



Introduction

As stated in the New European Consensus on Development¹, and reaffirmed by the Council of the European Union², the EU and its Member States recognise the multiple roles that Civil Society Organisations (CSOs) play “in the realisation of the Sustainable Development Goals (SDGs) as well as their essential role in economic, social, political, environmental, development and humanitarian fields, complementing the role of the State in providing services, reaching out to vulnerable and marginalised people, eradicating poverty, building resilience, and contributing to ensure that no one is left behind.”

As such, the EU has committed since 2012 to support CSOs in all external instruments and programmes and in all areas of cooperation, including through a “flexible and tailor-made approach to funding” in order to reach all types of CSOs.³ This commitment to support CSOs was reiterated in the specific objectives of the EU Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI-GE)⁴.

However in recent years, the changes in EU international cooperation programmes have reduced the distribution and diversity of EU funding for CSOs. The partnership practices and funding mechanisms under the NDICI-GE no longer support long-term sustainability and diversity of the civil society sector.

This paper aims to capture the main trends and issues in the EU institutions’ funding relationships with CSOs that CONCORD has identified, and highlight contradictions between the EU’s political discourse towards CSOs and the EU’s programming and funding decisions under the NDICI-GE. The purpose of this paper is to initiate a conversation with the EU institutions about the barriers CSOs face in the implementation of the NDICI-GE in

light of the upcoming mid-term review of the instrument, and contribute to potential adaptation of the funding mechanisms for CSOs.

CSO funding trends under the NDICI-GE

The nature of international cooperation and partnerships must adapt to the crises the world is facing, from climate change and biodiversity loss, to geopolitical competition or attacks on human rights. We therefore welcome that the NDICI-GE provides more coherence and flexibility. It is supported by new strategies rolled out by the European Commission such as Team Europe Initiatives, presented as a way to bring a more coordinated, collective European response, and Global Gateway, the EU’s new strategy to attract major investments from the private sector especially for large infrastructure projects.

However, we believe that a conversation is needed about the barriers CSOs face in the implementation of the NDICI-GE. Despite the EU institutions’ long established commitment to working with CSOs and financing their programmes,⁵ many CSOs around the globe are disappointed with the implementation of the NDICI-GE so far and feel excluded from decision-making processes shaping financing decisions. There is currently very little reliable data available on the implementation of the NDICI-GE. However, our preliminary analysis of the adopted Multiannual Indicative Programmes (MIPs) for 2021-2027, 2021/2022 Annual Action Plans (AAPs) and interviews with CONCORD members and civil society representatives from different EU partner countries reveal a growing sense of unease over the future place of CSOs in the implementation of EU international cooperation programmes and the EU funding landscape for CSOs. The EU-CSO partnership today is primarily based on formal consultation processes


1 https://international-partnerships.ec.europa.eu/system/files/2019-09/european-consensus-on-development-final-20170626_en.pdf

2 EU engagement with civil society in external relations - Council conclusions (19 June 2017)

3 The roots of Democracy and sustainable development: Europe’s engagement with Civil Society in external relations - Commission communication 2012 <https://www.eeas.europa.eu/sites/default/files/2012-communication-roots-of-democracy-and-sustainable-development.pdf>

4 “The Instrument should provide Union support to civil society organisations in order to pursue the values, interests and objectives of the Union. Civil society organisations should be duly consulted and have timely access to relevant information allowing them to be adequately involved and play a meaningful role during the design, implementation and associated monitoring processes of programmes” <https://eur-lex.europa.eu/eli/reg/2021/947/oj>

5 Reiterated in the GUIDELINES FOR THE PROGRAMMING OF THE NEIGHBOURHOOD, DEVELOPMENT AND INTERNATIONAL COOPERATION INSTRUMENT - 2021-2027



such as Structured Dialogues or CSO roadmaps and not sufficiently reflected throughout the programme implementation cycle and in funding modalities available for CSOs.

We have observed the following trends in the CSO funding landscape under EU international cooperation:

