



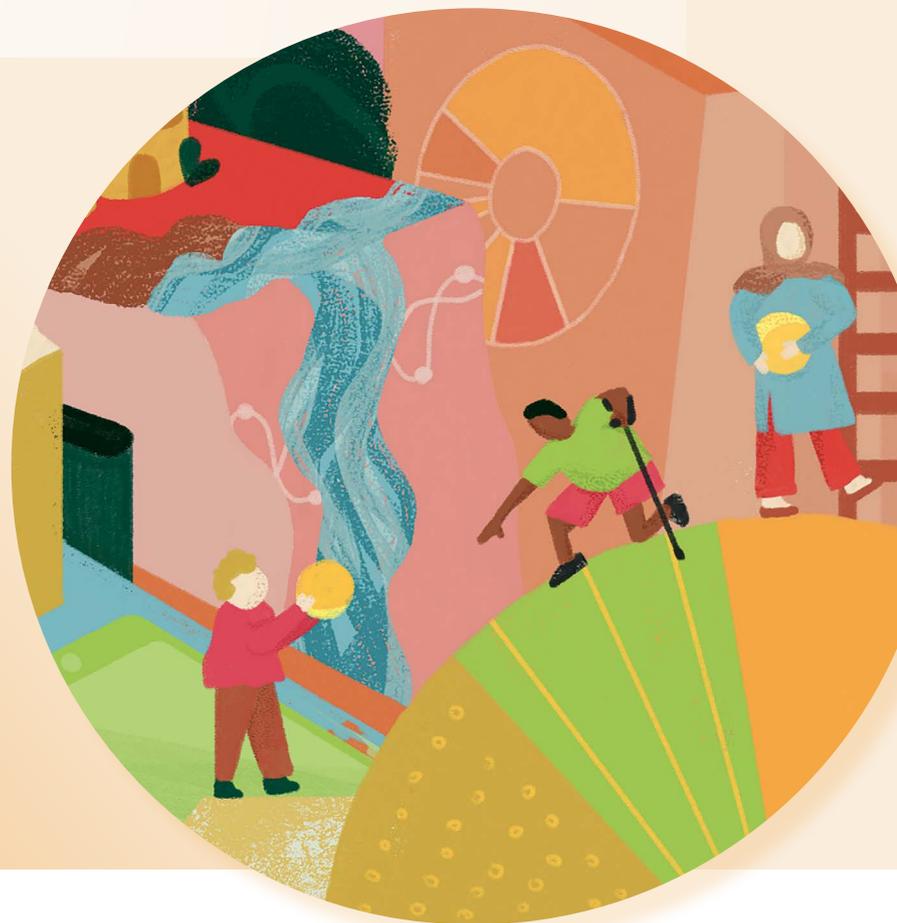
# CONCORD

European Confederation of NGOs working on sustainable development and international cooperation

# WHO HOLDS THE LION'S SHARE?

## A closer look at Global Europe Funds for CSOs

SEPTEMBER 2023





# EXECUTIVE SUMMARY

The role of Civil Society Organisations in implementing development cooperation programmes and providing funding for CSOs is a key aspect of EU international partnerships. Likewise, for many CSOs the EU partnership is a vital source of income for their programmes. In recent years, the changes in EU international cooperation programmes have impacted the distribution and diversity of EU funding for CSOs. As the findings of this study suggest, the partnership practices and funding mechanisms under the EU Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI-Global Europe) no longer allow CSOs to effectively contribute to the implementation of all EU international cooperation programmes and do not enable CSOs to maximise their contribution to sustainable development.

The current regulatory framework and partnership practices hinder equal and fair access to EU programmes by the full range of civil society actors. The study shows that this is linked to the reduced capacity of the EU entities responsible for the management of international cooperation and the widespread use of the 'indirect management' mode, whereby large amounts of the NDICI-Global Europe budget are delegated to EU Member State international cooperation institutions or agencies, and international organisations. Our analysis of action plans and measures for the NDICI - Global Europe geographic programmes suggests that almost 60% of funding is delegated to 'pillar-assessed entities'<sup>1</sup>, and therefore outsourced to other international cooperation organisations.

