



# CSO ACCESS TO EU FUNDING

## EXTERNAL INSTRUMENTS

**CONCORD**

European NGO confederation for relief and development

# ACKNOWLEDGEMENTS

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## ABOUT THE REPORT

Study on the Civil Society Organisations (CSOs)' access to EU development funding instruments constitutes a joint effort of CONCORD structures to analyse thematic, geographical as well as general trends in external funding in the span of two Multiannual Financial Frameworks (2011-2014, 2014-2016). The report elaborates on the statement that CSOs receive more and more funding, while indicating cross-cutting patterns and room for improvement. Being only a starting point for discussions, the study spells out a set of feasible recommendations to be implemented in the future.

Key words: Civil society organisations, CSOs, Development funds, EU External funding, funding instruments DG Budget, transparency, accountability, funding modalities, grants

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Our members are:

# 28

**National Platforms**

# 21

**Networks**

# 03

**Associate Members**

which represent over 2.600 NGOs supported by millions of citizens all around Europe.

Our confederation brings development NGOs together to strengthen their political impact at the European and global levels. United, we advocate for Europe-wide policies to promote sustainable economic, environmental and social development based on human rights, justice and gender equality. We also work with regional and global civil-society allies to ensure that EU policies are coherent in promoting sustainable development in partner countries.

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# INTRODUCTION



Since the beginning of the current Multiannual Financial Framework (MFF), civil society organisations (CSOs) have felt that fewer EU funds were being made available to them by EU external action instruments. Numbers published meanwhile show that the European Commission (EC) is spending more money than ever to and through CSOs.

This study is an attempt to explain the perception that **CSO access to EU funding has undergone an important change from 2010 to today**, by examining EU spending data and planning documents. Its main purpose is to equip CONCORD members with messages and argumentation for their advocacy towards more fruitful operational partnerships with the EC.

The following observations are based on analysis of three data sets, described in detail in the methodology section: one is original research into the content of Annual Action Plans of thematic instruments, and two are data published by the EC. The scope of the study does not include the EU's official development assistance (ODA) spending trends or the quality and value of its political or operational partnerships with CSOs.

# I. OVERALL TRENDS

The analysis of the three data sets confirms that there is a positive trend in the overall amounts being spent to and through CSOs over the years, although CONCORD was unable to identify the source of the figure of over €2bn that the EC claims in its 2017 “Report on EU Engagement with Civil Society”.<sup>1</sup> Instead, the data reflect trends at a more detailed level, showing shifts in the geographical, thematic and technical choices the EC makes for its partnership with CSOs.

Some of these trends are closely linked to explicit policy aims: as the 2017 report states, “Since 2012, there has been a clear upward trend in the amounts of EU official development assistance going to CSOs to support them as governance and development actors”.<sup>2</sup> This direction was set out in the EC’s 2012 Communication on CSOs<sup>3</sup> and should come as no surprise. CONCORD’s reaction at the time glowed, “It is the most constructive official EU document on CSOs that we have seen in many years. We welcome in particular the fact that the document is based on a rights based approach viewing civil society as an asset for any democratic system but we would now like to see this document being translated into concrete and effective terms in the upcoming cooperation instruments and their programming and in the spaces and mechanisms of dialogue to be established at all levels (country, regional,

European, global).”<sup>4</sup> Welcoming the recognition of a more political role for CSOs as governance and development actors, CONCORD and its members perhaps did not count on losing their primacy of place as development implementers.

Other trends impacting on CSO access to EU funding may be due, instead, to practical concerns. The reduction of EC administrative budgets in the current MFF; new political realities focused on and nearer to Europe’s borders; the need for – and political pressure for – flexibility (at the same time as innovative modalities are being developed and tested), have all brought changes to the EC’s means of implementation. Some CSOs welcome shifts towards much larger, consolidated grants and fast-track modalities. Others consider that these technically leave out some experienced CSO partners, which in turn reflects badly on the EC–CSO partnership. The EC remains a CSO champion at a time when civil society space is shrinking in many countries, including EU members, so the perception of shutting them out of operational partnerships on technical grounds, while perhaps inadvertent, must be noted.

The following sections describe the finer trends uncovered through our analysis.

## METHODOLOGY AND ITS LIMITATIONS

### 1) Annual Action Plans – plans for expenditure

CONCORD has undertaken an original analysis of the Annual Action Plans published for thematic development instruments for the years 2010, 2011, 2012, 2013 and 2014. Data for all thematic instruments were collected through 2015 but are not all complete. For the purposes of this study, we are focusing on two: the Instrument contributing to Stability and Peace (IcSP) and the Human Development component of Global Public Goods and Challenges (GPGC) programme. Keen observers will note that these two instruments did not exist under these names before the 2014 MFF. The data tracks the thematic funding from the predecessor instruments (IfS/Instrument for Stability and IIP/Investing in People

respectively), showing the contrast that the choice of instrument has made on CSO accessibility.

This data set, being based on planning documents, is limited insofar as it assumes the planned modalities would be implemented with the planned partners. Likewise, the main marker of accessibility measured in this methodology is programming via Calls for Proposals (CfPs) open to CSOs, reflecting an assumption that this is the main way most CSOs access EU funds. It does not take into account the opportunities offered by regranteeing – whether through the UN system or under EC contracts with other CSOs.

<sup>1</sup> EC, “Report on EU Engagement with Civil Society”, 2017. [https://ec.europa.eu/europeaid/report-eu-engagement-civil-society\\_en](https://ec.europa.eu/europeaid/report-eu-engagement-civil-society_en)

<sup>2</sup> *Ibid.*, p. 23.

<sup>3</sup> EC, “The roots of democracy and sustainable development: Europe’s engagement with civil society in external relations” 2012 Communication. [https://ec.europa.eu/europeaid/roots-democracy-and-sustainable-development-europes-engagement-civil-society-external-relations\\_en](https://ec.europa.eu/europeaid/roots-democracy-and-sustainable-development-europes-engagement-civil-society-external-relations_en)

<sup>4</sup> CONCORD, “Reaction to the EC Communication on Civil Society Organisations in Development Cooperation”, 15 October 2012. <https://concordeurope.org/2012/10/15/reaction-to-the-ec-communication-on-civil-society-organisations-in-development-cooperation/>

## 2) DG Budget data – actuals in a labyrinth

CONCORD undertook to gather and analyse the data published by the Directorate-General (DG) Budget through the Financial Transparency System (FTS), covering the years 2010–2016, as well as the “Decentralised Contracts and Grants” and trust funds’ financial data. This allows us to examine both commitments and payments over this timeframe. Challenges involved the need to combine many different bits of information, all published for different purposes, with different source formats and levels of quality. It should be noted that this data set has improved considerably between the 2011 and 2016 samples.