1. Low diversity of CSO-led programmes financed by the EU: The latest annual report on the implementation of EU external action (2021) highlights that *'EU engagement with civil society organisations remained strong'*, however it fails to provide any financial breakdown of funds disbursed to or programmes managed by CSOs.⁶ The European Commission (EC) often reiterates that funding levels from EU external programmes to CSOs are high. However, a closer look at the available data reveals some important facts about the distribution of funding. According to the most up-to-date OECD official data (2021) on the flows of official development assistance (ODA) to and through CSOs, EU institutions channelled USD 2,489m to CSOs.⁷ This represents around 10.9% of the 2021 EU institutions ODA expenditure. Of this amount, over half (USD 1,466m) was allocated for CSOs' humanitarian response programmes (mostly managed by DG ECHO, and not covered by NDICI-GE). Of the remaining USD 1,023m channelled via CSOs for international cooperation work in 2021, around half of the budget (USD 519 m) financed programmes on 'government and CSOs' (OECD categories: political activity, advocacy and defence of human rights). Only around USD 450m supported CSO work in other areas such as agriculture, food systems, education, climate adaptation, social services or environmental protection. That represents a mere 2% of the overall EU institutions' ODA expenditure in 2021. An initial assessment of the adopted 2021 and 2022 AAPs indicates that there is still little funding available for CSOs in such areas under the current Multiannual Financial Framework (MFF) and we are expecting another decline in funds available to/through CSO programmes, other than political advocacy and human rights work, in the coming years.


2. There has been a **gradual erosion in the variety of EU funding mechanisms and opportunities for CSOs.** EU funding is fast becoming available only to a smaller group of CSOs, usually large networks, niche or membership organisations. For example the recent call for proposals "Strengthening Global CSO Umbrella Organisations", required an applicant organisation to cover at least 50 countries in at least 4 continents, and to have members in 50 countries. In addition, direct awards to CSOs are increasingly used as a mechanism by the EC and EU Delegations in situations of crisis or in cases of monopoly. Whilst we recognise the need for these types of grants and funding modalities, especially in crisis situations, there are clear indications that this evolution of the funding landscape poses challenges especially for medium-sized, smaller, local CSOs and social movements, which lack the resources to navigate through the complexities of the annual programming process and the network of external 'technical assistance' teams. We would like to emphasise that funding for CSOs based in partner countries in particular remains extremely limited and there are no standard small grant funding schemes managed by EU Delegations that would be available to local organisations. This is particularly the case for CSOs led by people and communities who are marginalised, such as women's rights and women-led organisations, as exemplified by CONCORD's paper on funding local women's rights organisations.⁸

3. **The number and frequency of calls for proposals open to CSOs has been significantly reduced** and the remaining opportunities are usually limited to the thematic programmes Civil Society Organisations (CSO) and Human Rights and Democracy (HRD). We appreciate the privileged access to CSO and HRD thematic programmes to encourage policy influencing, advocacy and promotion and defence of human rights around the world. However, these programmes have relatively small budgets (around 3% of the overall NDICI-GE budget) and cover only a small portion of CSOs' technical expertise and programme operations capacity. As recognised by the EU, CSOs are not only advocacy

⁶ [2022 annual report on the implementation of the European Union's External Action instruments in 2021](#)

⁷ Data extracted from the OECD CRS database. Detailed microdata accessible on <https://stats.oecd.org/>

⁸ See also 2023 CONCORD Paper "Funding local women's rights organisations for transformative change: Recommendations to the EU and Member States". According to the OECD data published in March 2021, the support to local women's rights organisations and gender equality institutions represented only 1% of the aid focused on gender equality.




actors, and have a wide variety of roles, including being major service providers and programme implementers in partner countries, filling the gaps of and/or in complementarity with duty-bearers. However, there have been almost no transparently published funding opportunities under the geographic programmes (the upcoming SWITCH Asia programme is one of the exceptions) and very few funding opportunities are available to CSOs under the Global Challenges thematic programme. For example, the 2021 AAP for the Global Challenges programme did not include any funding modalities for CSOs. Similarly, the 2022 AAP for the Global Challenges Priority “Planet” (totalling ca. EUR 159.4m) does not contain opportunities for CSOs.

4. These trends have been further exacerbated by the **increased reliance of the European Commission and EU Delegations on indirect management**, where grant management is ‘contracted out’ to ‘pillar assessed organisations’ such as international organisations (IOs), namely UN agencies or EU Member States (EUMS) development cooperation agencies (such as AFD, GIZ, Enabel, etc) and financial institutions. This choice of modality is a creeping “monopolisation” over other EU funding schemes which used to also be available to CSOs in the past. For instance, a review of 30 country AAPs from 2021 (out of a total of 64) across the globe reveals that indirect management by EU MS is the primary implementing modality, followed by indirect management by IOs. Similarly, under 2021 AAPs for the Sub-Saharan regional programme, indirect management by the EU MS or IOs represents around 63% of the allocated budget, whereas opportunities that could be potentially open for CSOs represent only around 9%. It appears as if a large amount of the EU international cooperation budget is actually going back to EU MS agencies while progressively excluding CSOs from directly accessing EU funding. Many of these agencies do not have implementation capacity on the ground and as a result they further ‘subgrant’ or ‘outsource’ the work to CSOs. The current EC systems do not trace the financial flows through the network of partners, sub-grantees and contractors. This raises concerns surrounding accountability, transparency, value for money and overall costs spent on administration.

