunities in various Member States as well as brochures on the frequently asked questions and most frequent mistakes.

<sup>95</sup> European Commission (2000): *The Commission and non-governmental organisations: Building a stronger partnership*, Commission discussion paper, Brussels, pp. 6f.



#### 4.2. ADMINISTRATIVE BURDEN FOR NGOS IMPLEMENTING EU GRANTS

While the need for thorough grant management procedures for NGOs and other types of beneficiaries is widely accepted in view of a sound, accountable and transparent implementation of the EU budget, some concerns with regard to the efficiency and appropriateness of the current procedures have been raised (incl. by 9/10 case studies), notably where they are considered to create unnecessary and un-proportionate administrative burden for NGOs and the European Commission.

Indeed, a recent European Parliament study concluded that many NGOs face **problems with the financial administration of European Commission grants** – an issue that was also raised in 7/10 NGO case studies. *“Problems relate both to general [European Commission] requirements such as co-financing, and bank guarantees, and [to] issues specific to the [European Commission]’s grant management procedures.”*<sup>96</sup> Such issues are often linked to the small size of NGOs. For instance, small NGOs that have been awarded EU grants are not necessarily equipped with adequate tools, resources and expertise to report to the European Commission on financial aspects as required by the financial regulations applicable to the grants. In these cases, the administrative burden imposed on NGOs may ultimately lead to a deterioration of the ratio between administrative and operational costs for the NGO beneficiaries, thus a diversion of funds from the intended operational objective. As this cannot be in the interest of NGOs, many (incl. 9/10 case studies) called for **more proportionate grant management arrangements**, i.e. lighter procedures and administrative requirements for small grants.

##### Quotes from NGO case study interviews:

*“We receive funding from more than 30 different institutional donors and the European Commission has by far the highest and most burdensome administrative requirements.”*

*“We need one full-time equivalent to cover all administrative requirements of our EU grant.”*

*“The administrative papers of our EU-funded project make up a pile of more than 70 cm! No other donor has such burdensome and un-proportionate administrative requirements as the European Commission.”*

*“The current management of EU grants is very bureaucratic and leads to heavy administrative burden for NGOs. The administrative requirements and rules require much time to get familiarised and comply with. This time is then not available for operational project implementation. As executive director I am spending about half of my time on dealing with administrative issues.”*

*“An example of unnecessary administrative burden is the requirement to submit signed hard copies of documents that have already been submitted electronically. This makes no sense.”*

*“The European Commission should consult NGOs in view of improving its grant administration processes. Also, before introducing new processes, these should be tested and piloted.”*

More generally (and without a specific focus on NGOs), a recent audit of the European Integration Fund and European Refugee Fund by the European Court of Auditors (ECA) found that *“the effectiveness of the Funds has been hampered by the design of the SOLID programme, which is*

<sup>96</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, pp. 46ff.

**fragmented, burdensome and inadequately coordinated with other EU funds.** *The splitting of funding for target groups which have similar needs has created problems for authorities and beneficiaries. This, together with the combination of multiple funds and annual programming, plus a long chain of controls by three authorities, has led to **excessive administration out of proportion to the size of the funds involved.** Insufficient coherence and complementarity with other EU funds leads to overlaps, missed opportunities for synergy and a risk of double-funding.”<sup>97</sup>*

Furthermore, the ECA found in another audit that “**there is insufficient guidance for [NGOs] on the practical application of the financial rules**”.<sup>98</sup> Indeed, many interviewed NGOs (incl. 7/10 case studies) indicated that guidance documentation as well as financial reporting templates are often complex and difficult to read or use.

Nonetheless, most NGOs (incl. 10/10 case studies) interviewed consider the **model grant agreements** as **fit for purpose** and a very valuable instrument to assure legal and planning certainty.

**Quotes from NGO case study interviews:**

*“The grant agreement is clear, short and fit for purpose.”*

*“It would help to receive the grant agreements in German as well.”*

*“The grant agreements are clear and provide us with much needed legal certainty. This is much better than what we see at national level.”*

*“The **time delay** between the [European Commission] announcing the recipients of funding, and the **money being received by the NGOs** was another issue raised in the survey” conducted in the framework of a recent European Parliament study.<sup>99</sup>*

**Quotes from NGO case study interviews:**

*“Payments often come very late – even though we see some improvement in recent years. Often, it is unpredictable when we will receive the payments from the European Commission. This creates significant challenges for our financial management. A clear pre-determined payment plan would be very helpful to have more planning security.”*

*“The payments from the European Commission come relatively timely. However, we are still waiting for the payment of an EU grant from 2008 managed by our national authorities.”*

An important concern of NGOs (incl. 5/10 case studies) emerging from the interviews relates to the perceived **inflexibility of the European Commission** with regard to **project design or budget modifications**. Similarly, respondents of a survey conducted in the framework of a recent study “noted that [the European Commission services] often demand a rigid adherence to the project plans outlined in the grant applications. [Survey] respondents [also] stress[ed] that a [higher] degree of flexibility

<sup>97</sup> European Court of Auditors (2012a): *Do the European Integration Fund and European Refugee Fund contribute effectively to the integration of third-country nationals?*, Special Report No 22/2012, Luxembourg, pp. 6f.

<sup>98</sup> European Court of Auditors (2009): *The Commission’s management of non-state actors’ involvement in EC Development Cooperation*, Special Report No 4/2009, Luxembourg, p. 7.

<sup>99</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, pp. 46ff.

in [...] “out of the ordinary” events would [have] allow[ed] them to respond to changing circumstances beyond their control, and therefore improve the project’s relevance and effectiveness. Other national and international donors such as the UN, DFID and SIDA, were cited as being more flexible about accepting changes to project plans.”<sup>100</sup>

**Quotes from NGO case study interviews:**

“The current management of EU grants is too rigid and does not allow for sufficient flexibility. Once the grant application has been submitted and the grant agreement has been signed, no more changes in the project are possible – even if the changing project context would require it.”

“The European Commission should be more flexible to allow for project modifications where they are needed. Notably in the area of migration we face emergencies – such as the civil war in Syria – that create new needs. Unfortunately, we often need to adhere rigidly to the initial project plans and cannot take into account such evolving needs in the field.”

“Of particular concern [for many NGOs (incl. 4/10 case studies)] was that the **depth and scope of audits are not proportional to the size of NGO [and grant]**, with small NGOs being unnecessarily burdened. Similarly, [NGOs survey in a recent European Parliament study] noted that the detail and frequency of audits is not always in proportion to the size of the grant.”<sup>101</sup> Similarly, the ECA argued in favour of the introduction of thresholds to exclude small projects from auditing obligations.

**Quotes from NGO case study interviews:**

“When conducting audits, the European Commission should also have an eye on efficiency and proportionality. One of our EU-funded projects got recently audited. The procedure took the external auditors and our financial department one full week of work and they have found only a minor error of a few Eurocents. The audit has certainly cost the taxpayer several thousands of Euros – money which could have been used for much better purposes.”

“Even though audits create an additional administrative charge for us, we fully agree with the need to conduct such audits to ensure an appropriate and transparent implementation of EU funds.”

Another issue raised by many NGOs (incl. 9/10 case studies) is the relatively **short duration** – typically one year – of **action grants awarded by the European Commission DG Home Affairs**. A large majority of interviewed NGOs and respondents to a survey of a recent European Parliament study called for “**multi-annual funding**, in order to allow them greater security and to reduce the administrative burden of having to reapply for funding every year.”<sup>102</sup> The ECA noted in its recent opinion on the European Commission DG Home Affairs funding 2014-2020 that “the [current] system of annual programming places excessive administrative burden on [beneficiaries] and the Commission”.<sup>103</sup> Similarly, more than 75% of respondents in the European Commission’s recent public consultation on the future of EU funding for Home Affairs policies<sup>104</sup> asked for the introduction of “*multiannual*

<sup>100</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, pp. 46ff.

<sup>101</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, pp. 46ff.

<sup>102</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, pp. 46ff.

<sup>103</sup> European Court of Auditors (2012b): *Opinion on the Commission proposals in the field of Home Affairs (period 2014-2020) with specific regard to the area of integration*, Luxembourg, p. 7.

<sup>104</sup> European Commission (2011h): *Summary of stakeholder responses to the public consultation on the future of EU funding for Home Affairs policies*, Brussels, 25 pp.

programming [...] and annual reporting on progress made” – replacing the current combination of a multiannual strategy and annual programmes.

**Quotes from NGO case study interviews:**

*“Our NGO has been able to grow considerably and achieve a critical size to impact the society thanks to the EU funding received. Now that the EU-funded projects come to an end, our NGO faces a very difficult situation in which it may be forced to lay off the paid staff. Thereby it risks losing its knowledge, relationships and critical size. Securing a certain degree of continuity is thus very important, also in view of achieving long-lasting impact of EU-funded projects.”*

*“Projects of one year are very short, in some cases too short to achieve sustainable results. The actual time that is available for the operational project implementation is often even shorter because of heavy administrative and reporting requirements in the inception and final phase of the project. We would therefore strongly suggest the introduction of multi-annual funding, ideally over three years. This would leave more time for the operational project implementation in view of achieving sustainable impact and reduce the administrative burden both on NGOs and the European Commission.”*

**4.3. PROGRESS MADE IN ADMINISTRATIVE BURDEN REDUCTION AND PERSPECTIVES FOR THE FUTURE**

Recognising that the efficiency of its grant administration could be improved and that “many NGOs are still struggling with the administrative burden of EC grants”<sup>105</sup>, the European Commission planned in 2000 that it “should help reduce this burden by simplifying the application procedures, improving the provision of funding, lessening financial requirements such as audits and bank guarantees, and allowing flexibility in the case of changing circumstances. Most importantly, the EC should consider making application and reporting requirements proportional to the size of the NGO, and the size of the grant. This is particularly important as excessive administration demands can fundamentally impact on the effectiveness of a small NGOs’ work, or discourage NGOs from even applying.”<sup>106</sup>

Since then, the European Commission has made considerable progress in view of ensuring simpler and faster access to EU funds for NGOs and other types of beneficiaries. The FR and RAP legal framework for grant financing has been revised introducing several simplifications (sub-section 4.3.1), a web-based grant management system has been introduced by the European Commission DG Home Affairs (sub-section 4.3.2) and a series of simplification measures are foreseen for the European Commission’s funding programmes for Home Affairs in the MFF period 2014-2020 (sub-section 4.3.3).

**4.3.1. Revised legal framework for grant financing**

Some of the most significant improvements have been introduced with the **revised FR and RAP**, applicable as of 01 January 2013 (and for all types of beneficiaries and policy areas). The new legal framework for grant funding inter alia includes **simplifications**<sup>107</sup> such as:

- Cancellation of the requirement to reimburse interest on pre-financing payments;
- Cancellation of the requirement to provide VAT declarations for recovery;
- Light documentation requirements for grants of small amounts ( < 25,000 EUR);
- Possibility to accept, where justified, co-financing in kind (e.g. through the work done by volunteers);

<sup>105</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, p. 2.

<sup>106</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, p. 74.

<sup>107</sup> See also section 2.3.1 above.

- Possibility to waive, after a risk assessment, the requirement of financial guarantees for grant pre-financing below 60,000 EUR;
- Possibility to use two-stage grant application processes;
- More possibilities to use lump sum reimbursements;
- Rules for purchases below 60,000 EUR made by beneficiaries to implement a grants limited to the principle of sound financial management and the absence of any conflict of interest.

In the framework of an interview, the European Commission DG Budget explained that it expects the largest impact from the increased use of lump sum reimbursements, which put the emphasis on efficiency rather than detailed administrative and financial reporting. Yet, the European Commission DG Budget also indicated that some resistance among (NGO) grant beneficiaries against such flat rate financing, which focusses on the beneficiaries' efficiency rather than their real costs, still needs to be overcome through clear information and coaching of beneficiaries.

Similarly, an MEP interviewed in the framework of this study underlined the importance of making use of lump sum reimbursements and two-stage application processes in view of reducing the administrative burden in EU financing for NGOs – both on the side of the European Commission and the NGOs. She noted that such schemes allow the actors to focus their efforts on the project implementation and the achievement of EU policy objectives rather than on administrative management.

In addition, Article 94 RAP has facilitated the application procedures because applicants have a **possibility to correct non-substantial errors in their application at a later stage** (e.g. a missing financial supporting document can be submitted after the initial deadline). Previously, such a second chance was not provided, an error led to the elimination of the application.

**Quotes from NGO case study interviews:**

*"We very much appreciate the possibility to correct small errors in the grant applications. In one of our applications we had put a different kind of financial statement than was expected by the European Commission. The European Commission gave us the possibility to hand in the correct document and the project got accepted. It would have been a pity if this excellent project would have been rejected just because of a minor misunderstanding of the administrative requirements."*

Yet, in general, the European Commission DG Home Affairs considers that the new FR and RAP are not leading to much simplification for NGOs. The **EU budget authority is considered to be very risk averse** and therefore **unwilling to allow for more simplification** as well as **less controls and administrative requirements**. The European Commission DG Home Affairs refers to the trade-off between simplification on the one hand and the risk of error on the other. More simplification, including reduced levels of control and administrative requirements, leads to cost savings for both the European Commission and NGOs, but also to an increased level of risk of error. Reducing the level of risk of error requires more controls and administrative burden. The European Commission is under political pressure to produce very low error rates of below 2% – the level of reference set by the ECA. This expectation requires high (and costly) levels of administrative requirements and controls. The European Commission encourages the European Parliament and Council to consider reviewing their very high level of risk aversion, notably the European Parliament's *"zero-tolerance approach to*



errors"<sup>108</sup>. Instead, the European Commission advocates for domain-specific "tolerable risks of error" (see section 5.4 below).