Limitations in this data set include the breakdown of data by recipient categories; this does not seem to distinguish what we normally consider CSOs, as understood for example through the 2012 Communication, from various other types of entity. There are missing data as well as mistakes, such as the UN being listed as an NGO. The way financial data is broken down among contract holders creates considerable confusion: a single entity may be recorded and/or all the members of a consortium, with the same financial data linked to each consortium member, resulting in multiple instances of the same figures, and therefore totals that are dangerously false. A 2017 report prepared for the European Parliament partly uses these inaccuracies to criticise CSOs, and yet corroborates our observations: “European Commission systems do not allow accurate analysis of funding allocated to individual NGOs, or to NGOs in general. A 2010 European Parliament study identified significant shortcomings in the way that the Commission records grant funding. These shortcomings remain. Firstly, European Commission’s systems do not utilise a standard NGO classification, but rather use the term not-for-profit, which includes many types of organisation. Data from some services does not even make this distinction. Secondly, EC data does not reflect redistribution of grant funding between consortium partners.”<sup>5</sup>

## 3) DEVCO Statistical Dashboard – a step towards transparency

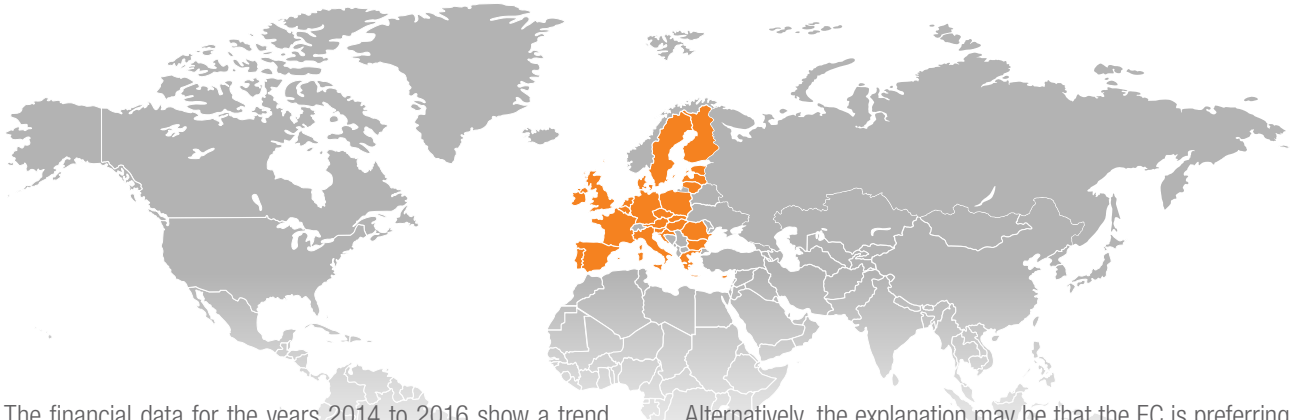
In December 2017 the EC for the first time published an online tool to view financial data on external action expenditure in a user-friendly way.<sup>6</sup> This data set has been a helpful complement to the data collected by CONCORD. However, discrepancies with the DG Budget data demonstrate that further work needs to be done before interested citizens can be certain they have the data they need.

Among the limitations of this data set: at the time of writing the Statistical Dashboard has just begun publishing data on payments, in addition to commitments, which constitutes an important improvement. While the top-level presentations of data are very accessible, their correspondence with underlying numbers and their sources, and thus deeper analysis, is difficult. Also, while the breakdown of recipient categories is much improved over the DG Budget data and takes into account the country of origin of NGOs, we remain uncertain what the criteria are for categorising a contract holder as “NGO”, and what the other categories of CSO might be. The relationship between different “levels” of NGO descriptions is unclear; some large recipient NGOs are listed separately; and there is as yet no explanation of what the “other NGO” category includes.

<sup>5</sup> European Parliament, “Democratic Accountability and Budgetary Control of Non-Governmental Organisations Funded by the EU Budget” of 24 January 2017 (Directorate General For Internal Policies, Policy Department D: Budgetary Affairs) PE 572.704, 2016. [http://www.europarl.europa.eu/RegData/etudes/STUD/2016/572704/IPOL\\_STU\(2016\)572704\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2016/572704/IPOL_STU(2016)572704_EN.pdf), p. 95

<sup>6</sup> <https://webgate.ec.europa.eu/europeaid/reporting/ecas>

## II. GEOGRAPHICAL DISTRIBUTION OF CSO ACCESS TO FUNDING



The financial data for the years 2014 to 2016 show a trend that the EC is increasingly partnering with CSOs in European Neighbourhood countries (administered by DG NEAR – Directorate-General for Neighborhood and Enlargement Negotiations), while partnerships in Africa and other parts of the world (managed by DEVCO – the DG for International Cooperation and Development) are going slightly down in number.

The Neighbourhood, especially but not limited to Turkey, has been a focus area for the hottest political crises of recent years, including the war in Syria (and the related terrorist threat) and the migration management crisis. The shift in CSO partnerships from DEVCO to NEAR suggests a trend towards working with CSOs in crises that are attractive politically, and in the media, rather than in Least Developed Countries (LDCs).

Alternatively, the explanation may be that the EC is preferring other partners over CSOs for some of the “traditional development work” in developing countries. Who are these other partners? Data comparing the frequency of grants (the most frequent contract type used with CSOs) to procurement contracts, used mainly with the private sector, suggest a growth in these partnerships (see Figure 2). Policies reflected in the EU External Investment Plan and the 2017 EU Consensus on Development would support a trend towards working more closely with private companies of all kinds. As we will see in the discussion on thematic instruments below, orienting development instruments towards partnerships with multilateral or international organisations, especially the UN, has caused an obvious pivot towards those direct partners (which in turn very often use CSOs as implementers).

Figure 1: All funding commitments to NGOs, 2014–2016 (millions €)

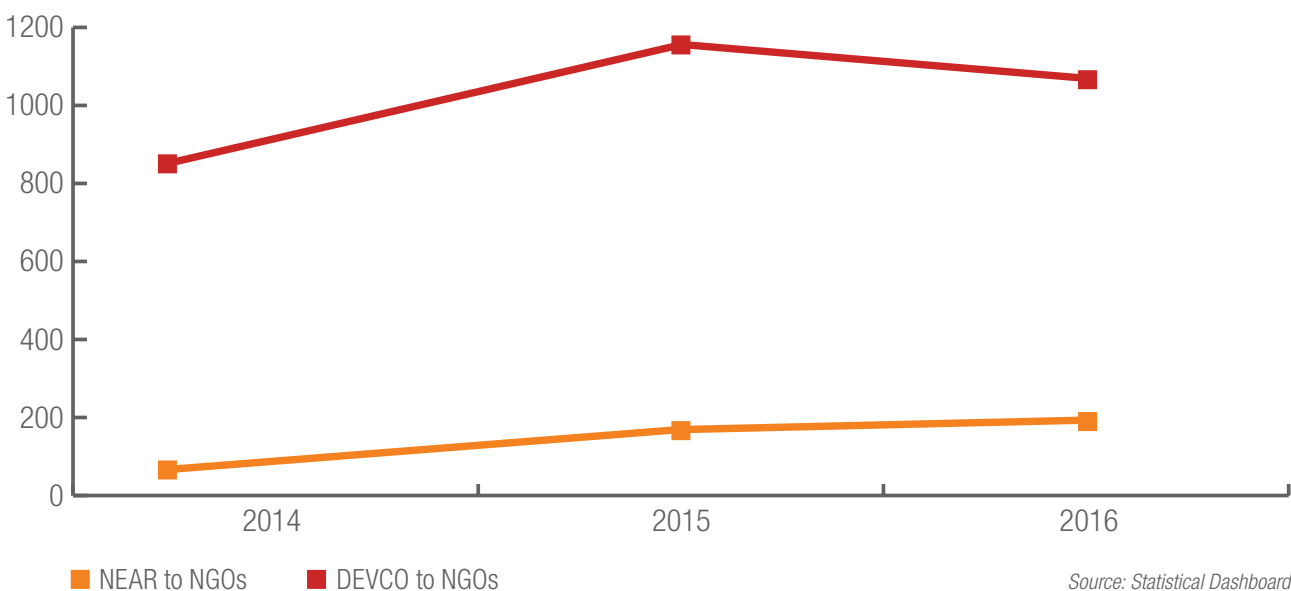




Figure 2: Comparison of total amount spent in grants and procurements by DG DEVCO and DG NEAR (billions €)