5. **Limitations of the EC and EU Delegation administrative and programme management capacity** may be one of the main reasons why the EC has opted for bigger, less accessible grants and a preference for indirect management in recent years. No additional capacity has been created in the EU Delegations to support the ‘geographisation’ process of the NDICI-GE and ‘budgetisation’ of the former European Development Fund. Despite receiving assurances from Commissioner Urpilainen and DG INTPA, the EC has not introduced any new funding mechanisms or guarantees to ensure the diversity of funding modalities for CSOs under the new geographic programmes. Some EU Delegations mentioned that they will prioritise indirect management with EU MS development agencies or IOs as it allows them to disburse funds faster, more efficiently and for large-scale programmes which pose a less heavy administrative burden. The calls for proposals, currently one of the main funding modalities allowing financing to CSOs (beyond the CSO and HRD programmes), may be considered as a last option if indirect management by pillar-assessed organisations is not possible.

6. **‘Funding through CSOs’** (funds channelled through CSOs to implement donor initiated projects) is currently the main funding mechanism for CSOs. NDICI-GE contains very few schemes to provide ‘funding to CSOs’ such as core contributions and contributions to programmes designed and led by the CSOs (with the exception of a couple of Financial Framework Partnership Agreements and core grants for EU advocacy in the CSO programme). In many instances, the core support or funding to CSOs’ may be more suitable as it offers greater predictability, flexibility, sustainability, administrative efficiency, and, significantly, ownership and accountability.

7. Finally, we would like to point out the **lack of meaningful participation of CSOs in the implementation of the new initiatives such as Global Gateway and Team Europe Initiatives (TEIs)**, especially as they receive substantial financing from the NDICI-GE geographic programmes. Overall, the design and elaboration of TEIs and Global Gateway have mostly been an EU-driven process. TEIs have generally been discussed and designed primarily and essentially among EU and Member State development



agencies, with little explicit consultation with and outreach to local stakeholders and CSOs. Yet, they should now go beyond this and actively involve other actors in line with commitments in the NDICI regulation.

A contradiction between EU's commitment to support CSOs and EU's funding decisions under the NDICI-GE

Overall, the partnership practices under the NDICI-GE no longer support the long-term sustainability of the civil society sector, and they limit the ability of CSO partners to ensure their relevance, health, adaptability, and to support the EU in achieving its international cooperation commitments. The current trends are in contrast with the Commission communications⁹, as well as the Mission letter for Commissioner Urpilainen that emphasises the importance of a “dedicated focus on supporting civil society around the world,” stressing that the EU shall work to “ensure they have a far greater role in designing and implementing European policies, programmes and projects.”¹⁰

They are also in contrast with the specific objectives and general principles of the NDICI-GE regulation (Articles 8 and 12) which state the importance of support, dialogue and cooperation with CSOs across all geographic and thematic programmes, as well as the need for inclusive partnership and transparency that includes consultation of and information-sharing with CSOs.¹¹

The EU must therefore ensure that formal tools for partnership are substantiated by a diversity of funding mechanisms under the NDICI-GE. **The funding modalities available for CSOs under the NDICI-GE and relevant regulations must be adapted** to the new initiatives and geographic programmes and also reflect the reduced administrative capacity of DG INTPA, DG NEAR

and the EU Delegations. The current regulatory framework does not allow equal and fair access to EU programmes by the full range of possible implementing actors and instead favours indirect management by EU MS agencies or IOs over other funding modalities which are considered too burdensome by EU institutions.

In addition, recognising the diversity of CSOs' expertise and operational capacity, **the EU must enable CSOs to contribute to all geographic and thematic programmes other than CSO and HRD.** This would allow CSOs to offer their connections and expertise in EU partner countries to develop evidence and learning that can be used to improve EU's external action and to make sure it reaches the furthest behind.

Our questions

In order to reinstate a more productive collaboration between the EU and CSOs in the implementation of the NDICI-GE, we would like to start a conversation around the following questions:

1. Are these trends aligned with the EC analysis so far? What are the causes of such trends in EU funding to CSOs from the EC perspective?

2. What could be the alternative funding modalities to the call for proposals for CSOs if this poses a major administrative and capacity challenge for the EU Delegations, DG INTPA and DG NEAR? This could for example include¹²:

- **Transparent funding models that would allow CSOs to access and manage large scale programmes**, similar to modalities available to pillar assessed organisations
- **Long-term funding** for diverse CSO actors over the standard three years cycle and follow-up grants to organisations in case of positive project/programme evaluation.