The ECA also argued that the ambition of reducing the error rate to very low levels should not lead to an "oversimplification" of administrative rules and requirements – making it very hard to commit any error, even if misusing EU funds. The ECA pointed to other policy areas where such an "oversimplification" has already led to perceived unnecessary expenditure of EU funds. Finally, the ECA also pointed to the business environment as a possible benchmark for the determination of tolerable risks of errors; for instance in retail trade, where a "shrinkage" of 5% is typically anticipated.

#### 4.3.2. Introduction of a web-based grant management system

In view of facilitating the grant application process, the **European Commission DG Home Affairs** has introduced – together with the European Commission DG Justice – a **web-based grant management system** for grants under central direct management. The so-called "Programme Information and Activity Management Operational System" (**PRIAMOS**)<sup>109</sup> includes a component that is open for applicants, where they can register, download application forms and submit an application for a grant. After registration, the applicant can log on to the PRIAMOS system and carry out all actions necessary for submitting an electronic application within the framework of specific calls for proposal. Applicants can submit all their documents electronically; a submission of paper documents is not required. In an interview, the European Commission DG Home Affairs explained that a harmonisation and integration of electronic grant management systems across the different DGs of the European Commission is currently considered, but the implementation may prove to be quite challenging.

#### Quotes from NGO case study interviews:

*"The PRIAMOS system is well-functioning and helps us to save time and money."*

*"The PRIAMOS helpdesk is very helpful and reactive."*

*"PRIAMOS is simplifying the application process because we can submit our proposals electronically, but we expect further simplifications."*

Looking ahead, the European Commission is currently undertaking steps to harmonise its electronic grant management systems across all its DGs in order to allow grant applicants applying for funds from different DGs to use one single user profile. The long-term goal of the European Commission is to **establish one single grant management platform for all DGs of the European Commission**. This platform would be used to **manage electronically the entire grant lifecycle** – from the electronic submission of applications, over the electronic signature of grant agreements and the electronic submission of financial management reports (including supporting documents for reimbursement claims) and project reports, to an electronically managed approval of project deliverables and payments. The European Commission DG Budget explained that it has been decided to enhance the current electronic grant management system used for the implementation of the EU Framework Programmes for Research in view of allowing other DGs of the European Commission to switch to this system for their grant management. The system is currently one of the most advanced

<sup>108</sup> European Parliament (2013): *European Parliament decision of 17 April 2013 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2011, Section III – Commission and executive agencies*, P7\_TA-PROV(2013)0122, Point 22.

<sup>109</sup> [http://ec.europa.eu/dgs/home-affairs/financing/fundings/priamos-section/index\\_en.htm](http://ec.europa.eu/dgs/home-affairs/financing/fundings/priamos-section/index_en.htm)

and mostly used electronic grant management platforms of the European Commission. Yet, the European Commission DG Budget indicated that there is currently no binding time plan for this intended progressive rollout of a unique grant management system and that the DGs for Home Affairs and Justice will not be among first DGs to migrate to the central system.

#### 4.3.3. Simplification measures foreseen for the MFF period 2014-2020

For the next **MFF period 2014-2020**, the European Commission DG Home Affairs has inter alia foreseen a series of **novelties** for its funding activities under central direct management **in view of reducing administrative burden, simplifying and improving the access to EU funds:**

- **“Easier funding of actions which are at present on the nexus between financial instruments.** For example, now due to the narrow definition of the target groups which can benefit from assistance, support for the improvement of reception and detention centres is currently spread across the European Refugee Fund and the Return Fund, depending on the type of target group that will benefit from the improvements (asylum seekers or those awaiting return). Funding for these target groups will now be brought together under the umbrella of one single Fund, creating synergies and ultimately economies of scale.
- **A shared set of rules on programming, reporting, financial management, controls and evaluation will generate a better understanding of the rules by all stakeholders and will ensure a high degree of coherence and consistency.**
- **Moving from the current system of annual programming to multiannual programming will reduce the administrative burden for the [European] Commission, the Member States and the beneficiaries. At the same time, it will ensure that the Member States' national programmes are fully aligned with EU policy objectives and priorities and focus on achieving results and impacts. At the start of the next Multiannual Financial Framework, the [European] Commission will initiate a single policy dialogue on home affairs funding with the individual Member States and, in the case of some parts of the Internal Security Fund, the Schengen associated states. Prior to the negotiations on their multiannual programmes, authorities of each participating State will be involved focusing on how it will use EU funding to achieve all EU home affairs policy objectives.**
- **Recent events, be it the Arab Spring or the terrorist attacks in Norway, illustrate how important it is for the EU to be able to react quickly and effectively to rapidly evolving crisis situations. A flexible emergency response mechanism in the two funds will allow the EU to respond appropriately to mixed migratory flows and to crises in the area of internal security, such as terrorist attacks or cyber-attacks. Procedures will ensure that funding can be released in a matter of days.”**<sup>110</sup>

These proposed measures are included in the European Commission's proposals for an Internal Security Fund<sup>111</sup> and Asylum and Migration Fund<sup>112</sup> for the MFF 2014-2020, which are currently under review by the EU legislator.

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<sup>110</sup> European Commission (2011c): *Frequently Asked Questions: The future financing of Home Affairs policies*, MEMO/11/785, Brussels, 3 pp. See also: European Commission (2011a): *Building an open and secure Europe: the home affairs budget for 2014-2020*, COM(2011) 749 final, Brussels, pp. 11ff.

<sup>111</sup> European Commission (2011g): *Proposal for a Regulation of the European Parliament and of the Council establishing, as part of the Internal Security Fund, the instrument for financial support for police cooperation, preventing and combating crime, and crisis management*, COM(2011) 753 final, Brussels, 53 pp.

European Commission (2011d): *Proposal for a Regulation of the European Parliament and of the Council establishing, as part of the Internal Security Fund, the instrument for financial support for external borders and visa*, COM(2011) 750 final, Brussels, 64 pp.

<sup>112</sup> European Commission (2011e): *Proposal for a Regulation of the European Parliament and of the Council establishing the Asylum and Migration Fund*, COM(2011) 751 final, Brussels, p. 49.

European Commission (2011f): *Proposal for a Regulation of the European Parliament and of the Council laying down general provisions on the Asylum and Migration Fund and on the instrument for financial support for police cooperation, preventing and combating crime, and crisis management*, COM(2011) 752 final, Brussels, 78 pp.



In the context of the preparation of the MFF 2014-2020 Funds, the European Commission DG Home Affairs is planning a workshop with NGOs in view of informing them about the future funding opportunities and priorities. The European Commission DG Home Affairs is also expecting a constructive exchange with NGOs in view of drafting the legal basis and implementation guidance for Member States for the Internal Security Fund and Asylum and Migration Fund. The European Commission DG Home Affairs also indicated that it intends to explore further partnership opportunities with NGOs.

#### **4.4. CONCLUSIONS AND RECOMMENDATIONS**

This chapter has assessed the administrative burden faced by NGOs applying for and receiving EU grants and discussed the progress made in administrative burden reduction and simplification.

Overly burdensome grant administration has been repeatedly pointed out as a major issue for NGOs that apply for and implement EU funds (incl. 9/10 case studies). The major concern is that overly burdensome grant administration can divert limited resources away from project delivery – both on the side of the European Commission and on the side of NGOs.

While the need of conducting thorough selection procedures before granting EU funds to NGOs and other types of beneficiaries is widely accepted, some concerns have been voiced with regard to the complexity of procedures and the administrative burden imposed on applicants. It has been reported (incl. by 7/10 case studies) that overly burdensome grant application procedures might even discourage potential candidate NGOs to apply for EU grants and turn to other sources of funding.

Several NGOs (incl. 4/10 case studies) reported that the complexity of grant application processes is so high, that many NGOs hire specialised consulting firms to assist them in the EU fund-raising. Another issue in the grant application phase is the perceived lack of sufficient information and guidance for NGOs, in particular on funding possibilities and financial procedures (incl. 7/10 case studies).

The need for thorough grant management procedures for NGOs and other types of beneficiaries is generally recognised in view of a sound, accountable and transparent implementation of the EU budget. Yet, some concerns with regard to the efficiency and appropriateness of the current procedures have been raised (incl. by 9/10 case studies), notably where they are considered to create unnecessary and un-proportionate administrative burden for NGOs and the European Commission. Many NGOs (incl. 7/10 case studies) are having problems with the financial administration of European Commission grants. Problems relate both to general European Commission requirements such as co-financing and to issues specific to the European Commission's grant management procedures.

In particular, small NGOs are facing problems because they are not necessarily equipped with adequate tools, resources and expertise to report to the European Commission on financial aspects as required by the financial regulations applicable to the grants. Many NGOs (incl. 8/10 case studies) called for more proportionate grant management arrangements, i.e. lighter procedures and administrative requirements for small grants.

An important concern of NGOs (incl. 5/10 case studies) relates to the perceived inflexibility of the European Commission with regard to project design or budget modifications. Another issue is the fact that the depth and scope of audits are neither proportional to the size of NGOs nor the amounts

granted, with small NGOs being unnecessarily burdened (incl. 4/10 case studies). Finally, many NGOs (incl. 9/10 case studies) criticised the relatively short duration – typically one year – of action grants awarded by the European Commission DG Home Affairs. A large majority of NGOs (incl. 9/10 case studies) called for multi-annual funding, in order to allow them greater security and to reduce the administrative burden of having to reapply for funding every year.

Despite the remaining difficulties, the European Commission has been able to make considerable progress in recent years in view of ensuring simpler and faster access to EU funds for NGOs and other types of beneficiaries.

Some of the most significant improvements have been introduced with the reviewed FR and RAP, applicable as of 01 January 2013 (and for all types of beneficiaries and policy areas). The new legal framework for grant funding inter alia includes simplifications such as the cancellation of the requirement to reimburse interest on pre-financing payments; the cancellation of the requirement to provide VAT declarations for recovery; light documentation requirements for grants of small amounts; the possibility to accept, where justified, co-financing in kind (e.g. through the work done by volunteers); the possibility to waive, after a risk assessment, the requirement of financial guarantees for grant pre-financing below 60,000 EUR; the possibility to use two-stage grant application processes; more possibilities to use lump sum reimbursements; and the possibility to give a second chance to grant applicants to correct non-substantial errors in their applications.

In view of facilitating the grant application process, the European Commission DG Home Affairs has introduced – together with the European Commission DG Justice – a web-based grant management system for grants under central direct management (“PRIAMOS”).

For the next MFF period 2014-2020, the European Commission DG Home Affairs has foreseen a series of novelties for its funding activities under central direct management in view of reducing administrative burden, simplifying and improving the access to EU funds. These include a shared set of rules on programming, reporting, financial management, controls and evaluation for the two funding programmes; multiannual programming; and a flexible emergency response mechanism to ensure that funding can be released in a matter of days, where needed.

In this regard, the following recommendations can be considered:

- The European Commission DG Home Affairs should continue to foster its dialogue with NGOs in view of continuously improving the fluency of procedures, providing user-friendly guidance and reducing unnecessary administrative burden.
- Along the lines of the proposed funding programmes for the MFF period 2014-2020, the European Commission DG Home Affairs should implement multi-annual funding, shared rules for its funding programmes, and a flexible mechanism to respond to unforeseen policy emergencies.
- The European Commission DGs for Home Affairs and Justice could also explore possibilities to ensure interoperability of their grant management system (“PRIAMOS”) with other DGs of the European Commission in view of reducing administrative burden for NGOs and other bodies that apply for funds from different DGs.
- In line with the possibilities of the new FR, the European Commission DG Home Affairs could consider using the small grants scheme with its lighter administrative requirements in view of opening up funding opportunities to smaller NGOs, which are less familiar with EU procedures.

## 5. TRANSPARENCY, EFFECTIVENESS AND EFFICIENCY OF EU FINANCING FOR NGOS

### KEY FINDINGS

- Although NGOs' usefulness as partners of the European Commission for EU funds and policy implementation is widely acknowledged given their specific and local competences, it has been claimed by some actors that certain persistent weaknesses are faced in terms of transparency, efficiency and effectiveness when it gets to the evaluation of the EU funds spending through these structures.
- The decision-making processes for the allocation of EU financing for NGOs – i.e. the grant award procedures – have been subject to a debate, notably with regard to the selection and award criteria, the transparency of procedures and the impartiality of funding decisions. A significant share of the NGOs (incl. 5/10 case studies) that have been interviewed in the framework of this study felt that the grant allocation processes of the European Commission are not sufficiently transparent. Several NGOs (incl. 4/10 case studies) argued that the rationale of the ratings given by the European Commission's grant evaluators is often difficult to understand. Furthermore, many NGOs (incl. 6/10 case studies) complained about the non-provision of (useful) feedback on their grant application – both in case of a rejection or an award.
- According to the co-financing principle, the EU grant may not finance the entire costs of an action implemented by NGO (or any other type of beneficiary); the beneficiary needs to raise a share of the required funds – typically at least 10% – from other sources. While a large majority of interviewed NGOs (incl. 8/10 case studies) in principle supports the co-financing principle, some NGOs (incl. 4/10 case studies) point to difficulties to raise the co-financing funds, notably for smaller NGOs with less visibility and those NGOs that are active in domains that are not very popular among private donors. Therefore, some NGOs (incl. 3/10 case studies) suggest increasing the possibilities to bring in co-financing in kind, notably the working time of volunteering staff.
- Measuring and evaluating the performance of NGO actions financed through EU programmes is of high importance to ensure an effective and efficient implementation of the EU budget. In addition, the measurement of results of EU-funded NGO actions enables both policy-makers and NGOs to clearly demonstrate and communicate the value for (taxpayer's) money of EU financing for NGOs.
- A common requirement in grant agreements is that NGOs that receive European Commission funding provide technical and financial reports to the donor, which should allow for a comparison between the project proposal and what was achieved during the reporting period. There are, however, challenges to using this kind of self-assessment of NGOs as the primary means of evaluating NGOs' performance and project's outcomes. Where no clear guidelines and checks exists, self-reporting has an inherent risk of limited objectivity.
- Notably, where no third party checks the communicated results, reports may tend to underemphasise the most challenging issues and focus on the positive achievements.
- The European Commission DG Home Affairs is using a project description and implementation form which requires a detailed description of project work phases with milestones, activities, deliverables and expected results (both intangible and tangible). Yet, no specific methodology to measure the performance and impact of EU-funded projects has

been developed or recommended to grant beneficiaries. In addition, several NGOs (incl. 5/10 case studies) argued that the European Commission and the competent Member State authorities are making insufficient use of the project reporting provided by NGOs.