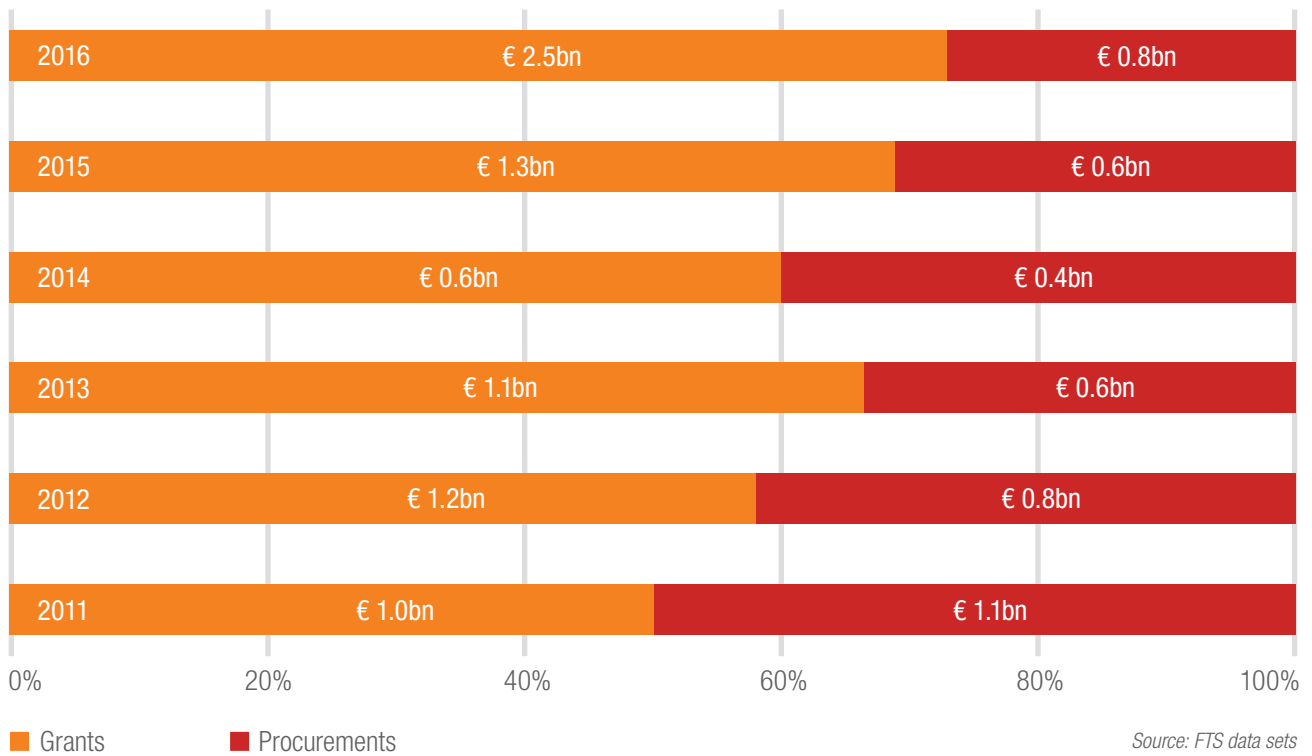
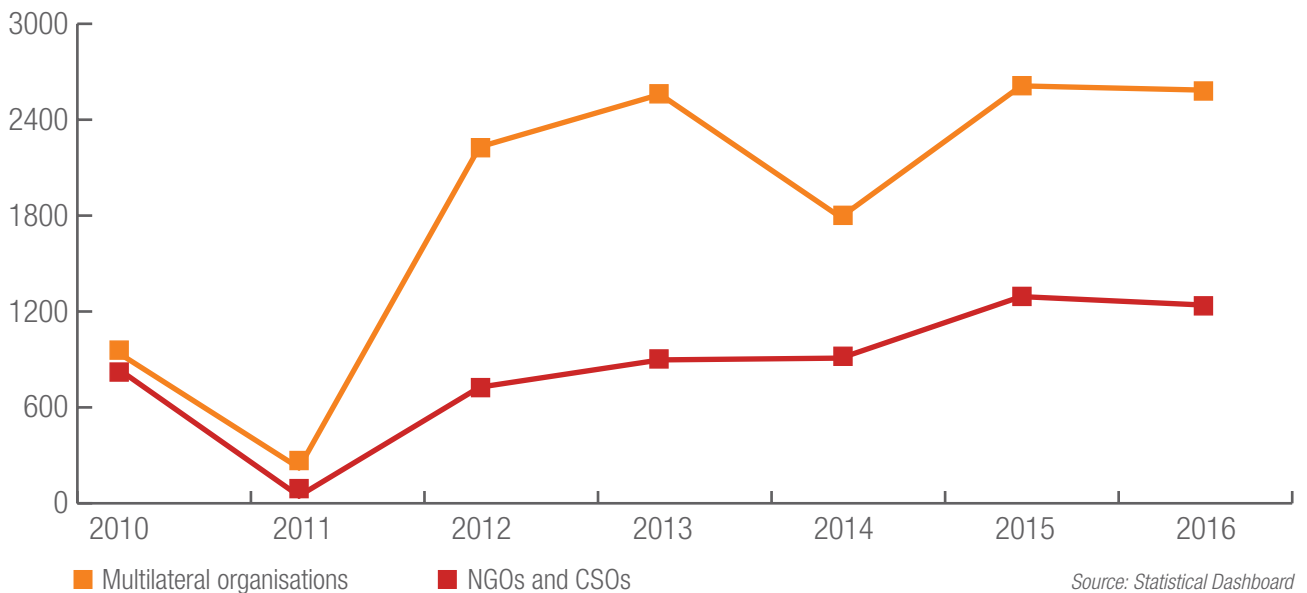


Figure 3: Increase to multilateral organisations from DGs DEVCO, NEAR and ELARG (millions €)

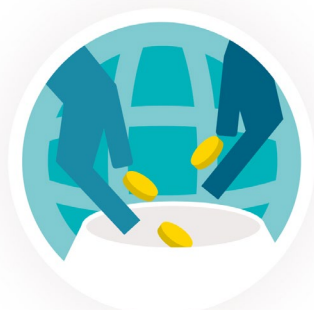


So, we see that **while the EC's policy is to work more with CSOs, in practice it is working more with CSOs in certain geographical areas**, related to the different interventions needed there, and shifting towards other partners in developing-country contexts. It may not be far-fetched to suggest that sending more funding towards different kinds of work in zones of politicised and

political crisis, and laying such a geographic focus on the neighbourhood areas, could result in less funding for CSOs in LDCs, and the traditional development work they do there.<sup>7</sup> It may also be connected to a policy shift from a value-driven to more interest-oriented EU external relations: this perceived trend could affect the dynamics of EC–CSO relations.

<sup>7</sup> This discussion may be continued in CONCORD publications on migration and security. See: <https://concordeurope.org/2018/02/15/security-aid-aidwatch-paper/>

