



Dear Members of the European Parliament,

On behalf of Social Platform and our members, we would like to express our deep concerns about the draft report on Transparency and Accountability of NGOs funded from the EU budget that you will vote on Wednesday 17 January in Plenary and are calling on you **to reject amendments 1 to 5 and Vote against the draft report.**

Despite improvements to the initial text, the draft report is still largely based on assumptions or opinions rather than facts and is not justified by any substantiated analysis by EU institutions and bodies or verified risks or malpractice. There is absolutely no evidence that NGOs are a problematic category among the beneficiaries of the EU budget or that by funding NGOs there is a further “*danger of EU funds ultimately being used within corrupt circles and being subject to fraud and irregularities, foreign interference and entryism*” (Point 13 in draft report’s general remarks).

In addition, the funding that the EU grants to NGOs – estimated by the draft report at 2,6 billion euros in 2022 including humanitarian aid – constitutes hardly 1,4 % of the budget managed directly by the EU (47% of the overall EU budget) despite the fact that, according to the draft report, the EU is the largest backer of NGOs and grants are provided for crucial services and actions considered to contribute to achieving EU goals.

The draft report also creates confusion between: i) the different obligations of transparency of the donor (the EU); ii) the responsibility of the grantee; and iii) the instruments at the disposal of the European Commission to control the funding it manages. In addition, criticism on the insufficiency and lack of user friendliness of EU databases seems to relate to information on NGO funding, while all the gaps relate in fact to information on all the beneficiaries of EU funding, including public authorities and for-profit companies.

While the European Parliament has stressed in several resolutions that the EU budget must be used more effectively to support NGOs and in particular smaller NGOs, the draft report proposes to introduce additional red tape which will further weaken their action as it will discourage NGOs from applying for EU funding. This is happening in a context of shrinking civic space and reduced availability of resources at the national level. **The draft report ignores the existing reality that NGOs funded by the European Commission are already subject to reporting and independent auditing and spot checks.** In particular, [the European Parliament’s own study](#) (September 2023), ‘Transparency and accountability of EU funding for NGOs active in EU policy areas within EU territory’, highlighted that “*there is a heavy emphasis [by the European Commission] on financial accountability. Other major [donors] tend to focus more on impact and sustainability.*” Adding additional layers of bureaucracy and administration for NGOs is not the solution.

At the same time, we are surprised to see that the draft report includes requirements that are already part of contracts, ex ante and ex post verifications, for instance on the respect of EU values and a ban on double funding.

Furthermore, NGOs would be subject to additional requirements and enhanced ex ante and ex post controls in comparison to other beneficiaries of EU funding, creating two tier financial rules.

In addition, the draft report introduces obligations only for NGOs on the respect of so-called 'EU principles' that might lead to arbitrariness as these principles are not legally defined. It also includes vague terms, such as "radical political or religious" organisations, that could be misused. Also, additional language on foreign interference is infringing the right to freedom of association, which includes the right to seek and receive funding; the latter right was recognised in the recent [Council conclusions on civic space](#) (March 2023). This contradiction is even apparent in the text of the draft report as the [ruling of the Court of Justice of the EU](#) against Hungary for the 'LexNGO' law is quoted and explained.

The draft report also questions cooperation among NGOs within funding projects which is at the heart of the freedom of association, as well as the EU project and is something that the EU incites. It also questions cascading grants that have been introduced thanks to the repeated calls of the European Parliament to ensure that EU funding reaches grassroots organisations, notably to defend EU values.

The text of the draft report suggests that NGOs are subject to lesser information requirements than other registrants of the EU Transparency Register, whereas the opposite is true. In addition, the proposal to require all NGOs recipients of EU funding, including grassroots organisations, to register even though they do not engage in any interest representation (at EU level) risks adding unnecessary and confusing data.

Finally, the draft report proposes changes to the EU Financial Transparency System (the EU database on the EU budget directly managed by the Commission) that are mostly unfeasible or risk making the database even less reliable, for instance by requiring that information on sources of co-funding to grants, whether annual or multiannual, is published six months after the signing of the grant contract.

For all these reasons, we consider the draft report in its current form to be extremely damaging to the credibility of the European Parliament towards the other EU institutions, and we call on you to vote against it, unless all the aforementioned, problematic elements are removed.

In addition, the amendments proposed to the Plenary, which have already been defeated in Committee through the adoption of a compromise supported by all the main political groups, are unacceptable and should all be rejected.

We therefore call on you to: Reject amendments 1 to 5 and vote against the draft report.

Yours sincerely,

Laura de Bonfils



Secretary General of Social Platform