- NGO beneficiaries of EU grants are subject to the control and supervision procedures foreseen by the FR and RAP. These rules make the grant beneficiaries accountable from the award procedure to the final payment. They apply to any beneficiary regardless of its status. Projects implemented by NGOs and financed from European Commission funds are submitted to the same rules and controls than any other European Commission-funded project. As discussed in the previous chapter, several NGOs (incl. 4/10 case studies) questioned the efficiency and proportionality of the European Commission's auditing approach.
- According to the European Commission DG Home Affairs, in the past years the quantifiable average residual error rate was lower than 2% for all its beneficiaries, i.e. in line with the ECA's level of reference. NGO-specific data is not available.

Although NGOs' usefulness as partners of the European Commission for EU funds and policy implementation is widely acknowledged given their specific and local competences<sup>113</sup>, it has been claimed by some actors that certain persistent weaknesses are faced in terms of transparency, efficiency and effectiveness when it gets to the evaluation of the EU funds spending through these structures. For instance, a European Parliament study on EU funding in the area of development and cooperation from 2006 stated that *"there is little systematic evidence regarding the performance of NGO as implementers of development operations and their efficiency has been more often stated than demonstrated. [...] [Numerous] studies [...] confirm a wide variation in performance, especially regarding the cost effectiveness of interventions. The logical conclusion is that NGO are a diverse lot, including poor as well as excellent performers."*<sup>114</sup>

In 2000, the European Commission openly admitted that *"although the Commission's current practice clearly proves its willingness to maintain and strengthen its partnership with NGOs, the structures and procedures involved have not kept up with this."* The European Commission therefore committed to make *"a greater effort to increase transparency and accountability to principal interlocutors as well as improving efficiency for instance by speeding up payments to all beneficiaries."*<sup>115</sup> Moreover the European Commission suggested that a *"proper and rigorous use of the project cycle management approach, taking into account the special nature and characteristics of NGOs, greatly facilitates the sound management of grants. This includes, in particular, draft agreements that clearly set out the desired outcomes, performance indicators, quality controls and the monitoring and reporting procedures. Regarding the selection phase, the Commission intends to examine the use of external specialist assistance in the assessment of proposals."*<sup>116</sup>

This chapter examines the state-of-play of measures undertaken by the European Commission – in particular the DG Home Affairs – and NGOs to ensure the transparency, effectiveness and efficiency of the EU financing for NGOs in the area of home affairs, security and migration. More specifically, it

<sup>113</sup> See for instance: European Commission (2000): *The Commission and non-governmental organisations: Building a stronger partnership*, Commission discussion paper, Brussels, 25 pp.

<sup>114</sup> European Parliament (2006): *Assessment of budgetary resources and means in the area of development and cooperation*, Brussels, p. 4.

<sup>115</sup> European Commission (2000): *The Commission and non-governmental organisations: Building a stronger partnership*, Commission discussion paper, Brussels, p. 2.

<sup>116</sup> European Commission (2000): *The Commission and non-governmental organisations: Building a stronger partnership*, Commission discussion paper, Brussels, p. 20.

assesses the grant allocation processes (section 5.1), the implementation of the co-financing principle (section 5.2), performance measurement and evaluation (section 5.3) as well as control and supervision procedures (section 5.4). Section 5.5 provides conclusions and recommendations.

### 5.1. DECISION-MAKING PROCESSES FOR THE ALLOCATION OF EU FINANCING FOR NGOS

The decision-making processes for the allocation of EU financing for NGOs – i.e. the grant award procedures – have been subject to a debate, notably with regard to the selection and award criteria, the transparency of procedures and the impartiality of funding decisions.

The **selection criteria** for **action grants** typically involve requirements linked to the financial capacity and viability of the applicant on the one hand and the technical competencies, subject matter expertise and qualifications required to complete the proposed action on the other.

The **award criteria** which are used to evaluate proposals for **action grants** typically cover aspects of relevance and quality of the proposed action, expected outcomes and impact, communication and knowledge transfer as well as cost efficiency.

The box below provides an example of award and selection criteria as used in the call for proposals 2012 for Community actions under the European Refugee Fund.

#### **Box 3: Selection and award criteria of the call for proposals 2012 for Community actions under the European Refugee Fund<sup>117</sup>**

##### ***“Selection criteria***

*A proposal must meet the criteria listed below in order to be submitted to the next stage of the evaluation process. Failure to meet either of these criteria will result in the disqualification of a proposal.*

- a) *Applicants must have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is being carried out and to participate in its funding. In particular*
  - 1) *the annual turnover of the co-ordinating organisation (in the last financial year for which statements are available) must be superior to the amount of requested EU contribution; and*
  - 2) *the co-ordinating organisation must be mature enough to be financially viable, i.e. it must be in existence for at least 2 years on the date of submission of the application.*
- b) *Applicants must, as well, have the technical competencies and qualifications required to complete the proposed action and must have expertise in the field. In particular,*
  - 3) *the partnership, as a whole, must have demonstrated knowledge and experience in the field of the proposed action;*
  - 4) *the partnership, as a whole, must possess sufficient experience in trans-national projects; and*
  - 5) *the co-ordinating organisation must possess sufficient experience in project management.*

##### ***Award criteria***

*Proposals that meet both the eligibility and selection criteria will be assessed and ranked on the basis of the award criteria listed below. Proposals must obtain at least 60% of the total available points in order to qualify for funding. Funding will be awarded to proposals with the highest scores in order of merit, to the extent of available budget for this call.*

- 1) *Relevance of the proposed action (20 points)*
  - o *Does the proposal address an existing and EU-relevant challenge or issue within the chosen field of*

<sup>117</sup>[http://ec.europa.eu/dgs/home-affairs/financing/fundings/migration-asylum-borders/refugee-fund/calls/call-2012-01/erf\\_ca\\_2012\\_call\\_for\\_proposals\\_en.pdf](http://ec.europa.eu/dgs/home-affairs/financing/fundings/migration-asylum-borders/refugee-fund/calls/call-2012-01/erf_ca_2012_call_for_proposals_en.pdf)

*action? Does the applicant demonstrate a clear understanding of the context and of the challenge that he/she is planning to address? Does the proposal add value in relation to previous projects of similar nature?*

- *Are the proposed activities adequately designed to address the issue and to achieve the stated objectives?*
- 2) *Quality of the proposed action (25 points)*
  - *How well is the proposal prepared in terms of methodology, clarity of action, work-plan, timetable, monitoring and evaluation?*
  - *Is the proposed action feasible?*
  - *Does the proposal include appropriate involvement of stakeholders?*
- 3) *Outcomes and impact (25 points)*
  - *Does the proposal demonstrate quality, relevance and effectiveness of expected results in terms of outcomes (rather than outputs)? Would the action have a tangible impact?*
  - *Does the proposed action have a demonstrated European dimension? Is there an added value in developing and implementing the action in a transnational partnership at EU-level, rather than at national level? Do the expected results have an EU-wide relevance?*
- 4) *Strategies for dissemination and publicity (10 points)*
  - *Does an appropriate plan exist for the dissemination of results and knowledge transfer?*
  - *Does an appropriate strategy exist for giving publicity and visibility of the EU funding to a broad audience?*
- 5) *Cost efficiency (20 points)*
  - *Is the requested financing reasonable?*
  - *Would the project represent good value for money?"*

A significant share of the NGOs (incl. 5/10 case studies) that have been interviewed in the framework of this study felt that the **grant allocation processes** of the European Commission are **not sufficiently transparent**. Several NGOs (incl. 4/10 case studies) argued that the rationale of the ratings given by the European Commission's grant evaluators is often difficult to understand. Furthermore, many NGOs (incl. 6/10 case studies) complained about the **non-provision of (useful) feedback** on their grant application – both in case of a rejection or an award.

#### **Quotes from NGO case study interviews:**

*"The feedback we have received on grant applications that were rejected was of very generic nature. It did not allow us to learn and improve our projects for the future."*

*"In our view the grant award procedure is sufficiently transparent. On request, the European Commission also provides feedback on rejected grant applications and thereby allows for learning for future calls."*

*"We have never received any useful feedback from the European Commission on our grant applications, even on request. This prevents us from learning from our errors and to prepare new proposals that would better fit the expectations of the European Commission."*

With regard to the **allocation criteria for operating grants for NGOs**, the European Commission suggested in its strategic paper on the European Commission-NGO cooperation that these *"criteria should take into account, among other things: (1) the genuine European nature of the activity undertaken; (2) the representativity either of the European NGOs applying for such funding or of those bodies*



*promoting the NGO or relevant activity, and (3) the long-term financial viability of the NGO or activity.*<sup>118</sup> When supporting advocacy work of NGOs through operating grants, the grant application evaluators face the challenge to ensure an equitable and impartial attribution of funds to the diverse interests – independent from their correlation with the European Commission’s positions. In the specific case of EU financing for NGOs in the area of home affairs, security and migration, the European Commission DG Home Affairs is nearly exclusively making use of action grants<sup>119</sup> – this challenge is thus of minor importance in the context of this study.

#### **Quotes from NGO case study interviews:**

*“We regret that DG HOME is categorically excluding the funding through operating grants in recent years. We have set up a European network of NGOs that has the potential to create significant synergies. We would appreciate if the European Commission could at least analyse the EU value added such a network would bring and then potentially reconsider the possibility to publish new calls for proposals for operating grants.”*

## **5.2. IMPLEMENTATION OF THE CO-FINANCING PRINCIPLE**

According to the **co-financing principle** (Article 125 para 3 FR and Article 183 RAP), the EU grant may not finance the entire costs of an action implemented by an NGO (or any other type of beneficiary); the beneficiary needs to raise a share of the required funds – typically at least 10% – from other sources. This general rule is inter alia intended to make beneficiaries responsible for the operational and financial viability of their projects and, in the specific context of this study, to limit the financial dependence of NGOs on Community funds.

The European Commission DG Home Affairs explained that it fixes a specific minimum co-financing rate for each individual call for proposals depending on the specific context. The correct application of the co-financing principle is controlled in the framework of the normal control procedures and audits.

According to Article 127 FR and Article 183 RAP, sources of co-financing may take the form of (1) the beneficiary’s own resources (i.e. self-financing), (2) income generated by the action or work programme, (3) financial contributions from other donors or (4) non-financial contributions in kind from third parties (if considered necessary or appropriate).

**Contributions in kind** refer to non-financial contributions (goods or services) from third parties that do not involve any expenditure for the beneficiary and that may be recognised by the European Commission as a financial contribution from the beneficiary that would cover fully or partly the beneficiary’s mandatory co-financing contribution. The use by the beneficiary of its own staff or equipment for the purposes of implementing the action does not represent a contribution in kind since this use constitutes a cost for the beneficiary and may consequently constitute a direct (or indirect) cost of the action. If the beneficiary intends to meet this cost itself it counts as self-financing out of own resources. Yet, the working time of volunteers may potentially be taken into account.

<sup>118</sup> European Commission (2000): *The Commission and non-governmental organisations: Building a stronger partnership*, Commission discussion paper, Brussels, pp. 13f.

<sup>119</sup> Since 2010 the European Commission DG Home Affairs has not opened any call for operating grants and does not intend to do so in the near future according to an interview performed in the framework of this study.



The European Commission DG Home Affairs currently operates a policy under which “**contributions in kind are not taken into account in the calculation of the co-funding and are not considered as eligible costs.** [...] They will only be taken into account by the Commission when assessing the “cost-efficiency” of the project.”<sup>120</sup> While the reviewed FR and RAP facilitate the use of in kind contributions, it is so far unclear whether the European Commission DG Home Affairs will review its policy for the funding programmes of the MFF period 2014-2020.

While a large majority of interviewed NGOs (incl. 8/10 case studies) in principle supports the co-financing principle, some NGOs (incl. 4/10 case studies) point to difficulties to raise the co-financing funds, notably for smaller NGOs with less visibility and those NGOs that are active in domains that are not very popular among private donors. Therefore, some NGOs (incl. 3/10 case studies) suggest increasing the possibilities to bring in co-financing in kind, notably the working time of volunteering staff.