# III. OBSERVATIONS ON THEMATIC INSTRUMENTS

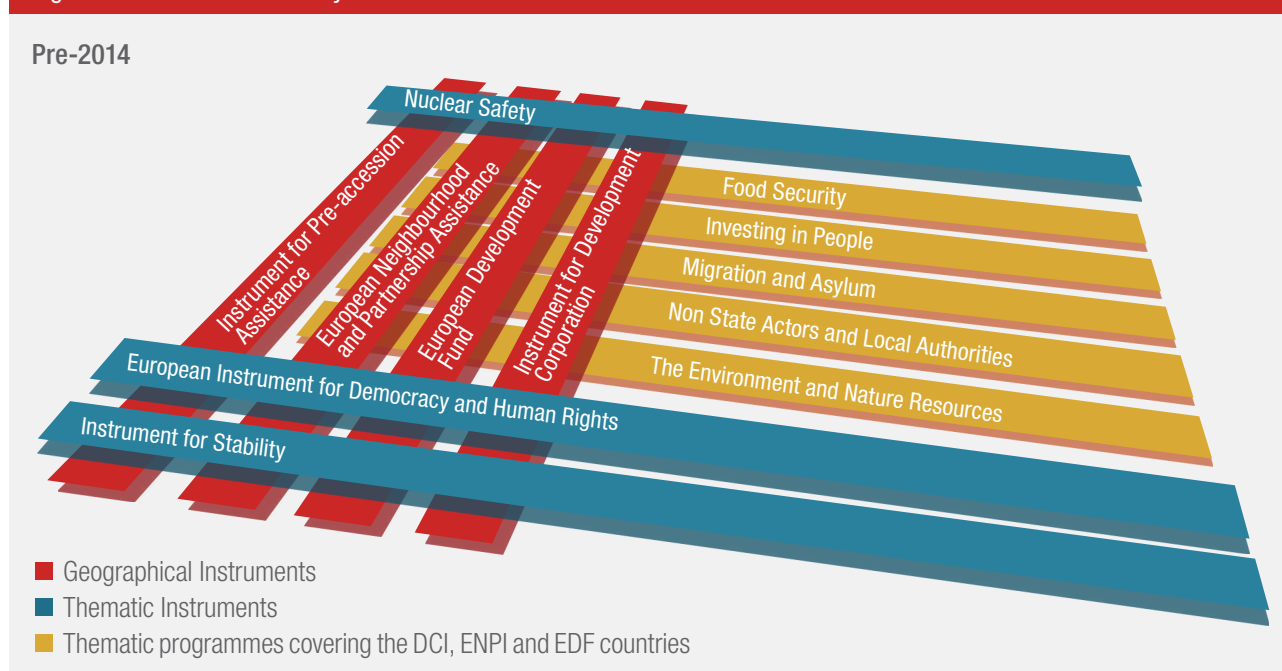


Without contradicting any of the trends identified by the geographical redistribution of CSO partnerships, an examination of the thematic instruments over the same timeframe shows important shifts in the areas of work the EC offers to CSOs for implementation and thus access to funding. Between 2010 and 2016, the EC made a clear move towards using CSOs to implement human rights, advocacy, peace and stability, and capacity-building work, rather than partnering on development projects in “traditional” sectors such as nutrition and food security, education and human development. The trend is

confirmed by our first previews of the 2018–2020 CSO-Local Authorities (CSO-LA) Multiannual Indicative Programme (MIP), in which country-based support to CSOs as service deliverers is expected to be limited to a few key priority areas predefined by the EC.

From the previous to the current MFF, a new palette of development cooperation instruments was designed<sup>8</sup> to improve the delivery of aid, and also to implement EU policies not limited to the Millennium Development Goals, the Busan framework,<sup>9</sup> the 2011 Agenda for Change<sup>10</sup> and the 2012 CSO Communication. With new regulations (to which CSOs contributed their points of view to the extent possible through formal and informal consultations and advocacy), the new MFF renamed, refocused and reorganised the development programmes. As a whole, the sectors addressed did not change, even where the instrument architecture reorganised them. The most dramatic change was under the new Development Cooperation Instrument (DCI), where the large new GPGC programme swallowed up the “traditional” sectors of human development, environment and climate, and others.

Figure 4: Pre-2014<sup>i</sup> and today’s EU external action instruments

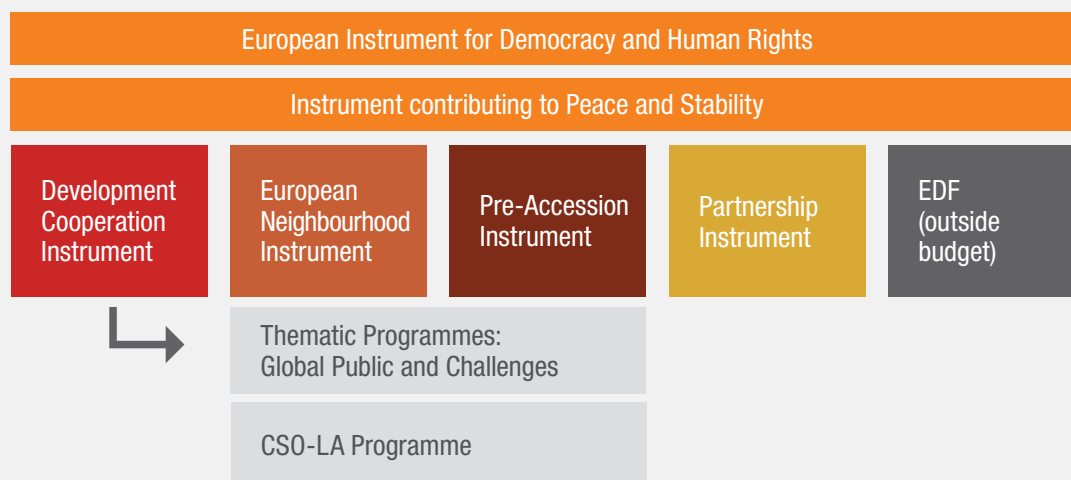


<sup>8</sup> For a detailed description of all the instruments from a CSO perspective, please refer to CONCORD’s “Guide to EuropeAid funding instruments 2014–2020: CSO engagement in EU development cooperation”, 2014: [https://concordeurope.org/wp-content/uploads/2016/08/guide\\_to\\_europeaid\\_funding\\_instruments\\_2014-2020.pdf?997099&997099](https://concordeurope.org/wp-content/uploads/2016/08/guide_to_europeaid_funding_instruments_2014-2020.pdf?997099&997099)

<sup>9</sup> Busan Partnership, Article 22: “CSOs play a vital role in: enabling people to claim their rights; promoting rights-based approaches; shaping development policies and partnerships; overseeing their implementation. They also provide services in areas that are complementary to those provided by states.”

<sup>10</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, “Increasing the impact of EU Development Policy: An Agenda for Change”, 13 October 2011 [SEC (2011) 1172 final]

## External Action Instruments MFF 2014-2020



<sup>i</sup> EC brochure, "Introduction to the thematic instruments and programmes 2011-2013", July 2012, p. 8.  
[https://ec.europa.eu/europeaid/sites/devco/files/publication-introduction-thematic-instruments-programmes-2011-2013\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/publication-introduction-thematic-instruments-programmes-2011-2013_en.pdf)

In the new architecture, the CSO-LA programme is obviously aimed at partnership with CSOs, encompassing the main vehicle for implementation of the 2012 CSO Communication. Similarly, the European Instrument on Democracy and Human Rights (EIDHR) continues to work mainly with CSOs, as it has for many years. The implementing partners of the external instruments were made explicit in the regulations and MIPs.<sup>11</sup> CSO-LA and EIDHR were the instruments designed for partnership with CSOs, while the GPGC's main partners would be the UN and other international organisations, with small percentages available for CSOs. At the level of legislation, CSOs' access to EU funds was limited in some sectors and channelled towards others.