We recognise that CSOs have privileged access to EU thematic programmes such as 'Civil Society Organisations' and 'Human Rights and Democracy' to encourage contributions to influencing policy, advocacy and defence of human rights around the world. However, these programmes contain modest resources representing around 3% of the overall NDICI-Global Europe budget and do

not cover the spectrum of CSO expertise and implementation capacity. CSOs are not only policy advocates, but also major implementing partners, who play a role in service provision, especially where the duty bearers do not fulfil this role adequately. CSOs are also valued for their vital role in bringing the voices of those suffering from poverty and inequality into development processes and thus in helping to meet the 2030 Agenda commitment to leave no one behind. Recognising that CSOs play a wide range of important roles in international cooperation, which contribute to the achievement of the Sustainable Development Goals (SDGs), it follows that they should be appropriately supported throughout the whole NDICI-Global Europe programme.

It is encouraging that the EU acknowledges CSOs as partners in dialogue and advocacy. However, for this partnership to be mutually beneficial, accountable and transparent, the EU must ensure that effective and standardised tools, such as regular consultation and dialogues, are given effect operationally and through a diversity of CSO funding mechanisms under the NDICI-Global Europe budget. These funding mechanisms must be adapted to the new geographic programmes, recognise the diversity of CSO actors and cover new initiatives such as the Team Europe approach and Global Gateway. They must also reflect the reduced administrative capacity of DG International Partnerships (DG INTPA), DG Neighbourhood and Enlargement Negotiations (DG NEAR) and the EU Delegations.

In light of the Mid-Term Review of the NDICI-Global Europe which will be completed in 2024, this study offers the following recommendations to improve the diversity and transparency of funding for CSOs under the instrument and to support the EU in achieving its international cooperation commitments, for the remainder of the implementation period and beyond:

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<sup>1</sup> Pillar-assessed entities encompass a range of institutions that have been assessed and certified for their financial capacities. EC Terms of References for pillar assessments.

# Programming and implementation recommendations for NDICI-Global Europe



## Allocate earmarked budgets for CSO funding across all NDICI-Global Europe geographic and thematic programmes

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### Sub-recommendations

- Embrace the two types of objectives for working with CSOs: to strengthen a pluralist and independent civil society in partner countries and to meet other development objectives beyond strengthening civil society. Recognising the diversity of CSO expertise and operational capacity, the EU should enable CSOs to contribute to the implementation of all geographic and thematic programmes other than CSO and Human Rights and Democracy (HRD) thematic programmes and enable CSOs to effectively contribute to the wider spectrum of thematic sectors beyond ‘government and CSO’ category, as confirmed by the official ODA data. The EU should acknowledge the complementary humanitarian, development and peace actions and the crucial role and contribution of CSOs in these actions.
- At least 15% of the NDICI-Global Europe geographic programmes budget should be exclusively reserved for CSOs.



## Strengthen accessibility and inclusiveness of funding under indirect management

2

### Sub-recommendations

- Rectify the imbalance between the funding mechanisms and financial flows to pillar-assessed organisations as main programme implementers on behalf of the European Commission, on the one hand, and funding mechanisms and flows to CSOs, on the other. Implement strategies to help rectify the imbalance, for example by identifying ways to allow CSOs, with relevant expertise, size and management capacity, to become “pillar- assessed entities”.
- The Financial Framework Partnership Agreement (FFPA) could be a tool to identify CSOs in a specific context and/or thematic sector to be entrusted with the management of EU fund.
- Put in place an obligation for pillar-assessed entities to include CSO partners in consortia when conceptualising their programmes under indirect management and to partner with CSOs throughout the project/programme cycle.
- Support and funding to CSOs may be fixed in action plans and measures, and by indicators in the logical framework matrix (e.g. amount of funding made available to CSOs through sub-grants).
- Establish a requirement for pillar-assessed entities to take into account indirect costs for CSO partners or sub-grantees.

- Ensure the choice of pillar-assessed entities is guided by selection criteria that consider the entity's experience and commitment to support civil society stakeholders.