**Quotes from NGO case study interviews:**

*“The co-financing principle is good because it forces NGOs to maintain a minimum level of independence from the EU as major funder. However, it can be very difficult to attract 10% of external funds, especially for large scale projects and projects in policy domains that attract limited public interest. We suggest that the co-financing contribution of the NGOs should be capped to a maximum Euro amount for large scale projects.”*

*“The co-financing is not an issue for us because we have a broad basis of about 30 institutional donors. However, we note that this is not the case for all NGOs.”*

*“Typically, the European Commission is expecting a co-financing of about 20%. We think that the co-financing principle is a good way of responsabilising NGOs. Yet, it is often very difficult for us to organise such significant amounts of co-funding in the very short time period between the publication of the call for proposals and the submission deadline (typically six weeks).”*

*“For us it is feasible to cover 10-20% of co-financing as we receive additional support from national and local authorities. Yet, many of our partner-NGOs in the new Member States cannot build on such funding.”*

*“It would make things much easier if we could bring in working time of our volunteers as a co-financing in kind.”*

*“It is very difficult for us to raise the co-financing required for Community actions. Help to refugees is not a very popular topic in our country that is hit hard by the crisis and the austerity measures imposed on us. Neither the government nor the population are willing to fund our cause. Our donors typically do not have the means to support us financially, but do so through volunteering work. The European Commission should provide more possibilities to bring this in as an in-kind co-financing.”*

*“For the co-financing we generally use grants that we receive from national authorities. For this we need to demonstrate a link between the proposed action for the EU and on-going actions at national level in view of getting the approval from national donors.”*

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<sup>120</sup> See for example: European Commission DG Home Affairs (2012): *Guide for applicants for the call for proposals 2012*, p. 4 and p. 20.

### 5.3. PERFORMANCE MEASUREMENT AND EVALUATION

Measuring and evaluating the performance of NGO actions financed through EU programmes is of high importance to ensure an effective and efficient implementation of the EU budget. In addition, the measurement of results of EU-funded NGO actions enables both policy-makers and NGOs to clearly demonstrate and communicate the value for (taxpayer's) money of EU financing for NGOs. This section discusses current approaches to performance measurement and evaluation as well as perspectives for future development.

A common requirement in grant agreements is that NGOs that receive European Commission funding provide **technical and financial reports** to the donor, which should allow for a **comparison between the project proposal and what was achieved** during the reporting period. There are, however, challenges to using this kind of **self-assessment of NGOs** as the primary means of evaluating NGOs' performance and project's outcomes. The ECA found that *"in general, reports tended to underemphasise the most challenging issues and focus on the positive achievements."*<sup>121</sup> A recent European Parliament study confirmed this and found that *"growing pressure to convey success to their donor has created strong incentives to paper over weaknesses."*<sup>122</sup> Furthermore, the European Parliament study noted that *"the [monitoring and evaluation] systems implemented by the [European Commission] often fail to capture the longer-term impacts of individual grants to NGOs. [...] This is either because the project objectives are expressed in such broad terms that they cannot be associated with measurable indicators of impact, or because the means of verification are too costly or inadequate."*<sup>123</sup>

The European Commission DG Home Affairs is using a **"project description and implementation" form**<sup>124</sup> which requires a detailed description of project work phases with milestones, activities, deliverables and expected results (both intangible and tangible). A project's performance is then measured by comparing the project's actual deliverables and results against those foreseen by the proposal. Performance indicators have to be developed by the NGOs. The European Commission DG Home Affairs declared in an interview that so far no specific methodology to measure the performance and impact of EU-funded projects has been developed or recommended to grant beneficiaries.

In its recent opinion on the European Commission's funding programmes in the area of home affairs, the ECA *"found a lack of SMART [(i.e. Specific, Measurable, Achievable, Relevant and Timed)] objectives, indicators, or quantified targets in the programming documents [... leading] to the inability to measure results [at programme-level]."* Furthermore, the ECA noted *"the absence of a set of common indicators [at programme-level] [hampering] the assessment of the effectiveness"* and found that *"monitoring systems [at programme-level] were inadequate, mainly due to the lack of appropriate data collection systems for indicators and targets, or insufficient project monitoring visits"*.<sup>125</sup> The ECA encouraged the European Commission and Member States to develop common SMART indicators and performance measurement systems at programme-level for the programming period 2014-2020 and to develop hands-on guidance for beneficiaries to ensure proper implementation.

<sup>121</sup> European Court of Auditors (2009): *The Commission's management of non-state actors' involvement in EC Development Cooperation*, Special Report No 4/2009, Luxembourg, p. 25.

<sup>122</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, pp. 50ff.

<sup>123</sup> European Parliament (2010b): *Financing of Non-governmental Organisations (NGO) from the EU Budget*, Brussels, pp. 50ff.

<sup>124</sup> Cf. for instance the "project description and implementation" form of the call for proposals for Community actions 2013 under the European Return Fund: [http://ec.europa.eu/dgs/home-affairs/financing/fundings/migration-asylum-borders/return-fund/calls/call-2013/docs/annex\\_i\\_rfca.docx](http://ec.europa.eu/dgs/home-affairs/financing/fundings/migration-asylum-borders/return-fund/calls/call-2013/docs/annex_i_rfca.docx)

<sup>125</sup> European Court of Auditors (2012b): *Opinion on the Commission proposals in the field of Home Affairs (period 2014-2020) with specific regard to the area of integration*, Luxembourg, pp. 14f.

An MEP interviewed in the framework of this study invited the European Commission DG Home Affairs to prepare short and user-friendly performance measurement guidelines and logframes for its grant beneficiaries.

**Quotes from NGO case study interviews:**

*"We have developed performance indicators internally and with the help of external performance evaluators. We have not received any guidance from the European Commission. Performance measurement is very important to achieve good results and to keep the pressure high. Good performance measurement is in the interest of both the European Commission and the NGO: it helps to demonstrate the results that could be achieved with the EU funds, i.e. taxpayer's money."*

*"We have not received any guidance on performance measurement from the European Commission. Fortunately, our global network could advise us on this. It would be useful to receive advice in this regard from the European Commission. Yet, this guidance needs to be readable and the proposed methodologies should be adaptable to the specific needs of our NGO. A "one-size-fits-all" approach would not be appropriate."*

*"Performance measurement is relatively new to us and we are facing some difficulties to develop appropriate indicators. We would thus appreciate some guidance from the European Commission. However, the performance measurement should be managed efficiently. It should not become an additional administrative burden for NGOs keeping us away from project implementation."*

*"Measurement can be easy if we look at the production of certain deliverables – e.g. the production 20 videos to fight extremism and terrorism –, but it is much more difficult – if not impossible – to measure impacts. How should we for instance measure increased non-violence as a result of our videos?"*

*"Performance and impact measurement is required from more and more donors. Depending on the projects, this can be very challenging. For instance, while it is easy for us to measure how many refugees we have taken care of, it is very difficult to measure in how far our psychological assistance has had a sustainable impact. We have collaborated with several universities to measure the performance of our psychological therapies and the results proved to be exceptionally good. Yet, we have some doubts that the indicators are really able to measure the impact properly: the refugees are very grateful for the help they received and often their culture forbids them to criticise their hosts. From our experience, qualitative impacts cannot be properly measured. One should not spend too many resources on developing such indicators that do not much add value."*

The box below provides examples of good and bad performance indicators used in European Integration Fund and European Refugee Fund projects.

**Box 4: Examples of performance indicators used in European Integration Fund and European Refugee Fund projects**

***"Good example 1: Measurable output indicator with target value and reference to the current situation***

- **Objective of the measure:** *Development and organisation of educational activities targeted to third-country nationals (language courses, civic courses ...).*

- **Output indicator:** Number and categories of third-country nationals participating.
- **Target:** 300 third-country national participants (total 2007-13).
- **Baseline situation:** No pre-existing courses.

**Good example 2: Measurable outcome indicators related to the above measure**

- **Outcome Indicator:**
  - Number of third-country nationals satisfied with the activities.
  - Number of third-country nationals successfully completing the activities.

**Poor example: Two output indicators which are not clearly defined, potentially overlapping and therefore not measurable**

- **Objective of the measure:** Creation of meeting places between immigrants and host society (intercultural exchanges, awareness-raising activities).
- **Output indicator:** Number and type of discussions/subjects discussed classified as 'subjects which are more superficial' versus 'subjects which are more personal'.
- **Output indicator:** Number of participants and classification of participants: 'parents and **children**', 'youth and **children**'."

Source: European Court of Auditors (2012a): *Do the European Integration Fund and European Refugee Fund contribute effectively to the integration of third-country nationals?*, Special Report No 22/2012, Luxembourg, p. 19.

In the area of development cooperation, where NGO financing plays a very significant role in the implementation of EU policies, the European Commission has developed a relatively mature framework to measure and evaluate the performance of NGO action. The box below presents some of the main features.

### **Box 5: European Commission approach to performance measurement and evaluation in the area of development cooperation**

In the area of **development cooperation**, the European Commission has implemented a relatively mature performance measurement and evaluation framework for NGOs. Yet, according to the ECA some development needs remain to be tackled – notably with regard to guidance provided to NGOs to implement the performance measurement and evaluation schemes.

*"[NGOs] have to apply a logical framework, including quantitative performance indicators. **Logical Framework Approach and Logical Framework Matrix (the Logframe)** are analytical and management tools widely used in development cooperation by donors and partner governments. The typical design of a Logframe involves tasks such as formulating **SMART indicators** (Specific, Measurable, Achievable, Relevant and Timed), identifying adequate sources of verification, setting realistic targets for each indicator, and collecting baseline values for later measurement of progress and results achieved. An adequate performance-monitoring system would therefore include regular collection of data on the actual results. [NGOs] are sometimes also asked to collect data and report not only on inputs, processes and outputs, but also on mid-term outcomes and long-term impacts."<sup>126</sup>*

*"In addition, "[NGO] grant contracts generally provide for **external evaluations at the end of the project and/or at mid-stage**. [However,] the standard terms of reference for evaluations are not compulsory for this type of evaluation, and there is a risk of conflict of interest as under current practice the contracting of evaluators is done by the beneficiaries. [...]"*

*"[Finally,] the [European] Commission is moving towards **results-based management** with more emphasis on **measuring the impact and results and evaluating the added value** of its development cooperation. This puts greater pressure on [NGOs] to develop systems to monitor not only outputs but also outcomes and impacts, and requires that more practical guidance is provided by [European] Commission services to ensure that Logframes and performance indicators are appropriate and remain relevant."<sup>127</sup>*

Finally, several NGOs (incl. 5/10 case studies) argued that the European Commission and the competent Member State authorities are making **insufficient use of the project reporting** provided by NGOs.

#### **Quotes from NGO case study interviews:**

*"We put a lot of effort in producing high-value added final project reports including recommendations to improve EU funding programmes and policies. However, we have more and more the impression that these reports end up in an archive without having been read by the authorities. This is very demotivating for us and disincentives the development of new performance measurement methodologies. Furthermore, this prevents the EU, Member States and other NGOs to learn from the EU-funded projects."*

*"The European Commission should use our final project reports to improve future funding programmes and policies. Also, the project reports should be made available to the broader public on the European Commission's website."*

<sup>126</sup> European Court of Auditors (2009): *The Commission's management of non-state actors' involvement in EC Development Cooperation*, Special Report No 4/2009, Luxembourg, p. 25.

<sup>127</sup> European Court of Auditors (2009): *The Commission's management of non-state actors' involvement in EC Development Cooperation*, Special Report No 4/2009, Luxembourg, p. 27.

#### 5.4. CONTROL AND SUPERVISION PROCEDURES

In its strategic paper on the European Commission-NGO cooperation, the European Commission explains that *“regarding funding, the NGOs must accept [...] that there will always be a legitimate need for the [European] Commission to impose certain **conditions and controls to safeguard community funds**. NGOs have a duty to demonstrate that they have the expertise, management systems and internal quality control systems appropriate to the work they are undertaking on behalf of the Commission.”*<sup>128</sup> This section discusses the control and supervision procedures which are used to ensure the sound management of EU funds by NGOs.

NGO beneficiaries of EU grants are subject to the control and supervision procedures foreseen by the FR and RAP. *“These rules make the [...] grant beneficiaries accountable from the award procedure to the final payment. They apply to any beneficiary regardless of its status and, here again, **NGOs are treated no differently from other recipients** (natural or legal persons). Projects implemented by NGOs and financed from [European Commission] funds are submitted to the same rules and controls than any other [European Commission]-funded project.”*<sup>129</sup>

The **ECA** explained that in its **audits of the SOLID programme** – which includes EU funding in the area of home affairs, security and migration – **NGOs are not considered as a specific (risk) population** for the audit sampling. Instead of the NGO status, the size of a project or beneficiary proved to be an important determinant factor for the risk of error – with higher error rates in larger projects or structures.

Some NGOs that had been subject to audits (incl. 4/10 case studies) questioned the audit’s efficiency and proportionality (see also section 4.2 above).