From the sector perspective, analysis of the Annual Action Plans (AAPs) on Human Development over the years 2010–2016 (IIP/Investing in People programme before 2014) shows a sharp drop in funds accessible to CSOs (see Figure 4). At the same time, CSO-LA funding for CSOs was broadened, but its scope closed out the development implementation projects that were possible under IIP and available to the UN under GPGC. Similarly, the GPGC Environment and Climate envelope was double that of its predecessor, the Environment and Natural Resources Thematic Programme. But based on commitments in the AAPs, CSO access here did not double: instead it diminished dramatically (see Figure 5). There is a discrepancy

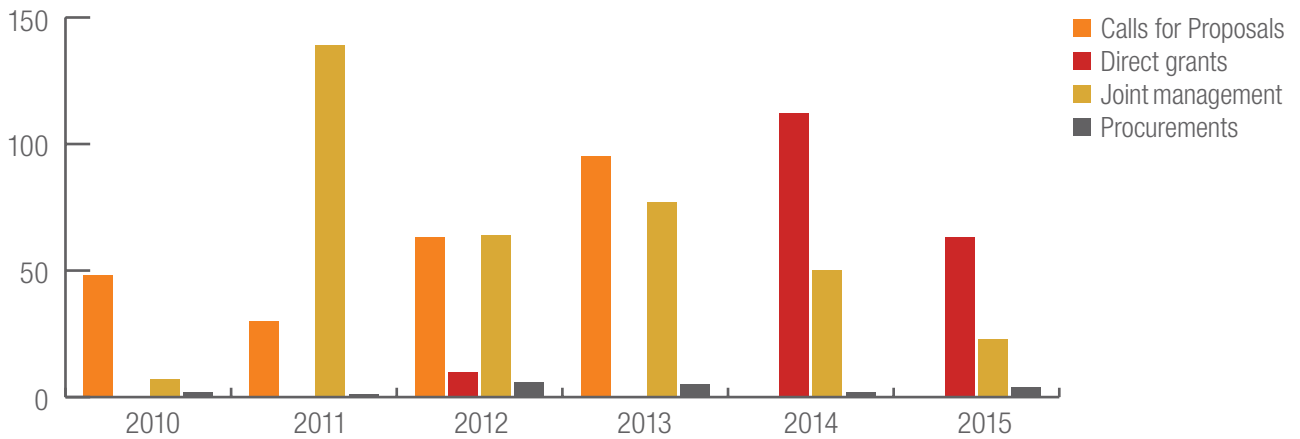
between discourse and practice if the EC claims an important programme implementation role for CSOs but makes ever fewer commitments aimed at or accessible to CSOs.

The opposite trend is visible through analysis of AAPs for the Instrument contributing to Stability and Peace (IcSP), and its predecessor, Instrument for Stability (IfS), covering a sector where a greater role for CSOs is being encouraged both in discourse as well as in access to funding. Here, commitment to implementation by CSOs is clearly growing over the 2010–2016 period, joining up with the steady, high levels of EIDHR and the CSO component of CSO-LA.

Another programme-level trend that seems to impact on CSO access to funding is the redeployment of funds towards priority objectives framed in an EU Trust Fund. The current MFF allows Trust funds and other new action types to respond to issues where programming flexibility is needed. Funds are pooled from different sources, beyond the EU budget and the European Development Fund (EDF), and actions may stretch across the usual thematic silos to fill gaps. CONCORD has considered data from three such Trust Funds: the EU Emergency Trust Fund for Africa; the Madad Trust Fund, which concerns the crisis surrounding Syria; and the Bêkou Trust Fund, which addresses the Central African Republic.

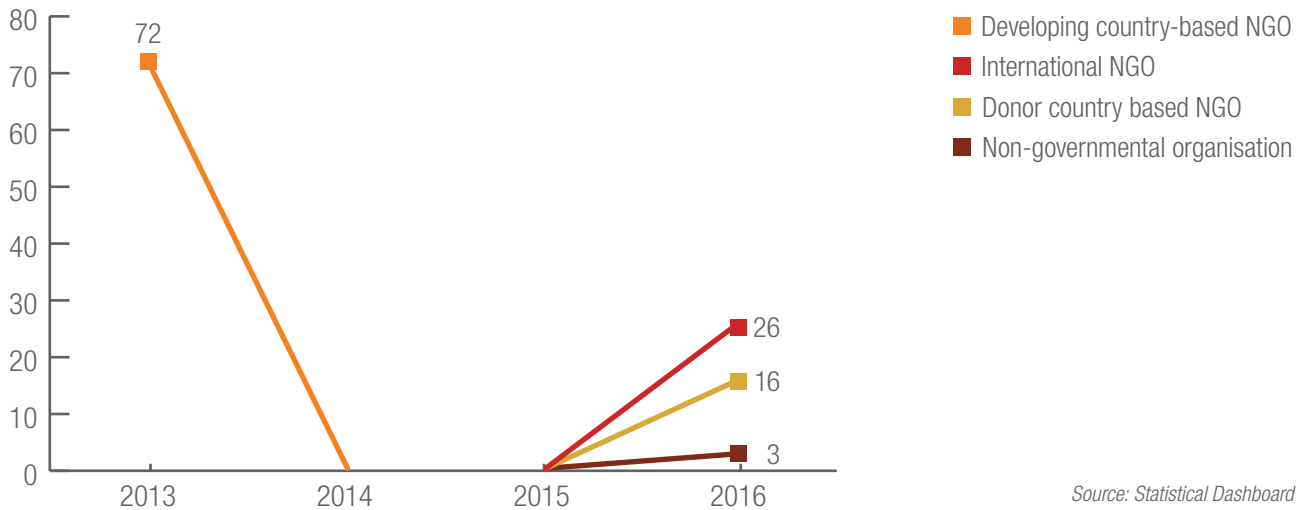
<sup>11</sup> For examples of this language, see: DCI Regulation, Article 8, "Civil Society Organisations and Local Authorities . . . . The actions to be financed shall be primarily carried out by civil society organisations and local authorities." GPGC MIP 2014–2017, under Health, 51, "Modalities: Direct management by the Commission through inter alia calls for tenders and proposals and direct grants, as well as indirect management through inter alia contributions to initiatives coordinated by international organisations (e.g. UN) and EU MS Agencies are foreseen, in particular for global initiatives with international organisations (GFATM, GAVI, WHO, UNFPA). CSO support features strongly through substantial contributions to the Global Fund that disburses more than a third of its resources (of about 3.5 billion USD/yr.) directly to CSOs." GPGC MIP, under education, p. 54, and identical text under promotion of child well-being, p. 60, "Modalities: Direct management by the Commission through inter alia calls for tenders and proposals and direct grants, as well as indirect management through inter alia contributions to initiatives coordinated by international organisations (e.g. UN) and EU MS Agencies are foreseen. When the purpose is to promote grass root organisations, the programme will mainly be implemented through calls for proposals, whereas indirect management will be used when the aim is to address partner countries' structural problems." The employment, decent work, skills, social protection and social inclusion component modalities section is identical except that it removes the final section referring to CSOs.

**Figure 5: The Calls for Proposals disappear in favour of direct grants in the EC Annual Action Plans in the human development sector (millions €)**



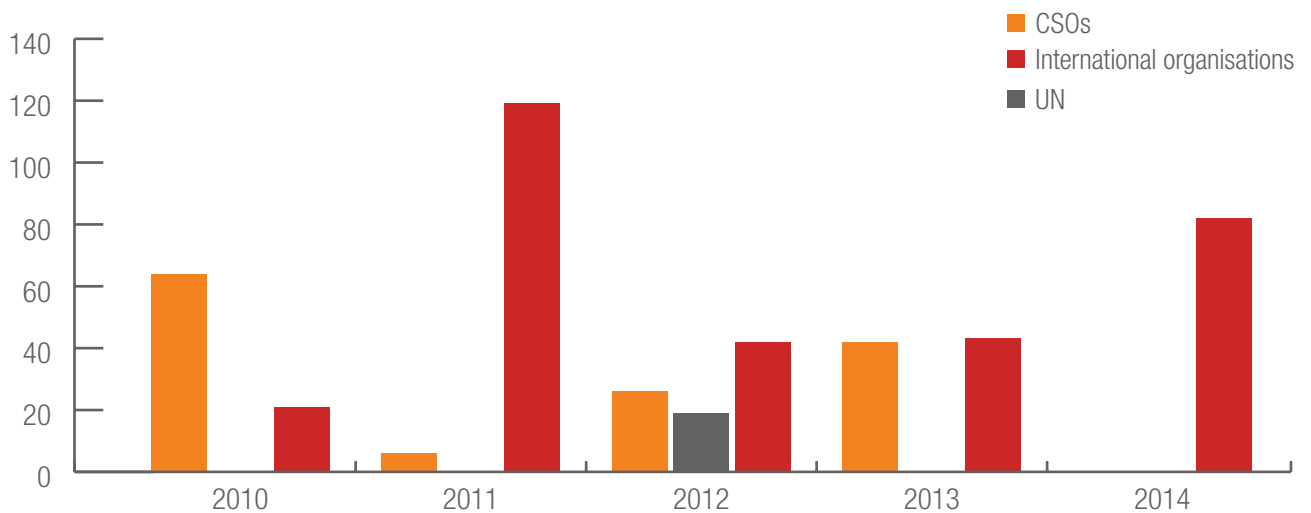
Source: CONCORD ISG analysis of Annual Action Plans