### **Allocate sufficient EUD capacity and resources to implement the 'geographisation' principle**

**3**

#### **Sub-recommendations**

- Assign sufficient financial and human resources to EUD to ensure meaningful interaction and engagement with civil society beyond Gender, HRD and CSO focal points. Ensure clarity over the specific focal point that CSOs can contact for questions.
- Offer capacity-building initiatives to potential beneficiaries, especially small and local CSOs, to enhance their ability to access NDICI-Global Europe funding and become implementing partners.



### **Ensure more regular and inclusive consultation processes and greater feedback on programmatic decisions**

**4**

#### **Sub-recommendations**

- Make dialogue and consultation with CSOs more systematic and place greater emphasis on systematic dialogue at partner country level, while also maintaining opportunities for responsive, strategic and less formal ad hoc dialogue.
- Use and strengthen existing mechanisms (such as the CSO Roadmaps) for consultation at local, national, and regional levels with reasonable notice for invitation to attend consultations.
- Ensure there is appropriate and quality CSO involvement and input throughout the programming process, especially at the country level, including formulation of the MIPs, drafting of Annual Action Plans (AAP) and throughout the mid-term review process.
- Encourage EUDs to allocate sufficient financial resources to implement the CSO Roadmaps and make sure the Roadmaps include:
  - Stable participation mechanisms and follow-up processes, to ensure a continuous, transparent two-way dialogue, with context-specific inputs from CSOs and exchange on the state of civic space.
  - Diverse representation of stakeholders, including women, youth and marginalised groups, to capture a broader range of perspectives and ensure programming reaches out to those furthest behind.

- Regular dialogue with CSOs throughout the entire lifecycle of NDICI-Global Europe projects and across sectors.
- Feedback to CSOs involved in consultations on how their inputs have been taken forward.
- Mechanisms to involve more systematically CSOs in Global Gateway and Team Europe Initiatives throughout the consultation and implementation process



## Provide long-term cooperation framework for diverse CSOs

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### Sub-recommendations

- Facilitate follow-up grants (as a modality already included in the call for proposals) to CSOs in case of positive project/programme evaluation.
- Expand use of grants that allow funding for longer than an average three-year project cycle.



## Increase core funding for CSOs

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### Sub-recommendations

- Address the imbalance between project funding mechanisms for CSOs and funding flows to CSOs as independent development actors. Increase the availability of core funding/operating grants for CSOs to minimise the administrative burden on both sides and using CSOs' own or co-defined formats and organisational systems.
- Expand at geographic (country, sub-regional and regional) level the use of medium- and long-term cooperation frameworks that provide core funding to CSOs and support their "right of initiative" such as operating grants. Include the possibility for consortium, national networks and diverse types of CSOs to access them.



## Improve access to calls for proposals for CSOs

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### Sub-recommendations

- Simplify application procedures to reduce administrative burdens and encourage wider participation from a diversity of CSOs. Consider the following options:
  - Avoid open calls and favour restricted calls, that only require submitting a concept note first and then a full proposal only if the CSO is pre-selected;
  - Allow applicants to submit proposals in multiple languages for global calls (at least the four languages of the PRAG);
  - Adapt the current EU regulations to propose different administrative requirements for different sizes of grants, and reduce requirements for smaller grants (below EUR 60 000 for instance).
- Ensure that training, application materials and relevant information:
  - are available in multiple languages and published across networks, maximising chances to reach grassroots and remote CSOs;
  - provide capacity-building on OPSYS and grants in several languages;
  - include a mandatory information session by the EUD or the EC Headquarters when a call for proposal is launched.



## Augment direct and simplified financial support for local CSOs and support for a broader civil society in partner countries.

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### Sub-recommendations

- Minimise the transaction cost burden of the EU grant administrative requirements for local CSOs by using CSOs' own or co-defined formats and systems and adapting requirements to contribution size and risk level.
- Expand small granting schemes for local and small CSOs under each country programme with simplified eligibility and compliance criteria.
- Allow for full pre-financing for local CSOs and facilitate removing the co-financing requirement as this is allowed by the EU Financial Regulation in justified cases.
- Encourage the use of the Financial Support to Third Parties (FSTP):
  - Across all programmes
  - Increase the threshold above EUR 60 000 for sub-grantees

- Make sure capacity-building costs for the sub-grantee are systematically included in the FSTP budget component.
- Make sure there is no co-funding required for the FSTP component of a grant, as it is extremely difficult for applicants and small/local CSO to find co-funding for this type of mechanism.
- Encourage EUDs to use support measures for CSOs (planned in the NDICI-Global Europe) for collaboration and partnership with civil society and ensure the co-financing part is manageable for small CSOs.
- Expand access to operating grants to small and local CSOs (see above on core funding).