#### Quotes from NGO case study interviews:

*“We have the impression that the European Commission audits focus on financial aspects only. They do not look sufficiently at the actual project and the results that were achieved.”*

*“Audits can be very time-intensive and costly. For instance, one of our projects was audited during one week by external auditors. This must have been very expensive. The European Commission might want to think about a more proportionate approach.”*

*“All our accounts are audited internally and externally and published on the official journal. Why is it needed to audit them again for the EU? This is neither efficient nor proportionate, notably in view of the relatively low amount of funding received from the EU.”*

Nonetheless, there is a certain degree of **friction between the specificities of the NGO sector and the conditions and controls set out in the FR and RAP aimed at ensuring a sound implementation of EU funds at low risk levels**. In its strategic paper on the European Commission-NGO cooperation, the European Commission described this trade-off as follows: *“As the taxpayer’s money must be spent in a judicious, economic and transparent way, the award and management of EU grants are subject to specific conditions and requirements to be fulfilled by the applicant organisation,*

<sup>128</sup> European Commission (2000): *The Commission and non-governmental organisations: Building a stronger partnership*, Commission discussion paper, Brussels, p. 7.

<sup>129</sup> Bradbourn, P. (2009): *Written parliamentary question on Commission financing of non-governmental organisations (NGOs)*, European Parliament, 27 April 2009, with an answer given by Siim Kallas on behalf of the Commission, P-3126/09.



*notably in terms of its capacity, both operational (technical and managerial) and financial. This means that the [European] Commission must be able to assess the capacities of NGOs in order to ensure that they are capable of carrying out the projects entrusted to them and also of accounting properly for the funds involved. At the same time some characteristics of the NGO sector such as the small size of the organisations, a sometimes tight cash flow situation, difficulties in providing financial guarantees, may well mean that their internal structure and capacities are not necessarily well adapted to meet the administrative requirements placed on them by the EU institutions when they apply for grants. The challenge is to design management procedures which provide the necessary guarantees on the proper use of public money while at the same not placing an unnecessary administrative or financial burden on NGOs since the [European] Commission is often not the only donor providing funds to a particular NGO and must be prepared to allow the NGO sufficient flexibility to comply with the requirements of different donors. The [European] Commission accepts that, particularly for innovative projects or operations carried out in developing countries, or in the framework of humanitarian or emergency actions, a risk component is implicit and unavoidable.*"<sup>130</sup>

The trade-off described above – i.e. between the accommodation with specificities of the NGO sector which may involve higher levels of risk on the one hand and the necessity to ensure a sound management of EU funds at limited risk on the other hand – is also linked to another trade-off which has often been denominated as the **"tolerable risk of error"**. This refers to the fact that reducing error – e.g. fraud or misuse of EU funds by NGOs – has a cost: it requires (costly) administrative procedures, supervision and control. Reducing to error rate to "zero" might require controls that would be prohibitively expensive. The difficulty is thus to determine the "right" and efficient level of controls, i.e. an appropriate balance between the costs and the benefits of controls. The European Commission has been advocating for defining specific tolerable risks of errors for different policy areas taking into account their specific risk profiles (see text box below). Some interviewees suggested that one might also reflect on whether the specificities of the NGO sector may also require a specific approach to risk tolerance in view of maximising the efficiency of controls as well as the results and impacts of the NGO actions funded by the EU budget. Several NGOs (incl. 4/10 case studies) underlined that control procedures are not only very costly for the European Commission, but also for the NGOs, and suggested that some of the funds spent on the controls would have been better used for the implementation of additional projects. Similarly, a recent study commissioned by the European Commission found that *"there is a danger [...] that stricter regulatory legislation [on NGOs] could create costs that might damage the efficiency and effectiveness of the [NGO] sector."*<sup>131</sup>

The idea of introducing specific rules and/or specific levels of tolerable risk of error for NGO grant beneficiaries was strongly rejected by the ECA in the framework of an interview conducted for this study. The ECA argued that there is no reason to tolerate more error from certain types of beneficiaries and, consequently, discriminate against the other beneficiaries. The ECA also explained that rather than the NGO status, the size of a beneficiary and funded project is typically the determining factor for the risk of error. Typically, NGOs implement smaller projects (which are often better managed than large ones) and do not carry out public procurement (which is often linked to a higher risk of error) and are thus often part of the low risk group of beneficiaries.

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<sup>130</sup> European Commission (2000): *The Commission and non-governmental organisations: Building a stronger partnership*, Commission discussion paper, Brussels, pp. 16f.

<sup>131</sup> Matrix (2008): *Study to Assess the Extent of Abuse of Non-Profit Organisations for Financial Criminal Purposes at EU Level*, Brussels, p. 8.



**Box 6: Efficiency of controls and the “tolerable risk of error”**

*“The guiding principle in the public sector has traditionally been compliance with rules with “zero risk taking” and no explicit recognition of the level of error which controls do not correct or cannot correct in a timely fashion. The responsibility of the manager of funds is to put in place a credible control strategy which directs control resources to the best effect, focusing on high-value and high-risk beneficiaries while not neglecting the rest. Such a strategy aims to provide reasonable assurance that money has been used for the intended purposes while ensuring an **appropriate balance between the costs and the benefits of control** (principally error-reduction/ recovery and the deterrent effect). In practice a certain amount of risk will be justified or “tolerable” as reducing error to “zero” is too costly or quite simply impossible.”<sup>132</sup>*

*“Until now, this acceptance of a justified risk of error has not been explicit. The **Court applies a standard 2% materiality level for the legality and regularity** of underlying transactions (a “green light”). Above this, if the error rate calculated by the Court is between 2% and 5% it gives a “yellow” assessment and if it is over 5% a “red” assessment. The Commission has received discharge each year although error rates have exceeded 2% in some areas.”<sup>133</sup>*

*“Decisions on control levels and [tolerable risk of error] go beyond a pure financial analysis. Controls are often considered burdensome by beneficiaries and may reach levels which discourage participation in programmes, thus jeopardising the objective of attracting the most appropriate beneficiaries and consequently the achievement of policy objectives. The tolerable error rate may also be influenced by political imperatives or by the level of reputational risk.”<sup>134</sup>*

Looking ahead at the MFF period 2014-2020, the European Commissioner Šemeta declared that *“the question we have to consider together today is whether it is realistic envisaging more simplification and designing the next programmes focusing on their impact instead of their inputs without agreeing on a control strategy which should be cost-effective, risk based and which would provide a reasonable assurance that the inherent risks are adequately mitigated. [...] The [tolerable risk of error] approach is about designing controls mechanisms based on knowledge of their costs, benefits and the risk environment of the specific programmes to which they belong. [...] The [European] Commission [...] will continue dialogue with the Legislative Authority to **find a solution on how to address the fact that in some areas the cost of achieving the 2% benchmark is prohibitive and not compatible with the principle of sound financial management.**”<sup>135</sup>*

The new FR – applicable as of 01 January 2013 – now includes explicit references to the concepts of “efficient controls” and “tolerable risk of error”. Article 32 para 1 FR states that *“the budget shall be implemented in compliance with **effective and efficient internal control** as appropriate in each method of implementation, and in accordance with the relevant sector-specific rules.”* Furthermore, Article 32 para 4 lit g FR specifies that *“efficient internal control shall be based on [...] improving the cost-benefit ratio of controls.”* Finally, Article 33 FR in combination with Article 31 para 3 FR rules that *“when presenting revised or new spending proposals, the Commission shall estimate the costs and benefits of*

<sup>132</sup> European Commission (2010): *More or less controls? Striking the right balance between the administrative costs of control and the risk of error*, COM(2010) 261 final, Brussels, pp. 2f.

<sup>133</sup> European Commission (2010): *More or less controls? Striking the right balance between the administrative costs of control and the risk of error*, COM(2010) 261 final, Brussels, pp. 2f.

<sup>134</sup> European Commission (2010): *More or less controls? Striking the right balance between the administrative costs of control and the risk of error*, COM(2010) 261 final, Brussels, p. 5.

<sup>135</sup> Šemeta, A. (2010): *Tolerable risk of error*, SPEECH/10/, Brussels, 5 pp.

control systems, as well as the **level of risk of error** [...] [which] shall take into account the likely scale and type of errors, as well as the specific conditions of the policy area concerned and the rules applicable thereto.”

In the following, this section describes and discusses some of the main **control and supervision procedures as implemented by the European Commission** for the EU financing for NGOs through grants.

“Except for pre-financing payments which are carried out as soon as a contract, grant agreement or decision is signed, all other **payments** (such as interim or final payments) **depend upon the approval of a report or a certificate**, in accordance with [Article 90 para 1 FR]. If the report or certificate is not satisfactory, the [European] Commission may suspend the payment in question or request the reimbursement of funds.”<sup>136</sup> According to the European Commission, its “services are constantly managing numerous projects with NGOs; this implies, amongst others, reviewing the financial reports and payment claims submitted by NGOs in the framework of these projects. Reducing the payments compared to the grant awarded to an NGO, is something which occurs on a daily basis.”<sup>137</sup>

Furthermore, in specific cases as defined by Articles 106 and 109 FR, the European Commission can impose an **exclusion penalty** on beneficiaries. “For instance, in case of an NGO which has been convicted by a final judgment for fraud ([Article 106 para 1 lit e FR]); or in case of an NGO which, after adversarial proceedings in which the NGO is given the opportunity to present its observations, has been found guilty of grave professional misconduct ([current Article 106 para 1 lit c FR]).”<sup>138 139</sup>

More specifically, the **European Commission DG Home Affairs** is applying a “**control system** that is composed of the following building blocks: supervision of operations by the operational directorates, the ex-ante control by the Budget and Control Unit, the Internal Procurement Committee (JPS/HPC), the ex-post controls for grants or the audits from the Internal Audit Capacity and/or the Internal Audit Service. The ex-post control sector applies a “**detection strategy**” aimed at detecting a maximum of anomalies in view of recovering undue payments. Based on this strategy, the audits are carried out on a sample of projects selected almost entirely on the basis of a risk analysis. Thanks to this combination of ex-ante and ex-post controls as well as desk checks and on-site audits, **in the past years the quantifiable average residual error rate was lower than 2%**. Therefore, the internal control system as well as its cost is deemed adequate in DG HOME to achieve the objective of a low error rate. However, within this framework, DG HOME will continue to explore possibilities to enhance the management and to increase simplification. In particular, all simplified options made available in the New Financial Regulation will be used as much as possible as it is expected that they will contribute to the reduction of administrative burden for beneficiaries and thus represent a simultaneous reduction of risks of error and of administrative burden for the Commission.”<sup>140</sup>

<sup>136</sup> Bradbourn, P. (2009): *Written parliamentary question on Commission financing of non-governmental organisations (NGOs)*, European Parliament, 27 April 2009, with an answer given by Siim Kallas on behalf of the Commission, P-3126/09.

<sup>137</sup> Bradbourn, P. (2009): *Written parliamentary question on Commission financing of non-governmental organisations (NGOs)*, European Parliament, 27 April 2009, with an answer given by Siim Kallas on behalf of the Commission, P-3126/09.

<sup>138</sup> Bradbourn, P. (2009): *Written parliamentary question on Commission financing of non-governmental organisations (NGOs)*, European Parliament, 27 April 2009, with an answer given by Siim Kallas on behalf of the Commission, P-3126/09.

<sup>139</sup> As examples of cases where such exclusion penalties have been imposed on NGOs and confirmed by the Court, the European Commission mentions the cases T-286/05, T-289/06 and T-52/07.

<sup>140</sup> European Commission (2011e): *Proposal for a Regulation of the European Parliament and of the Council establishing the Asylum and Migration Fund*, COM(2011) 751 final, Brussels, p. 49.

See also:

- European Commission (2011d): *Proposal for a Regulation of the European Parliament and of the Council establishing, as part of the Internal Security Fund, the instrument for financial support for external borders and visa*, COM(2011) 750 final, Brussels, 64 pp.

NGO-specific data on residual error rates is not available because of the absence of an agreed NGO definition at EU level and the absence of NGO-specific reporting requirements in the FR and RAP.

## 5.5. CONCLUSIONS AND RECOMMENDATIONS

This chapter examined the state-of-play of measures undertaken to ensure the transparency, effectiveness and efficiency of the EU financing for NGOs in the area of home affairs, security and migration, particularly with regard to the grant allocation processes, the implementation of the co-financing principle, performance measurement and evaluation as well as control and supervision procedures.

Although NGOs' usefulness as partners of the European Commission for EU funds and policy implementation is widely acknowledged given their specific and local competences, it has been claimed by some actors that certain persistent weaknesses are faced in terms of transparency, efficiency and effectiveness when it gets to the evaluation of the EU funds spending through these structures.

The decision-making processes for the allocation of EU financing for NGOs – i.e. the grant award procedures – have been subject to a debate, notably with regard to the selection and award criteria, the transparency of procedures and the impartiality of funding decisions. A significant share of the NGOs (incl. 5/10 case studies) that have been interviewed in the framework of this study felt that the grant allocation processes of the European Commission are not sufficiently transparent. Several NGOs (incl. 4/10 case studies) argued that the rationale of the ratings given by the European Commission's grant evaluators is often difficult to understand. Furthermore, many NGOs (incl. 6/10 case studies) complained about the non-provision of (useful) feedback on their grant application – both in case of a rejection or an award.

According to the co-financing principle, the EU grant may not finance the entire costs of an action implemented by NGO (or any other type of beneficiary); the beneficiary needs to raise a share of the required funds – typically at least 10% – from other sources. While a large majority of interviewed NGOs (incl. 8/10 case studies) in principle supports the co-financing principle, some NGOs (incl. 4/10 case studies) point to difficulties to raise the co-financing funds, notably for smaller NGOs with less visibility and those NGOs that are active in domains that are not very popular among private donors. Therefore, some NGOs (incl. 3/10 case studies) suggest increasing the possibilities to bring in co-financing in kind, notably the working time of volunteering staff.