**Figure 6: The dramatic picture of commitments to NGOs under human development (DCI-GPGC) (millions €)**



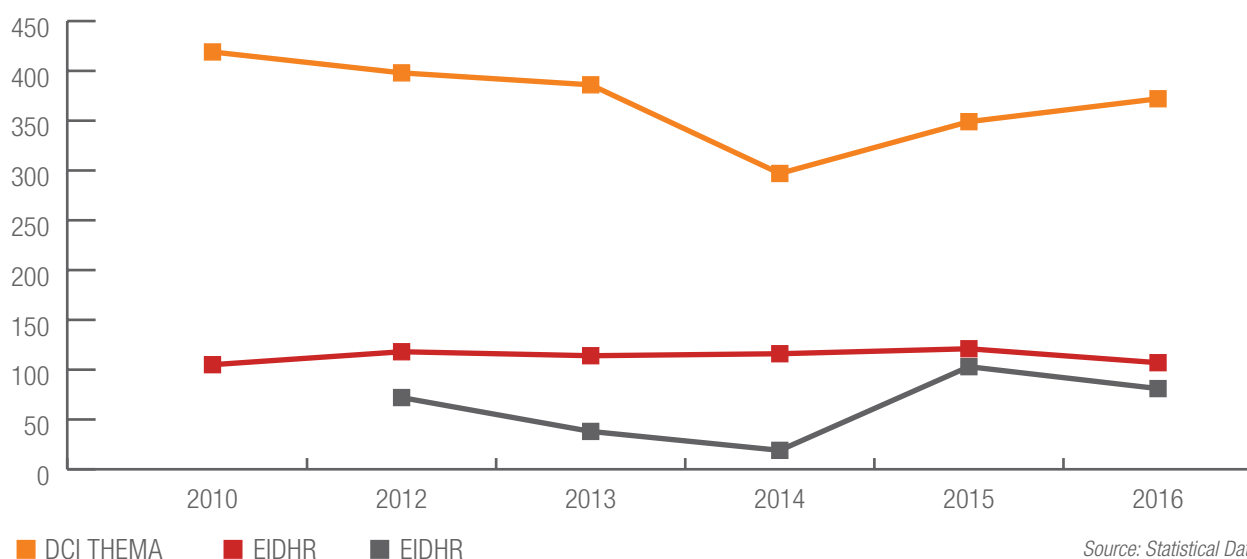
Source: Statistical Dashboard

**Figure 7: CSOs disappear from the AAPs for Climate and Environment after 2013 (billions €)**



Source: CONCORD ISG analysis of AAPs

Figure 8: CSO accessibility 2010–2016, selected instruments. DCI themes include CSO-LA, human development and environment (millions €)



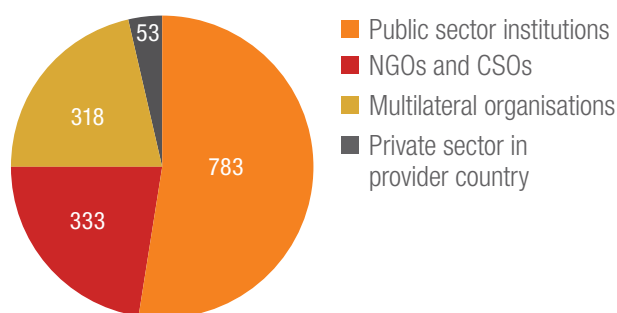
Source: Statistical Database

The data show that on average about a quarter of the EU Trust Fund money is spent through NGOs.<sup>12</sup> However, the large envelopes of funding that were diverted towards the Trust funds may have been accessible to more CSOs had they remained within DCI<sup>13</sup> or EDF.<sup>14</sup> To access Trust Fund contracts, CSOs have had to learn and apply new sets of rules, or experiment in the absence of rules. And not all CSOs could afford to make this effort above and beyond the onerous EU administrative and regulatory frameworks they have invested to comply with. In some cases, Trust Fund implementation is entrusted to other entities, such as EU member state agencies, whose rules are completely different, and often new to the EU’s CSO partners. In sum, budget transfers from EC instruments and the EDF to new priorities, geographical areas and rule sets through Trust Funds prevent many CSOs from accessing this funding.

Concentrating CSO access into a few thematic instruments and limiting access to others seems to reflect the evolution of the EU’s view of CSOs from development implementers to actors of political change. DG DEVCO’s CSO report highlights the EC proposal in 2016 to the European Consensus on Development, committing to “promote operating space and enabling environment for CSOs to play their full role as advocates and implementers”<sup>15</sup> (emphasis added). Nevertheless, the final

version of the Consensus commits “to allow [CSOs] to play their roles as independent advocates, implementers and agents of change, in development education and awareness raising and in monitoring and holding authorities to account”,<sup>16</sup> not in direct human development work. In achieving recognition as actors rather than service-delivery implementers, the trend now shows CSOs pigeonholed into receiving mainly “funding to CSOs” and accessing much less of what was once “funding through CSOs”.

Figure 9: EU trust funds: the EU Emergency Trust Fund for Africa, Madad Trust Fund and the Bêkou Trust Fund: committed amounts of the €2,2bn total



Source: EC Statistical Dashboard

12 This figure varies considerably among the different trust funds and their operational windows.

13 According to the Dashboard, the overall rate of DCI committed expenditure to NGOs is about 20% during the trust fund years, 2014–2016, lower than the nearly 25% average of trust funds. However, only donor country and international NGOs were contracted in the case of the EU Emergency Trust Fund for Africa, while no recipient country NGOs were, suggesting that the breadth of CSO recipients declined considerably, even if overall amounts prove higher.

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15 CSO report, p. 23 (Pull-out quote)

16 Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission: “The New European Consensus on Development – ‘Our world, our dignity, our future’”. 8 June 2017, (2017/C 210/01), paragraph 88 : [https://ec.europa.eu/europeaid/new-european-consensus-development-our-world-our-dignity-our-future\\_en](https://ec.europa.eu/europeaid/new-european-consensus-development-our-world-our-dignity-our-future_en)