## Information and transparency recommendations



**Facilitate tracking of funding by programme, management mode and type of entity on the Financial Transparency System and in the Commission's annual report on external financing instruments**

### Sub-recommendations

- Enhance specificity and accessibility of CSO funding data under direct management for each NDICI-Global Europe programme.
- Provide detailed information on the types and diversity of CSOs involved.
- Ensure transparent tracking of funding of indirectly managed funds to ensure cost effectiveness of this management mode.
- Disclose the amount and nature of sub-granting to CSOs in projects under indirect management.

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**Ensure the EU Financial Regulation requires accessible information about recipients of EU funds and ensure use of indirect management mode is based on cost effectiveness**

### Sub-recommendations

Make the necessary amendments to the EU Financial Regulation to improve transparency of data on the spending of NDICI-Global Europe funds.

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## Ensure transparency and availability of information of action plans and measures

### Sub-recommendations

This includes:

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- Using consistent language on implementing modalities and partners
- Improving information on selection criteria for each management mode, modalities and implementing entities
- Detailing specific sub-granting amounts and modalities for CSOs under indirect management in the action plans and measures
- Give a more detailed rationale behind selection criteria especially regarding CSO types and consortium requirements.



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 <b>AKÜ</b>	 <b>fingo</b>	 <b>COORDINATION SUD</b>	 <b>VENRO</b> ASSOCIATION OF GERMAN DEVELOPMENT AND HUMANITARIAN AID NGOs	 Hellenic Platform for Development	 <b>HAND</b>	 <b>dóchas</b> The Irish Association of Non-Governmental Development Organisations
 Network delle ONG in Europa per lo sviluppo e l'emergenza <b>CONCORD ITALIA</b>	 <b>LAPAS</b> Lithuanian Platform for Development Cooperation	 <b>Cercle de coopération</b> des ONGD DU LUXEMBOURG	 <b>SKOP</b> Solidarjetät u Koperazjzoni	 <b>PARTOS</b>	 ZAGRANICA	 <b>ONGD</b> PLATAFORMA PORTUGUESA
 <b>FOND</b> Fondacija Organizacija i Inicijative za razvoj i demokratizaciju	 <b>Ambrella</b> Platform for Non-Governmental Organisations	 <b>SLOGA</b> Slovenian Global Action	 <b>LA COORDINADORA</b> DE ORGANIZACIONES PARA EL DESARROLLO	 <b>CONCORD SWEDEN</b>	 <b>bond</b>	<b>NETWORKS</b>
 <b>actalliance eu</b> Formerly AFRODEV	 <b>act:onaid</b>	 <b>ADRA</b>	 <b>Alliance 2015</b> towards the eradication of poverty	 <b>care</b>	 <b>caritas europa</b>	 <b>ChildFund Alliance</b>
 <b>CIDSE</b> together for global justice	 <b>eucord</b> European Council of Organisations for Development Cooperation	 <b>GNDR</b>	 <b>Habitat for Humanity</b>	 <b>handicap international</b> humanity & inclusion	 <b>IPPF</b> International Planned Parenthood Federation European Network	 <b>LIGHT FOR THE WORLD</b>
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 <b>wecf</b>	 <b>Wetlands INTERNATIONAL</b>	 <b>World Vision EU REPRESENTATION</b>	 <b>WWF</b>	<b>ASSOCIATE MEMBERS</b>	 <b>alda</b> European Association for Local Democracy	 <b>CARDET</b>
 <b>ea ea</b> EUROPEAN ASSOCIATION FOR THE EDUCATION OF ADULTS	 <b>EUROPEAN PARTNERSHIP FOR DEMOCRACY</b>	 <b>EUROPEAN DISABILITY FORUM</b>	 <b>INTERNATIONAL RESCUE COMMITTEE</b>	 <b>NRC NORWEGIAN REFUGEE COUNCIL</b>	 <b>Co-funded by the European Union</b>	