Measuring and evaluating the performance of NGO actions financed through EU programmes is of high importance to ensure an effective and efficient implementation of the EU budget. In addition, the measurement of results of EU-funded NGO actions enables both policy-makers and NGOs to clearly demonstrate and communicate the value for (taxpayer's) money of EU financing for NGOs.

A common requirement in grant agreements is that NGOs that receive European Commission funding provide technical and financial reports to the donor, which should allow for a comparison

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- European Commission (2011f): *Proposal for a Regulation of the European Parliament and of the Council laying down general provisions on the Asylum and Migration Fund and on the instrument for financial support for police cooperation, preventing and combating crime, and crisis management*, COM(2011) 752 final, Brussels, 78 pp.
  - European Commission (2011g): *Proposal for a Regulation of the European Parliament and of the Council establishing, as part of the Internal Security Fund, the instrument for financial support for police cooperation, preventing and combating crime, and crisis management*, COM(2011) 753 final, Brussels, 53 pp.

between the project proposal and what was achieved during the reporting period. There are, however, challenges to using this kind of self-assessment of NGOs as the primary means of evaluating NGOs' performance and project's outcomes. Where no clear guidelines and checks exist, self-reporting has an inherent risk of limited objectivity.

The European Commission DG Home Affairs is using a project description and implementation form which requires a detailed description of project work phases with milestones, activities, deliverables and expected results (both intangible and tangible). Yet, no specific methodology to measure the performance and impact of EU-funded projects has been developed or recommended to grant beneficiaries. In addition, several NGOs (incl. 5/10 case studies) argued that the European Commission and the competent Member State authorities are making insufficient use of the project reporting provided by NGOs.

NGO beneficiaries of EU grants are subject to the control and supervision procedures foreseen by the FR and RAP. These rules make the grant beneficiaries accountable from the award procedure to the final payment. They apply to any beneficiary regardless of its status. Projects implemented by NGOs and financed from European Commission funds are submitted to the same rules and controls than any other European Commission-funded project. As discussed in the previous chapter, several NGOs (incl. 4/10 case studies) questioned the efficiency and proportionality of the European Commission's auditing approach.

According to the European Commission DG Home Affairs, in the past years the quantifiable average residual error rate was lower than 2% for all its beneficiaries, i.e. in line with the ECA's level of reference. NGO-specific data is not available.

In this regard, the following recommendations can be considered:

- The European Commission DG Home Affairs may reflect on ways to raise more awareness for funding opportunities for NGOs at EU level, possibly in collaboration with the competent authorities in the Member States.
- The European Commission DG Home Affairs should provide concise and useful written feedback on grants applications to all applicants (unsuccessful and successful). This would foster transparency and encourage the continuous improvement of NGOs' activities and projects – and may ultimately lead to better value for money for the European Commission in its future calls for proposals.
- In line with the possibilities of the FR, the European Commission DG Home Affairs could reflect on possibilities to allow for co-financing in kind by NGOs, notably in the case of small grants.
- The European Commission DG Home Affairs should pursue – together with the Member States – its efforts to develop common indicators and performance measurement systems for its funding programmes in the MFF period 2014-2020. Hands-on guidance on performance measurement and evaluation should be provided to grant beneficiaries.
- The European Commission DG Home Affairs could consider the possibility of making available final reports of funded projects on its website in view of fostering transparency and allowing for mutual learning among NGOs.

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## ANNEX 1: NFPO BENEFICIARIES OF GRANTS OF THE EUROPEAN COMMISSION DG HOME

This annex lists the NFPO grant beneficiaries of the European Commission DG Home Affairs under central direct management in the years 2010 to 2013. The list has been compiled based on data extracted from the European Commission's internal financial information system (ABAC Workflow). The data has been kindly provided by the European Commission DG Budget for this study.

One should note that – contrary to the FTS, which is mainly composed of data from the “ABAC Contracts” system – this information covers commitments as registered in the “ABAC Workflow” system. It only displays the principal contractor, i.e. the grant coordinator in case of consortia. This means that in cases of several co-beneficiaries the entire grant amount in this list is attributed to the grant coordinator. In the FTS, the total grant amount is currently also attributed to one single beneficiary; yet – due to a technical issue – this is not necessarily the grant coordinator. This explains some of the differences between the list of NGO grant beneficiaries identified in the FTS analysis in chapter 3.3 and the list below.

Furthermore, it is important to note that the list of NFPO grant beneficiaries below includes legal entities, which can be considered as NGOs (according to the European Commission's working definition), and legal entities which cannot – such as universities, semi-public research institutes or trade unions. This explains the difference between the total amounts and number of NGO grants identified in the FTS analysis in chapter 3.2 and the total indicated in the list below.

Finally, it appears that the NGO labelling in ABAC, i.e. the European Commission's internal financial information system, is so far not sufficiently complete and reliable to ensure a robust reporting on EU financing for NGOs on this basis only.

**Table 14: NFPO beneficiaries of grants of the European Commission DG HOME, 2010**

NFPO grant beneficiary	Labelled as NGO in ABAC	Total amount in EUR	Number of grants
ASSOCIATION PARCOURS D EXIL*	Yes	418,413	1
CENTER FOR THE STUDY OF DEMOCRACY ASSOCIATION*	Yes	860,232	2
CONSIGLIO ITALIANO PER I RIFUGIATIONLUS ASSOCIAZIONE*C.I.R	Yes	332,755	1
EUROCITIES ASBL*	Yes	464,563	1
FONDATION ROI BAUDOUIIN*KING BAUDOUIIN FOUNDATION KONING BOUDEWIJNSTICHTING KBS KBF	Yes	592,266	1
LIBERA - ASSOCIAZIONI, NOMI E NUMERO CONTRO LE MAFIE*	Yes	657,578	1

NFPO grant beneficiary	Labelled as NGO in ABAC	Total amount in EUR	Number of grants
SAVE THE CHILDREN ITALIA ONLUS ASSOCIAZIONE*	Yes	98,670	1
STICHTING NIDOS*	Yes	231,680	1
THE ECONOMIC AND SOCIAL RESEARCH INSTITUTE LBG*ESRI	Yes	289,759	1
TRANSPARENCY INTERNATIONAL EV*	Yes	1,633,454	1
WWF DEUTSCHLAND STIFTUNG*WWW-D	Yes	194,863	1
COMITE EUROPEEN DE NORMALISATION ASSOCIATION INTERNATIONALE*	No	396,751	3
IDRYMA TECHNOLOGIAS KAI EREVNAS*FOUNDATION FOR RESEARCH AND TECHNOLOGYHELLAS	No	527,727	1
ARCI NUOVA ASSOCIAZIONE*	-	728,203	2
ASOCIACION COMISION CATOLICA ESPANOLA DE MIGRACION ACCEM*	-	290,205	1
ASSOCIATION FORUM FRANCAIS POUR LA SECURITE URBAINE*FFSU	-	164,908	1
ASSOCIATION POUR LA COOPERATION EUROPEENNE DANS LA DOMAINE DE LA JUSTICE ET DES AFFAIRES INTERIEURES AISBL*EUJUST	-	97,515	1
ASSOCIATION UNION DES FABRICANTS POUR LA PROTECTION INTERNATIONALE DE LA PROPRIETE INTELLECTUELLE ET ARTISTIQUE*UNIFAB	-	68,900	1
ASSOCIAZIONE ON THE ROAD ONLUS*	-	583,616	2
BUNDESWEITE ARBEITSGEMEINSCHAFT DER PSYCHOSOZIALEN ZENTREN FUR FLUCHTLINGE UND FOLTEROPFER (BAFF) EV*BAFF	-	319,573	1
CENTRO DI CULTURA SCIENTIFICA A.VOLTA*	-	281,495	1
COMISION ESPANOLA DE AYUDA AL REFUGIADO ASOCIACION*CEAR	-	219,494	1
ELLINIKOS ERYTHROS STAVROS*HELLENIC RED CROSS*CROIX-ROUGE HELLENIQUE	-	206,964	1
FIERI FORUM INTERNAZIONALE ED EUROPEO DI RICERCHE SULL IMMIGRAZIONE ASSOCIAZIONE*	-	484,870	1
FONDAZIONE CULTURALE RESPONSABILITA ETICA ONLUS*FCRE	-	385,271	1
FONDAZIONE UGO BORDONI*	-	550,456	1
IPA CESKA UZEMNI SKUPINA 114*INTERNATIONAL POLICE ASSOCIATION UZEMNI SKUPINA 114	-	4,528	1

NFPO grant beneficiary	Labelled as NGO in ABAC	Total amount in EUR	Number of grants
IRISH REFUGEE COUNCIL LBG*IRC	-	278,070	1
LA STRADA CESKA REPUBLIKA OPS*	-	281,823	1
MAGYAR HELSINKI BIZOTTSAG*HUNGARIAN HELSINKI COMMITTEE	-	303,078	1
OBSERVATOIRE INTERNATIONAL DE JUSTICE JUVENILE FONDATION*OIJJ	-	85,000	1
STICHTING ENFSI SECRETARIAT*ENFSI	-	499,973	1
STICHTING IMPACT LANDELIJK KENNIS EN ADVIESCENTRUM PSYCHOSOCIALE ZORGNA RAMPEN*	-	10,139	1
STICHTING KATHOLIEKE UNIVERSITEITBRABANT*UNIVERSITEIT VAN TILBURG	-	144,822	1
STICHTING MIRA MEDIA*	-	231	1
TISPOL ORGANISATION LBG*	-	345,203	1
VERENIGING VOOR CHRISTELIJK HOGER ONDERWIJS WETENSCHAPPELIJK ONDERZOEKEN PATIENTENZORG*VRIJE UNIV MEDISCH CENTRUM ACTA	-	479,824	1
YORKSHIRE AND HUMBER PEOPLE UNITEDAGAINST CRIME LBG*PUAC	-	877,152	1
<b>TOTAL</b>		<b>14,390,023</b>	<b>43</b>

**Source:** Deloitte analysis based on data extracted from the European Commission's internal financial information system (ABAC Workflow) – Data provided by the European Commission DG Budget

**Table 15: NFPO beneficiaries of grants of the European Commission DG HOME, 2011**

NFPO grant beneficiary	Labelled as NGO	Total amount in EUR	Number of grants
ASSOCIAZIONE ITALIANA DIFESA CONSUMATORI ED AMBIENTE*ADICONSUM	Yes	463,409	1
CENTER FOR THE STUDY OF DEMOCRACY ASSOCIATION*	Yes	198,743	1
CONSIGLIO ITALIANO PER I RIFUGIATIONLUS ASSOCIAZIONE*C.I.R	Yes	266,588	1
THE ECONOMIC AND SOCIAL RESEARCH INSTITUTE LBG*ESRI	Yes	319,897	1
TRANSPARENCY INTERNATIONAL EV*	Yes	238,983	1

NFPO grant beneficiary	Labelled as NGO	Total amount in EUR	Number of grants
UNIVERSITY OF BRISTOL ROYAL CHARTER*	Yes	601,141	1
VIOLENCE PREVENTION NETWORK EV*VPN	Yes	188,983	1
ASOCIACION COMISION CATOLICA ESPANOLA DE MIGRACION ACCEM*	-	852,940	1
ASOCIATIA ECUMENICA A BISERCILOR DIN ROMANIA*AIDROM ECUMENICAL ASSOCIATION OF CHURCHES IN ROMANIA	-	159,491	1
ASSOCIATION FORUM REFUGIES*	-	344,626	1
ASSOCIATION POUR LA COOPERATION EUROPEENNE DANS LA DOMAINE DE LA JUSTICE ET DES AFFAIRES INTERIEURES AISBL*EUJUST	-	73,567	1
ASSOCIAZIONE COMUNITA TERAPEUTICA PER IL RECUPERO DEI TOSSICODIPENDENTI MARIA FANELLI ONLUS*	-	232,617	1
BGZ BERLINER GESELLSCHAFT FUR INTERNATIONALE ZUSAMMENARBEIT MBH*	-	11,836	1
CARITASVERBAND FUR DIE DIOZESE OSNABRUCK EV*DICV	-	339,289	2
CENTRO DE ESTUDOS SOCIAIS ASSOCIACAO*CES	-	380,965	1
CENTRO DI CULTURA SCIENTIFICA A.VOLTA*	-	117,103	1
CENTRO STUDI E RICERCHE IDOS SOCIETA COOPERATIVA A MUTUALITA PREVALENTE ADOTTANTE LE NORME DELLA SRL*IDOS SOCIETA COOPERATIVA	-	3,343	1
CRIME PREVENTION FUND-IGA FOUNDATION*	-	291,264	1
END CHILD PROSTITUTION, CHILD PORNOGRAPHY AND THE TRAFFICKING OF CHILDREN FOR SEXUAL PURPOSES LBG*ECPAT UK	-	391,873	1
FUNDACION PRO DERECHOS HUMANOS MIGUEL ANGEL BLANCO*	-	138,594	1
IMMIGRANT COUNCIL OF IRELAND LIMITED BY GUARANTEE*ICI	-	463,327	1
JESUIT REFUGEE SERVICE - EUROPE AISBL*	-	244,238	1
KENTRO MERIMNAS OIKOGENEIAS KAI PAIDIOU*FAMILY AND CHILD CARE CENTER KMOP	-	228,325	1
KOM-PAS GENT VZW*	-	642,196	1
LIETVOS RESPUBLIKOS ZEMES UKIO RUMAI ASOCIACIJA*LR ZUR	-	245,954	1
MAGYAR HELSINKI BIZOTTSAG*HUNGARIAN HELSINKI COMMITTEE	-	302,139	1