# IV. GRANT SIZES AND MODALITIES



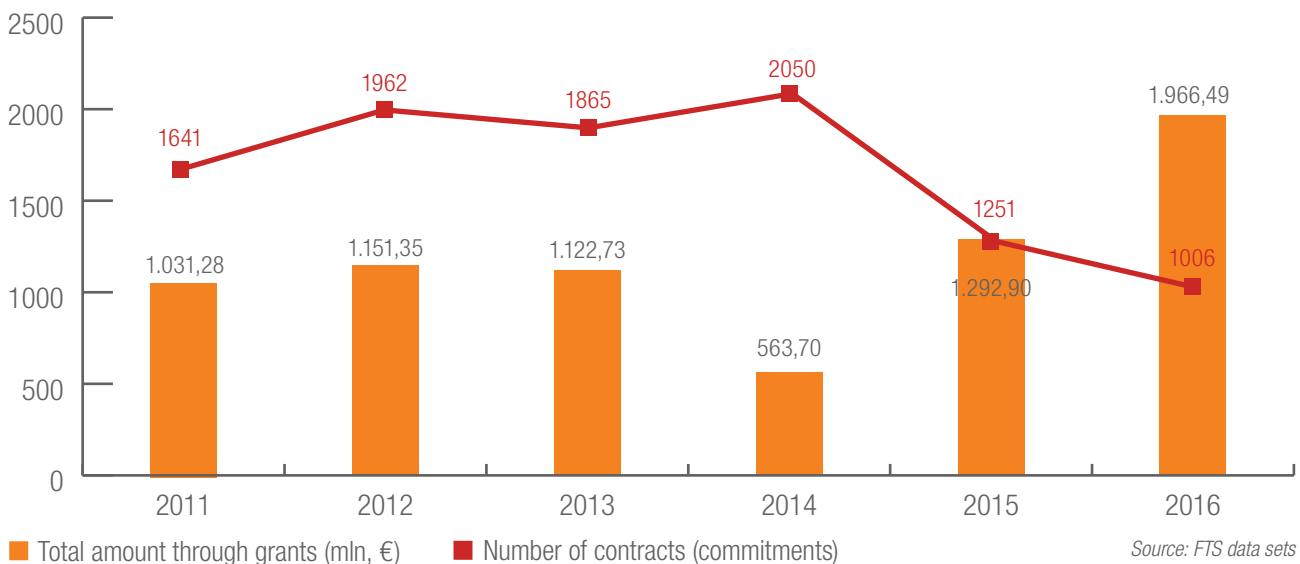
At the same time as instruments were redesigned for the 2014–2020 MFF, a new Financial Regulation came into effect, along with Common Implementing Rules for external affairs instruments. Innovations included allowing for flexibility instruments such as Trust Funds, as well as new funding modalities for spending. Despite introducing new ways of planning, contracting and spending, the MFF brought harsh cuts to the EU’s budget for administration. Fewer Commission staff would be responsible for higher budgets per capita, at the same time as facing a steep learning curve for new instruments, modalities and partners.

The administrative and financial pressure on EC staff may cause **a trend favouring larger grant sizes and a corresponding reduction in the number of actual grant contracts**. Data from 2011 to 2016 clearly show that average grant sizes grew, while the number of commitments

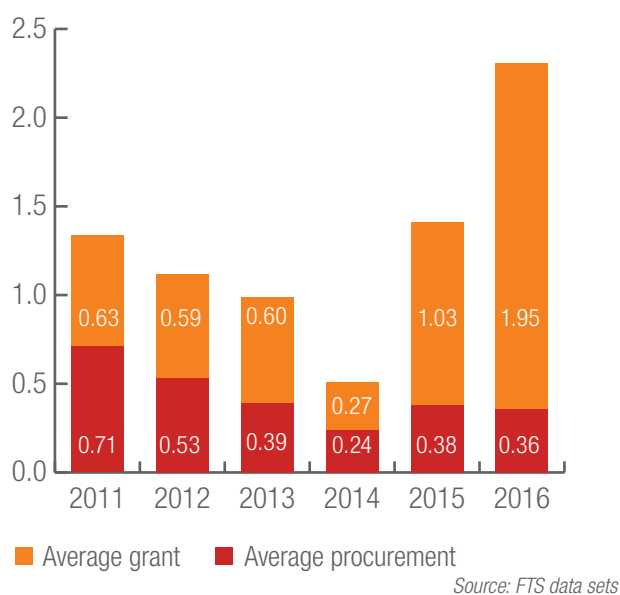
fell (see Figure 10). CfPs have increasingly required larger consortia, and higher minimum grant amounts. There are still programmes reserved for small grants, such as the country-based support schemes under EIDHR, or others under CSO-LA. But the vast majority of EU funding is now going through larger individual contracts under geographical envelopes, the GPGC and Trust Funds, that not all CSOs can access. In recent years, EU delegations in developing countries typically issue a single CfP for both EIDHR and CSO-LA, in effect reducing the number of opportunities that country-based CSOs have to apply for EC grants. Missing this opportunity or an unsuccessful application can mean waiting years for another chance to partner with the EU.

New funding modalities have brought with them **a shift from direct to indirect partnership with CSOs**. One innovation appearing in more and more DCI CfPs, known as “regranting” or “third-party financing”, requires grant recipients to use part of the funds to offer small grant schemes to local CSOs and lower-capacity entities. It is worth noting that EC grants to UN agencies have typically been subcontracted or regranted to NGOs for many years. Outsourcing the administrative burden, even when the UN middleman can be seen as adding some value, results in losses of overall amounts reaching beneficiaries. In both cases, the final CSO recipient of EC funding is a step removed from the partnership relationship with the EC. Financial data collection is not yet sophisticated enough to clearly identify CSOs as the ultimate recipient of the EC funds. While from the perspective of financial and administrative efficiency it may seem desirable for the EC to work mainly with the CSO and UN partners that can handle the largest contracts, this can raise risks for partnerships and transparency.

Figure 10: An increase in funds but decrease in the number of contracts suggests larger grant sizes (millions €)



**Figure 11: Average grant sizes have grown much more than procurement contract sizes (millions €)**



**Figure 12: Comparison of number of grants and procurement commitments of DG DEVCO and DG NEAR**



The **balance between grants and procurement** for DG DEVCO and DG NEAR budget implementation has also changed from 2011 to 2016, with the number of grants falling sharply since 2014 while procurement commitments have remained constant (see Figure 12). This is notable because grants are the form of contract most accessible to CSOs, while procurement-elicited service contracts are more accessible to the private sector and to large consortia (that may include NGOs). Grants are also positively associated with the CSO partnership because they maintain the contract holder’s right of initiative, allowing for field-based, bottom-up interventions, whereas with service contracts the EC directs what is done. Grants let the partner’s experience, specialised expertise and mission add value to the budget expenditure.

Finally, the new rules have allowed for a **shift away from the CfP** as the main mechanism for identifying grant recipients and CSO partners. CfPs are burdensome to applicants as well as to donors, but they do extend access to EU grants to a wide array of entities, especially CSOs in a transparent, accountable manner. In the absence of more accessible calls for expressions of interest, CfPs remain the most accessible among EU funding delivery mechanisms that are widely in use. Until a similarly accessible alternative is found, the shift away from CfPs is therefore a worrying trend for CSO access to EU funding.

The new Framework Partnership Agreement (FPA) under CSO-LA used a call for expressions of interest in 2015 to identify political dialogue partners that may at some point be able to access related funding through a restricted call or direct award. Due in part to the rise in unstable country contexts around the world, but also connected to the heavy administrative burden of issuing a CfP, more and more grant expenditures are now being committed through direct awards at EU delegation level.<sup>17</sup>

These changes in the modalities used by EU funding programmes affect which implementing partners are identified, as well as the quality of the partnerships, and limit CSO access to EU funds. For example, most CSOs are excluded from those modalities that require pillar assessment: pillar-assessed modalities (implementation entrusted to an entity under indirect management) selected in the instrument or planning document preclude CSOs from accessing some development funding. Even where CSOs formally have access, the breadth of CSOs that can handle larger grant sizes, carry out regranting, engage in procurement, and achieve direct granting or an FPA is much narrower than the rich array of past and potential CSO partners that are best placed to bring added value to EU development programme implementation.

<sup>17</sup> For a thorough discussion of the EU’s new funding delivery mechanisms, see CONCORD, “EU Funding Delivery Mechanisms: New Trends in EuropeAid Funding, and what they mean for CSOs”, 2016: [https://concordeurope.org/wp-content/uploads/2016/03/CONCORD\\_publication\\_EUfunding\\_DeliveryMechanisms.pdf](https://concordeurope.org/wp-content/uploads/2016/03/CONCORD_publication_EUfunding_DeliveryMechanisms.pdf)



# V. CONCLUSION AND RECOMMENDATIONS

The following recommendations derive from the earlier discussions and may be used in advocacy towards EU decision-makers.