⁹ The roots of Democracy and sustainable development: Europe's engagement with Civil Society in external relations - Commission communication 2012 <https://www.eeas.europa.eu/sites/default/files/2012-communication-roots-of-democracy-and-sustainable-development.pdf>

¹⁰ https://ec.europa.eu/commission/commissioners/sites/default/files/commissioner_mission_letters/mission-letter-urpilainen-2019-2024_en.pdf

¹¹ <https://eur-lex.europa.eu/eli/reg/2021/947/oj>

¹² Please note that suggestions are not exhaustive and should be agreed through a consultative process with a variety of CSOs, be carefully impact assessed, and consider successful CSO funding models applied by other bilateral and multilateral donors.

- **Small granting schemes for local CSOs** under each country programme with simplified eligibility and compliance criteria
- **Requirement to include CSO partners** in consortia led by IOs or EU MS agencies in case of indirect management or justify their exclusion

3. Programmes earmarked for CSO access, such as **CSO and HRD, should be complementary** to accessible envelopes for CSOs across all thematic and geographic programmes, rather than replacing them. **Therefore, could the EU allocate earmarked budgets for CSO funding across all NDICI-GE geographic and thematic programmes** (including Global Challenges and Peace, Stability and Conflict Prevention) with a diversity of funding opportunities and mechanisms?

4. What mechanisms can be put in place **to involve more systematically CSOs in Global Gateway and Team Europe Initiatives** throughout the consultation and implementation process and ensure these initiatives are in line with EU's international cooperation commitments and priorities?¹³

5. How can the EU ensure CSOs have **timely access to relevant information?** This would include timely publications of AAPs, funding tracking by type of entity, etc that would support progress towards the above. There is also a need for a **comprehensive analysis of the quality and quantity of the funding allocated to and through CSOs** under NDICI-GE for international cooperation programmes so far, including the type of funding modalities employed and the type of CSOs receiving the funding. We are therefore looking forward to seeing the study conducted by DG INTPA on funding going to CSOs and we are welcoming the invitation to discuss the methodology employed and provide feedback.

¹³ See also [2022 CONCORD Guide 7 practices for civil society participation in EU decision-making](#)

Our members

NATIONAL PLATFORMS	Global Responsibility Austrian Platform for Development and Humanitarian Aid	BELGISCH PLATFORM PLATE-FORME BELGE CONCORD CNCOD-11.11.11 ACODEV 11.11.11 ngo-federatie	BPID Bulgarian Platform for International Development	Platforma za međunarodnu građansku solidarnost i izvrsnost CROSOL Croatian Platform for International Citizens Solidarity	FORS	GLOBAL FOCUS Danish CNCD for Development Cooperation
AKÜ	fingo	COORDINATION SUD	VENRO ASSOCIATION OF GERMAN DEVELOPMENT AND HUMANITARIAN AID NGOs	Hellenic Platform for Development	HAND	dóchas The Irish Association of Non-Governmental Development Organisations
Network of NGOs in Europe per lo sviluppo e l'emergenza CONCORD ITALIA	LAPAS Latvian Platform for Development Cooperation	Cercle de coopération des ONGD DU LUXEMBOURG	SKOP Solidarjetät u Koperazjionj	PAR TOS	ZAGRANICA	ONGD PLATAFORMA PORTUGUESA
FOND Funders Organisation for Requirements across Countries in Europe	Ambrella Platform for Development Organisations	SLOGA Slovenian Global Action	LA COORDINADORA DE ORGANIZACIONES PARA EL DESARROLLO	CONCORD SWEDEN	bond	NETWORKS
actalliance eu formerly AMRODEV	actionaid	ADRA	Alliance 2015 towards the eradication of poverty	care	caritas europa	ChildFund Alliance
CIDSE together for global justice	euCORD European Civil Society Organisation for Relief and Development	GNDR	Habitat for Humanity	handicap international humanity & inclusion	IPPF International Planned Parenthood Federation European Network	LIGHT FOR THE WORLD
OXFAM International	PLAN INTERNATIONAL	Save the Children	Sightsavers	solidar	SOS CHILDREN'S VILLAGES INTERNATIONAL	Terre des Hommes International Federation
wecf	Wetlands INTERNATIONAL	World Vision EU REPRESENTATION	WWF	ASSOCIATE MEMBERS	alda European Association for Local Democracy	CARDET
ea ea EUROPEAN ASSOCIATION FOR THE EDUCATION OF ADULTS	EUROPEAN PARTNERSHIP FOR DEMOCRACY	EUROPEAN DISABILITY FORUM	INTERNATIONAL RESCUE COMMITTEE	NRC NORWEGIAN REFUGEE COUNCIL	 Co-funded by the European Union	