NFPO grant beneficiary	Labelled as NGO	Total amount in EUR	Number of grants
MULTIKULTURNI CENTRUM PRAHA SDRUZENI* MULTICULTURAL CENTRE PRAGUE MKC	-	370	1
OBCANSKE SDRUZENI SLOVO 21*	-	392,961	1
PARAMOS VAIKAMS CENTRAS VIESOJI ISTAIGA*CHILDREN SUPPORT CENTER	-	262,819	1
PAYOKE VZW*	-	454,471	1
SESM SOLUZIONI EVOLUTE PER LA SISTEMISTICA E I MODELLI SCARL*SESM	-	400,134	1
STICHTING ENFSI SECRETARIAT*ENFSI	-	582,113	1
STICHTING MIRA MEDIA*	-	976,730	1
STICHTING STUDIECENTRUM RECHTSPLEGING*SSR	-	358,685	1
STICHTING T.M.C ASSER INSTITUUT-INSTITUUT VOOR INTERNATIONAAL PRIVAAT-EN PUBLIEKRECHT, INTERNATIONALE HANDELSARBITRAGE EN EUROPEES RECHT*	-	233,475	1
TISPOL ORGANISATION LBG*	-	493,277	1
TRIALOGUE EDUCATIONAL TRUST*THE INSTITUTE FOR STRATEGIC DIALOGUE ISD	-	368,980	1
UNIVERSIDAD PONTIFICIA COMILLAS ENTIDAD RELIGIOSA*	-	431,981	1
<b>TOTAL</b>		<b>12,697,426.26</b>	<b>39</b>

**Source:** Deloitte analysis based on data extracted from the European Commission's internal financial information system (ABAC Workflow) – Data provided by the European Commission DG Budget

**Table 16: NFPO beneficiaries of grants of the European Commission DG HOME, 2012**

NFPO grant beneficiary	Labelled as NGO in ABAC	Total amount in EUR	Number of grants
ASSOCIATION PARCOURS D EXIL*	Yes	539,661	1
CENTER FOR THE STUDY OF DEMOCRACY ASSOCIATION*	Yes	908,818	2
CHRISTLICHES JUGENDDORFWERK DEUTSCHLANDS GEMEINNUTZIGER EV (CJD)*CHRISTIAN ASSOCIATION OF YOUTH VILLAGES	Yes	641,503	1
CLOVEK V TISNI OPS*PEOPLE IN NEED	Yes	400,124	1

NFPO grant beneficiary	Labelled as NGO in ABAC	Total amount in EUR	Number of grants
EUROCITIES ASBL*	Yes	538,782	1
FONDAZIONE ACRA-CCS*	Yes	743,635	1
FORMIT - FONDAZIONE PER LA RICERCA SULLA MIGRAZIONE E SULLA INTEGRAZIONE DELLE TECNOLOGIE*	Yes	146	1
FUNDACION TECNALIA RESEARCH & INNOVATION*	Yes	296,403	1
FUNDACJA EUROPEJSKIE CENTRUM INICJATYW W NAUKACH SADOWYCH*EUROPEAN FORENSIC INITIATIVES CENTRE FOUNDATION EFIC	Yes	646,932	1
LIBERA - ASSOCIAZIONI, NOMI E NUMERO CONTRO LE MAFIE*	Yes	424,284	1
MULTIKULTURELLER ZUR FORDERUNG DER INTEGRATION UND DES ZUSAMMENLEBENS VON MENSCHEN AUS VERSCHIEDENEN KULTURKREISEN (VEREIN MULTIKULTURELL)*	Yes	443,776	1
SAVE THE CHILDREN ITALIA ONLUS ASSOCIAZIONE*	Yes	150,349	1
THE ECONOMIC AND SOCIAL RESEARCH INSTITUTE LBG*ESRI	Yes	350,069	1
TRANSPARENCY INTERNATIONAL EV*	Yes	1,107,786	1
VIOLENCE PREVENTION NETWORK EV*VPN	Yes	268,015	1
FONDAZIONE POLITECNICO DI MILANO*	No	281,121	1
IDRYMA TECHNOLOGIAS KAI EREVNAS*FOUNDATION FOR RESEARCH AND TECHNOLOGYHELLAS	No	1,170,508	2
ROCCO CHINNICI FONDAZIONE*	No	154,012	1
THE ASSOCIATION OF CHIEF POLICE OFFICERS OF ENGLAND, WALES AND NORTHERN IRELAND LBG*ACPO	No	730,717	1
UNIVERSIDAD DE NAVARRA*	No	53,139	1
ACULCO ASOCIACION SOCIO-CULTURAL Y DE COOPERACION AL DESARROLLO POR COLOMBIA E IBEROAMERICA*	-	579,601	1
AGENFOR ITALIA ASSOCIAZIONE*	-	452,673	2
ANTI-SLAVERY INTERNATIONAL LBG*	-	351,984	1
ARBEITERWOHLFAHRT KREISVERBAND BREMERHAVEN EV*	-	558,879	1

NFPO grant beneficiary	Labelled as NGO in ABAC	Total amount in EUR	Number of grants
ASBL INTERNATIONAL CATHOLIC MIGRATION COMMISSION - EUROPE*ICMC EUROPECOMMISSION INTERNATIONALE CATHOLIQUE POUR LES MIGRATIONS - EUROPE*	-	649,818	1
ASSOCIATION CENTER MARIA*	-	160,407	1
ASSOCIATION PRIMO LEVI*	-	179,335	1
ASSOCIAZIONE DIAKONIA ONLUS*	-	208	1
BULGARIAN GENDER RESEARCH FOUNDATION*BGRF	-	164,842	1
BUNDESWEITE ARBEITSGEMEINSCHAFT DERPSYCHOSOZIALEN ZENTREN FUR FLUCHTLINGE UND FOLTEROPFER (BAFF) EV*BAFF	-	159,298	1
CONSEIL INTERNATIONAL MUSEES ASSOCIATION*INTERNATIONAL COUNCIL OF MUSEUMS ICOM	-	295,840	1
CULTURES INTERACTIVE E.V. - VEREINZUR INTERKULTURELLEN BILDUNG UND GEWALTPREVENTION*CULTURES	-	256,174	1
EUROPEAN COUNCIL ON REFUGEES AND EXILES AISBL*ECRE	-	398,214	1
EUROPEAN FEDERATION FOR MISSING AND SEXUALLY EXPLOITED CHILDREN AISBL*FEDERATION EUROPEENNE POUR ENFANTS DISPARUS ET SEXUELLEMENT EXPLOITES	-	544,124	1
EXIL PROGRAMA DE REPARACION MEDICOPSICO SOCIAL PARA INMIGRANTES VICTIMAS DE VIOLACION DE LOS DERECHOS HUMANOS Y DE TORTURA*	-	271,468	1
FILIALA DIN ROMANIA A FUNDATIEI FREEDOM HOUSE INC*	-	427,120	1
FONDATSIYA RISKMONITOR*RM RISKMONITOR FOUNDATION	-	162,278	1
FORUM EUROPEEN POUR LA SECURITE URBAINE ASSOCIATION*EUROPEAN FORUM FORURBAN SECURITY FESU EFUS	-	829,162	2
FRANK BOLD SOCIETY SDRUZENI*ENVIRONMENTAL LAW SERVICE FBS	-	190,984	1
FUNDATIA ICAR*CENTRUL MEDICAL DE REABILITARE ICAR FOUNDATION MEDICAL REHABILITATION CENTER FOR VICTIMS OF TORTURE	-	174,825	1
IFF-REFUGIO MUNCHEN EV*	-	276,477	1
IMMIGRANT COUNCIL OF IRELAND LIMITED BY GUARANTEE*ICI	-	354,335	1
INSTITUT ZA DEMOKRATICNI NADZOR NAD OBOROZENIMI SILAMI (DCAF) LJUBLJANA ZAVOD*INSTITUTE FOR THE DEMOCRATIC CONTROL OF ARMED FORCES DCAF LJUB	-	219,729	1



NFPO grant beneficiary	Labelled as NGO in ABAC	Total amount in EUR	Number of grants
INTERNATIONAL CYBER INVESTIGATION TRAINING ACADEMY SDRUZHENIE*ICITA	-	334,165	1
INTERNATIONAL TRADE UNION CONFEDERATION CONFEDERATION SYNDICALE INTERNATIONALE CONFEDERACION SINDICAL INTERNACIONAL*ITUC-CSI IGB	-	517,625	1
IRISH REFUGEE COUNCIL LBG*IRC	-	377,594	1
ISTITUTO DON CALABRIA ENTE ECCLESIASTICO CIVILMENTE RICONSCIUTO*CONGREGAZIONE POVERI SERVI DELLA DIVINA PROVVIDENZA	-	1,089,071	2
KENTRO MERIMNAS OIKOGENEIAS KAI PAIDIOU*FAMILY AND CHILD CARE CENTER KMOP	-	334,261	1
MAGYARORSZAGI TERRE DES HOMMES ALAPITVANY LAUSANNE*TERRE DES HOMMES FOUNDATION LAUSANNE IN HUNGARY	-	498,141	1
MEDICAL FOUNDATION FOR THE CARE OF VICTIMS OF TORTURE LBG*MF	-	299,000	1
NODIBINAJUMS LATVIJAS TIESNESU MACIBU CENTRS*FOUNDATION LATVIAN JUDICIAL TRAINING CENTRE LJTC	-	190,225	1
OTEVRENA SPOLECNOST OPS*OS	-	164,790	1
RESURSU CENTRS SIEVIETEM MARTA BIEDRIBA*RESOURCE CENTRE FOR WOMEN MARTA MARTA CENTRE	-	411,902	1
STICHTING HERSTELD VERTROUWEN IN DETOEKOMST*STICHTING HIT	-	265,833	1
STICHTING IMPACT LANDELIJK KENNIS EN ADVIESCENTRUM PSYCHOSOCIALE ZORGNA RAMPEN*	-	436,875	1
STICHTING KATHOLIEKE UNIVERSITEITBRABANT*UNIVERSITEIT VAN TILBURG	-	594,602	2
STICHTING NEDERLANDS HELSINKI COMITE*NHC NETHERLANDS HELSINKI COMMITTEE	-	701,216	1
THE LOKAHI FOUNDATION LBG*	-	222,660	1
TISPOL ORGANISATION LBG*	-	548,885	1
TRANSPARENCY INTERNATIONAL ITALIA ASSOCIAZIONE*TI IT	-	164,625	1
<b>TOTAL</b>		<b>24,659,026.86</b>	<b>66</b>

**Source:** Deloitte analysis based on data extracted from the European Commission's internal financial information system (ABAC Workflow) – Data provided by the European Commission DG Budget

**Table 17: NFPO beneficiaries of grants of the European Commission DG HOME, 2013**

NFPO grant beneficiary	Labelled as NGO in ABAC	Total amount in EUR	Number of grants
ANCI TOSCANA ASSOCIAZIONE*ASSOCIAZIONE NAZIONALE DEI COMUNI ITALIANI DELLA TOSCANA NATIONAL ASSOCIATION OF ITALIAN MUNICIPALITIES TUSCANY	Yes	631,373	1
ASSOCIAZIONE BRUNO TRENTIN-ISF-IREs*	Yes	350,528	1
ASSOCIAZIONE CULTURALE COOPERAZIONE INTERNAZIONALE SUD SUD*CISS	Yes	552,010	2
CENTER FOR THE STUDY OF DEMOCRACY ASSOCIATION*	Yes	1,056,378	2
CHRISTLICHES JUGENDDORFWERK DEUTSCHLANDS GEMEINNUTZIGER EV (CJD)*CHRISTIAN ASSOCIATION OF YOUTH VILLAGES	Yes	578,319	1
ENVIRONMENTAL JUSTICE FOUNDATION CHARITABLE TRUST*EJFCT	Yes	223,846	1
FONDAZIONE ACRA-CCS*	Yes	464,230	1
FORMIT - FONDAZIONE PER LA RICERCA SULLA MIGRAZIONE E SULLA INTEGRAZIONE DELLE TECNOLOGIE*	Yes	211,291	1
FUNDACION INTERARTS PER A LA COOPERACIO CULTURAL INTERNACIONAL*FUNDACION INTERARTS PARA LA COOPERACION CULTURAL INTERNACIONAL	Yes	564,994	1
FUNDACION TECNALIA RESEARCH & INNOVATION*	Yes	243,022	1
FUNDACJA EUROPEJSKIE CENTRUM INICJATYW W NAUKACH SADOWYCH*EUROPEAN FORENSIC INITIATIVES CENTRE FOUNDATION EFIC	Yes	537,983	1
ISTITUTO SINDACALE PER LA COOPERAZIONE ALLO SVILUPPO ASSOCIAZIONE*ISCOS	Yes	879,170	1
LIBERA - ASSOCIAZIONI, NOMI E NUMERO CONTRO LE MAFIE*	Yes	393,262	1
MEDIZINISCHE FLUCHTLINGSHILFE BOCHUM EV*MFH	Yes	234,103	1
MOUVEMENT DU NID ASSOCIATION*MDN	Yes	269,715	1
NORTHERN IRELAND COUNCIL FOR ETHNIC MINORITIES LBG*	Yes	447,795	1
OZIVENI OS*	Yes	338,955	1
RADDA BARNENS RIKSFORBUND IDEELLA FORENINGAR*SAVE THE CHILDREN SWEDEN RB SCS	Yes	403,255	1
REDEN INTERNATIONAL FORENING*RI	Yes	392,126	1