**1** Despite the newly-published Statistical Dashboard allowing access to data about EU funding to and through CSOs and EU external action spending more generally, the claim made in the EC's report on EU Engagement with Civil Society<sup>18</sup> that external action support to CSOs has now reached €2bn remains unsubstantiated. This challenge is a reminder that the EC still has steps to take towards better data coherence and transparency. Following the funds, through regranting and outsourcing up until the final recipient, would be the aim. Nonetheless, DG DEVCO deserves recognition for the Statistical Dashboard, representing real progress in these areas.

► **Recommendation to the EC:** Continue improving and publishing data on financing for EU external action.

**2** The CSO-EC partnership today is more and more based on formalities (FPA, structured dialogue) rather than implementation (grants and programming, including input processes). It is positive that the EC sees civil society as a dialogue partner. Nevertheless, the multiple roles of civil society need to be respected and continuously supported.

► **Recommendation to DG DEVCO:** Ensure that formal tools for partnership are substantiated by operational partnership with a representative array of CSOs.

**3** CSOs are characterised by being polyvalent; it is a waste of the partnership to expect them to fit into the political actor box only. The EC should enable CSOs to contribute to thematic programmes other than CSO-LA and EIDHR to bring to the table their valuable grassroots-level access and experience, much needed in Least Developed Countries, and serving a variety of Sustainable Development Goals (SDGs). If the EU wants to contribute to development in the best way possible, it will be active in finding and supporting CSOs that are doing good work.

► **Recommendation for DG DEVCO, especially the Civil Society Organisations, Foundation (A5 Unit):** Enable and encourage CSOs to partner in all operational sectors and promote CSO partnership among geographical and thematic management units. Champion partnership with CSOs in the next GPGC MIP.

**4** Programmes built for CSO access, such as CSO-LA and EIDHR, should be complementary to accessible envelopes for CSOs in all programmes, rather than replacing them.

► **Recommendation for EC management and Council decision-makers:** Include CSO envelopes in all geographical programmes to ensure the value-added of CSO partnerships across the board. At the same time, maintain privileged accessibility to CSO-LA and EIDHR to encourage political activity, advocacy and defence of human rights around the world.

**5** In the experience of the previous MFF, when instruments are consolidated (GPGC), CSOs seem to lose out. For the new MFF, the pressure to simplify is likely to lead to a single External Action Instrument. A CSO implementing partnership can be a principle across the new instrument.

► **Recommendation for the European Parliament, the MFF drafters and Council decision-makers on the MFF:** Learn from past experience of consolidating budget lines, and be sure to maintain CSO access to geographical and thematic development programmes within the new External Action Instrument. Recognise CSOs in the new instrument as an operational partner and values-based ally in development cooperation and external relations.

**6** The EC's funding patterns should not exacerbate the shrinking space for CSOs in Europe and partner countries. EC development cooperation has a secondary effect, or "European Added Value", of bolstering support for the EU among citizens, while European CSOs channel citizens' solidarity. Partnering with a diversity of CSO shapes and sizes in Europe helps to maintain trust in development cooperation as an EU policy area.

► **Recommendation to the EC:** Be aware that limitations to partnership with European CSOs may adversely affect solidarity among citizens. As a matter of European Added Value, consider the interconnectedness of values-based development cooperation and citizenship when identifying funding modalities and implementing partners.

<sup>18</sup> EC, "Report on EU Engagement with Civil Society", 2017. [https://ec.europa.eu/europeaid/report-eu-engagement-civil-society\\_en](https://ec.europa.eu/europeaid/report-eu-engagement-civil-society_en)



**7** What conditions make funding more accessible to what kind of CSO? Awareness of these factors would help to implement policies on the EC-CSO partnership more coherently. Both implementers and EC staff would benefit from alternative modalities to CfP: before issuing them, the EC should think about how accessible they are to various types of CSOs. Likewise, more transparent implementation of Trust Funds would render the (flexibility-oriented) modalities used more accessible to CSOs.

► **Recommendation to EC planners and project managers:** Consider more carefully the conditions that make funding more or less accessible to different kinds of CSOs when choosing implementation modalities. Use other donors' models and other Commission DGs' practices to find ways to cooperate with CSOs that avoid the bureaucratic weight of CfPs. Examples might include follow-up grants and special conditions for "newcomers" to grant seeking.

**8** Limitations of EC administrative capacity may be one of the main reasons that we have been seeing bigger, less accessible grants and other modalities since 2014. Giving inadequate attention to administration budgets can undermine effective implementation – including the choice of implementation partners. The EC might also consider saving administrative resources by switching trends between grants and tenders: making bigger, fewer procurement contracts and offering more attention to the issuance of grants.

► **Recommendation for Member States, Council and European Parliament budget decision-makers:** Provide adequate and realistic resources through the administrative heading to properly implement the next MFF.

**9** Given the pressure on EU staff in headquarters and delegations to implement development budgets, the system of assigning Focal Points to civil society, human rights and other categories may be hindering rather than helping. Very often, especially in smaller European Union Delegations (EUDs), the same person wears several of these hats.

► **Recommendation for DG DEVCO, especially the Civil Society Organisations, Foundation (A5 Unit):** Streamline the approach to CSO relations in EUDs to take pressure off the Focal Points.



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# ABBREVIATIONS

<b>AAPS</b>	ANNUAL ACTION PLANS
<b>CFPS</b>	CALLS FOR PROPOSALS
<b>CSO-LA</b>	CIVIL SOCIETY ORGANISATIONS AND LOCAL AUTHORITIES PROGRAMME
<b>CSOs</b>	CIVIL SOCIETY ORGANISATIONS
<b>DCI</b>	DEVELOPMENT COOPERATION INSTRUMENT
<b>DG</b>	DIRECTORATE GENERAL
<b>DG DEVCO</b>	DIRECTORATE-GENERAL FOR INTERNATIONAL COOPERATION AND DEVELOPMENT
<b>DG NEAR</b>	DIRECTORATE-GENERAL FOR NEIGHBORHOOD POLICY AND ENLARGEMENT NEGOTIATIONS
<b>EC</b>	EUROPEAN COMMISSION
<b>EDF</b>	EUROPEAN DEVELOPMENT FUND
<b>EIDHR</b>	EUROPEAN INSTRUMENT ON DEMOCRACY AND HUMAN RIGHTS
<b>EU</b>	EUROPEAN UNION
<b>EU MS</b>	EUROPEAN UNION MEMBER STATES
<b>EUDS</b>	EUROPEAN UNION DELEGATIONS
<b>FPA</b>	FRAMEWORK PARTNERSHIP AGREEMENT
<b>FTS</b>	FINANCIAL TRANSPARENCY SYSTEM
<b>GPGC</b>	GLOBAL PUBLIC GOODS AND CHALLENGES PROGRAMME
<b>ICSP</b>	INSTRUMENT CONTRIBUTING TO STABILITY AND PEACE
<b>IFS</b>	INSTRUMENT FOR STABILITY
<b>IIP</b>	INVESTING IN PEOPLE PROGRAMME
<b>LDCS</b>	LEAST DEVELOPED COUNTRIES
<b>MFF</b>	MULTIANNUAL FINANCIAL FRAMEWORK
<b>MIP</b>	MULTIANNUAL INDICATIVE PROGRAMME
<b>NGO</b>	NON-GOVERNMENTAL ORGANISATION
<b>ODA</b>	OFFICIAL DEVELOPMENT ASSISTANCE
<b>SDGS</b>	SUSTAINABLE DEVELOPMENT GOALS
<b>UN</b>	UNITED NATIONS

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