NFPO grant beneficiary	Labelled as NGO in ABAC	Total amount in EUR	Number of grants
RESEAU ACADEMIQUE D'ETUDES JURIDIQUES SUR L'IMMIGRATION ET L'ASILE ENEUROPE ASBL*RESEAU ACADEMIQUE ODYSSEUS ODYSSEUS ACADEMIC NETWORK	Yes	445,074	1
SAVE THE CHILDREN ITALIA ONLUS ASSOCIAZIONE*	Yes	430,658	1
STICHTING NIDOS*	Yes	666,325	2
STICHTING PROVINCIAAL CENTRUM VOORMAATSCHAPPELIJKE ONTWIKKELING GROENINGEN*CMO GRONINGEN	Yes	727,019	1
THE ECONOMIC AND SOCIAL RESEARCH INSTITUTE LBG*ESRI	Yes	327,214	1
TRANSPARENCY INTERNATIONAL EV*	Yes	1,989,626	2
TRANSPARENCY INTERNATIONAL LIAISONOFFICE TO THE EUROPEAN UNION AISBL*TI EU OFFICE	Yes	253,735	1
FONDAZIONE POLITECNICO DI MILANO*	No	308,774	1
FUNDACION INSTITUTO PORTUARIO DE ESTUDIOS Y COOPERACION DE LA COMUNIDAD VALENCIANA*FEPORTS	No	596,578	1
AGENFOR ITALIA ASSOCIAZIONE*	-	485,110	1
ALTERNATIVE SOCIALE ASOCIATIA*AAS	-	187,008	1
ARCI NUOVA ASSOCIAZIONE*	-	289,778	1
ASSOCIACAO PORTUGUESA DE APOIO A VITIMA*	-	376,548	2
ASSOCIATION FRANCAISE DES VICTIMESDU TERRORISME*AFVT.ORG	-	295,452	1
ASSOCIATION POUR LA COOPERATION EUROPEENNE DANS LA DOMAINE DE LA JUSTICE ET DES AFFAIRES INTERIEURES AISBL*EUJUST	-	134,480	1
ASSOCIATION TRANSPARENCY INTERNATIONAL - BULGARIA*TI - BULGARIA BG	-	207,478	1
BETRIEBSWIRTSCHAFTLICHES FORSCHUNGSZENTRUM FUR FRAGEN DER MITTELSTANDISCHEN WIRTSCHAFT EV*AN DER UNIVERSITAT BAYREUTH - BF/M	-	445,019	1
CENTER FOR LIBERAL STRATEGIES FOUNDATION*CLS	-	114,281	1
CENTRE D'INFORMACIO I DOCUMENTACIOINTERNACIONALS A BARCELONA FUNDACION*CENTRE FOR INTERNATIONAL INFORMATION AND DOCUMENTATION IN BARCELONA	-	570,193	1
CITTALIA-CENTRO EUROPEO DI STUDI ERICERCHE PER I COMUNI E LE CITTA-FONDAZIONE DI RICERCHE DELL' ANCI*	-	359,350	1

NFPO grant beneficiary	Labelled as NGO in ABAC	Total amount in EUR	Number of grants
CODACONS - COORDINAMENTO DELLE ASSOCIAZIONI PER LA DIFESA DELL AMBIENTE E DEI DIRITTI DEGLI UTENTI E CONSUMATORI ASSOCIAZIONE*	-	316,207	1
COORDINAMENTO NAZIONALE COMUNITADI ACCOGLIENZA ASSOCIAZIONE*CNCA	-	321,638	1
ELLINIKO SYMVOULIO GAI TOUS PROSFYGES*GREEK COUNCIL FOR REFUGEES ESP	-	326,977	1
EUROPEAN FEDERATION FOR STREET CHILDREN ASBL*EFSC	-	465,353	1
FIERI FORUM INTERNAZIONALE ED EUROPEO DI RICERCHE SULL IMMIGRAZIONE ASSOCIAZIONE*	-	528,869	1
FILIALA DIN ROMANIA A FUNDATIEI FREEDOM HOUSE INC*	-	148,130	1
FONDATSIYA RISKMONITOR*RM RISKMONITOR FOUNDATION	-	153,574	1
FONDAZIONE GIACOMO BRODOLINI*	-	253,806	1
FONDAZIONE PER LE INIZIATIVE E LO SSTUDIO SULLA MULTIETNICITA*FOUNDATION FOR INITIATIVES AND STUDY OF MULTIETHNICITY FONDAZIONE I.S.M.U	-	520,596	1
FONDAZIONE UGO BORDONI*	-	1,504	1
FORUM EUROPEEN POUR LA SECURITE URBAINE ASSOCIATION*EUROPEAN FORUM FORURBAN SECURITY FESU EFUS	-	273,135	1
FUNDACJA DZIECI NICZYJE*	-	151,997	1
FUNDATIA TERRE DES HOMMES-ELVETIA*TDH	-	303,735	1
IMMIGRANT COUNCIL OF IRELAND LIMITED BY GUARANTEE*ICI	-	426,918	1
INSTITUT ZA DEMOKRATICNI NADZOR NAD OBOROZENIMI SILAMI (DCAF) LJUBLJANA ZAVOD*INSTITUTE FOR THE DEMOCRATIC CONTROL OF ARMED FORCES DCAF LJUB	-	343,443	1
ISTITUTO PSICOANALITICO PER LE RICERCHE SOCIALI ASSOCIAZIONE*IPRS	-	494,855	1
KENTRO GINAIKEION MELETON KAI EREYVNON ASTIKI MI KERDOSKOPIKI ETAIREIA*KGME	-	467,956	1
KENTRO MERIMNAS OIKOGENEIAS KAI PAIDIOU*FAMILY AND CHILD CARE CENTER KMOP	-	281,675	1
LA VOIX DE L'ENFANT*	-	46,984	1
LATVIJAS CILVEKTIESIBU CENTRS BIEDRIBA*LCHR	-	182,840	1

NFPO grant beneficiary	Labelled as NGO in ABAC	Total amount in EUR	Number of grants
LIETUVOS VARTOTOJU INSTITUTAS ASOCIACIJA*LITHUANIAN CONSUMER INSTITUTE LCI	-	178,510	1
MAGYAR HELSINKI BIZOTTSAG*HUNGARIAN HELSINKI COMMITTEE	-	378,222	1
MEDICAL FOUNDATION FOR THE CARE OF VICTIMS OF TORTURE LBG*MF	-	195,275	1
ORGANIZACE PRO POMOC UPRCHLIKUM SDRUZENI*	-	510,283	1
PAYOKE VZW*	-	192,898	1
PLATAFORMA TECNOLOGICA ESPANOLA DE SEGURIDAD INDUSTRIAL ASOCIACION*SPANISH TECHNOLOGY PLATFORM ON INDUSTRIAL SAFETY PESI	-	311,060	1
RISSC - CENTRO RICERCHE E STUDI SUSICUREZZA E CRIMINALITA ASSOCIAZIONE*RESEARCH CENTRE ON SECURITY AND CRIME	-	417,059	1
SECOND CHANCE ASSOCIATION*SCA	-	301,755	1
STICHTING NEDERLANDS COMITE UNICEF*UNICEF NEDERLAND	-	352,072	1
THE INTERNATIONAL LA STRADA ASSOCIATION*LA STRADA INTERNATIONAL LSI	-	263,298	1
TISPOL ORGANISATION LBG*	-	428,133	1
TO HAMOGELO TOU PEDIU ASSOCIATION*THE SMILE OF THE CHILD ASSOCIATION	-	402,857	1
TRANSPARENCY INTERNATIONAL MAGYARORSZAG ALAPITVANY*TRANSPARENCY INTERNATIONAL HUNGARY FOUNDATION TI MAGYARORSZAG	-	128,458	1
<b>TOTAL</b>		<b>28,052,129.00</b>	<b>77</b>

**Source:** Deloitte analysis based on data extracted from the European Commission's internal financial information system (ABAC Workflow) – Data provided by the European Commission DG Budget

## ANNEX 2: LIST OF INSTITUTIONAL INTERVIEWEES

**Table 18: List of institutional interviewees**

Organisation	Name	Position	Mission
European Commission DG BUDG	Brigitte FELLAHI-BROGNAUX	Head of Unit	Procurement, Contracts and Grants
European Commission DG BUDG	Jose Antonio LOPEZ SANCHEZ	Head of Unit	Financial Procedures and control systems
European Commission DG BUDG	Hans GEVAERT	Head of Unit	User management of financial information systems
European Commission DG BUDG	Vincenzo CURIALE	Head of Unit	Treasury management
European Commission DG BUDG	Marta LEGUTKO	Financial Officer - Team Leader	"Legal Entities" and "Bank Accounts" files
European Commission DG BUDG	Jean-Luc TRUSSART	Business Analyst - Team Leader - ABAC User Service Manager	User management of financial information systems
European Commission DG BUDG	Carine JEANNIER	Business Analyst - ABAC User Service Assistant	User management of financial information systems
European Commission DG HOME	Grzegorz GAJEWSKI	Policy Officer - Financial programmes	MFF programming
European Commission DG HOME	Francisco GAZTELU MEZQUIRIZ	Head of Unit - MFF Programming	MFF programming
European Commission DG HOME	Stefano SIGNORE	Head of Unit	Internal Security Fund
European Commission DG HOME	Antoine SAVARY	Deputy Head of Unit	Internal Security Fund
European Commission DG HOME	Martin SCHIEFFER	Head of Unit	Asylum and Migration Fund
European Commission DG HOME	Floriana SIPALA	Head of Unit - Strategic policy, Interinstitutional Relations and Agencies	Strategic policy, interinstitutional relations and agencies
European Commission DG HOME / DG JUST	Peter HAJNIK	Financial Assistant	Shared Resource Directorate HOME/JUST, Budget, control and ex post audits
European Court of Auditors	Mark CRISP	Director Chamber IV	Revenue, research and internal policies, and institutions and bodies of the European Union
European Court of Auditors	Wayne CODD	Senior Auditor Chamber IV	Performance audit
European Court of Auditors	Katharina BRYAN	Auditor Chamber IV	Performance audit
European Parliament	Monika HOHLMEIER	MEP	Member of CONT Committee, Substitute of LIBE Committee

## ANNEX 3: LIST OF NGO CASE STUDIES

**Table 19: List of NGO case studies**

NGO	Country	Website	European Commission DG HOME grant beneficiary	Contact person	Position
ACCOMPAGNEMENT LIEUX D'ACCUEIL CARREFOUR EDUCATIF ET SOCIAL ASSOCIATION RECONNUE D UTILITE PUBLIQUE*ALC	France	<a href="http://www.association-alc.org">http://www.association-alc.org</a>	Yes - 2010	Eric Jouan	Directeur adjoint
AITIMA ASTIKI ETAIRIA*	Greece	<a href="http://www.aitima.gr/en/en/home">http://www.aitima.gr/en/en/home</a>	Yes - 2011	Spyros Rizakos	Director
ARBEITERWOHLFAHRT KREISVERBAND BREMERHAVEN EV*	Germany	<a href="http://www.awo-bremerhaven.de">http://www.awo-bremerhaven.de</a>	Yes - 2012	Volker Tegeler	Geschäftsführer
ASOCIACION COMISION CATOLICA ESPANOLA DE MIGRACION ACCEM*	Spain	<a href="http://www.accem.es">http://www.accem.es</a>	Yes - 2011	Reyes Castillo	Director International Affairs
ASSOCIATION FRANCAISE DES VICTIMES DU TERRORISME*AFVT.ORG	France	<a href="http://www.afvt.org">http://www.afvt.org</a>	Yes - 2012	Guillaume Denoix De Saint Marc	Directeur général
ASSOCIATION POUR LA PROMOTION DE LA TRANSPARENCY ASBL*APPT TI LUXEMBOURG TRANSPARENCY INTERNATIONAL LUXEMBOURG INTERNATIONAL	Luxembourg	<a href="http://www.transparency.lu">http://www.transparency.lu</a>	Yes - 2011, 2012	Jean-Jacques Bernard	Executive Director
BULGARIAN GENDER RESEARCH FOUNDATION*BGRF	Bulgaria	<a href="http://www.bgrf.org">http://www.bgrf.org</a>	Yes - 2012	Genoveva Tisheva	Managing Director
CARITAS INTERNATIONAL ASBL*	Belgium	<a href="http://www.caritas-int.be/en">http://www.caritas-int.be/en</a>	Yes - 2010, 2011	Anne Dussart	Head of the unit for asylum and migration
IFF-REFUGIO MUNCHEN EV*	Germany	<a href="http://www.refugio-muenchen.de">http://www.refugio-muenchen.de</a>	Yes - 2012	Jürgen Soyer	Geschäftsführer
OBSERVATOIRE INTERNATIONAL DE JUSTICE JUVENILE FONDATION*OIJJ	Belgium	<a href="http://ejjc.org">http://ejjc.org</a>	Yes - 2010	Cédric Foussard	Directeur Affaires Internationales









## DIRECTORATE-GENERAL FOR INTERNAL POLICIES

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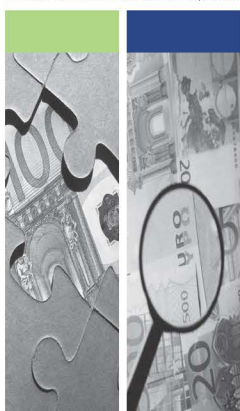
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## Documents

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