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REPORT

on the transparency and accountability of non-governmental organisations
funded from the EU budget
(2023/2122(INI))

Committee on Budgetary Control

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the transparency and accountability of non-governmental organisations funded from the EU budget (2023/2122(INI))

The European Parliament,

- having regard to the Treaty on European Union, in particular Articles 2, 3, 5, 11(2) and Protocol (No 2) thereof,
- having regard to the Treaty on the Functioning of the European Union, in particular Articles 322(1a) and 325(4) thereof,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012¹ (the Financial Regulation),
- having regard to the Commission proposal of 16 May 2022 for a regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (COM(2022)0223),
- having regard to the report of its Committees on Budgets and on Budgetary Control of 4 May 2023 on the proposal for a regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union,
- having regard to Regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013²,
- having regard to Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy³,
- having regard to the Commission communication of 3 December 2020 on the European democracy action plan (COM(2020)0790),

¹ [OJ L 193, 30.7.2018, p. 1.](#)

² [OJ L 435, 6.12.2021, p. 187.](#)

³ [OJ L 231, 30.6.2021, p.159.](#)

- having regard to Special Report 35/2018 of the European Court of Auditors (ECA) of 18 December 2018 entitled ‘Transparency of EU funds implemented by NGOs: more effort needed’,
- having regard to the study entitled ‘Financing of non-governmental organisations (NGOs) from the EU Budget’, published by its Directorate-General for Internal Policies of the Union on 25 November 2010⁴,
- having regard to the study entitled ‘Democratic accountability and Budgetary Control of non-governmental organisations funded by the EU Budget’, published by its Directorate-General for Internal Policies of the Union on 24 January 2017⁵, and to its subsequent update of 21 January 2019,
- having regard to the study entitled ‘Transparency and accountability of EU funding for NGOs active in EU policy areas within EU territory’, published by its Directorate-General for Internal Policies of the Union on 28 September 2023⁶ (‘transparency and accountability study’),
- having regard to the Commission’s operational guidelines for recipients of EU funding on the use of the EU emblem in the context of EU programmes 2021-2027, published in March 2021,
- having regard to its resolution of 17 February 2022 with recommendations to the Commission on a statute for European cross-border associations and non-profit organisations⁷,
- having regard to its resolution of 10 May 2023 with observations forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section III – Commission and executive agencies⁸,
- having regard to its resolution of 10 May 2023 with observations forming an integral part of the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2021, Section I – European Parliament⁹,
- having regard to its resolution of 13 July 2023 on recommendations for reform of European Parliament’s rules on transparency, integrity, accountability and anti-corruption¹⁰,

⁴ Study – ‘[Financing of Non-governmental Organisations \(NGO\) from the EU Budget](#)’, European Parliament, Directorate-General for Internal Policies, Policy Department D – Budgetary Affairs, 25 November 2010.

⁵ Study – ‘[Democratic accountability and Budgetary Control of non-governmental organisations funded by the EU Budget](#)’, European Parliament, Directorate-General for Internal Policies, Policy Department D – Budgetary Affairs, 24 January 2017.

⁶ Study – ‘[Transparency and accountability of EU funding for NGOs active in EU policy areas within EU territory](#)’, European Parliament, Directorate-General for Internal Policies, Policy Department D – Budgetary Affairs, 28 September 2023.

⁷ [OJ C 342, 6.9.2022, p. 225.](#)

⁸ Texts adopted, [P9_TA\(2023\)0137.](#)

⁹ Texts adopted, [P9_TA\(2023\)0138.](#)

¹⁰ Texts adopted, [P9_TA\(2023\)0292.](#)

- having regard to the Discharge from 2021 on the EU general budget – Commission and executive agencies¹¹,
 - having regard to the opinions of the Committee on Foreign Affairs and the Committee on Civil Liberties, Justice and Home Affairs,
 - having regard to Rule 54 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0446/2023),
- A. whereas the EU has designed transparency and accountability mechanisms to ensure that EU funds awarded to beneficiaries, including non-governmental organisations (NGOs) are used effectively, efficiently and in line with the EU’s values, policies and financial rules enshrined in, among other places, the Financial Regulation, which lays down transparency as one of its guiding budgetary principles, requiring the Commission to make available, in an appropriate and timely manner, information on EU funds;
- B. whereas the EU is one of the largest financial backers of civil society organisations¹²;
- C. whereas civil society ranges from low-key community activities to NGOs; whereas the spectrum of NGOs receiving EU funding covers a wide range of structures, ways of functioning, sources of financing and focus areas, which translates into a variety of projects that are financed with EU funds; whereas the Treaties require the EU institutions and Member States to maintain an open, transparent and regular dialogue with representative associations and civil society; whereas the EU and its Member States should provide adequate funding to programmes aimed at protecting and promoting the rights and values enshrined in the EU Treaties; whereas NGOs and civil society organisations (CSOs) play an important role in implementing these programmes; whereas, in some cases, public authorities are outsourcing tasks to NGOs and CSOs; whereas the Commission manages EU funds directly, indirectly or in a shared way; whereas in line with the principle of subsidiarity, the funds directly awarded to beneficiaries, including NGOs, are subject to monitoring and reporting by the Commission;
- D. whereas the Treaties require the EU institutions and Member States to maintain an open, transparent and regular dialogue with representative associations and civil society; whereas it is important for EU Member States and EU institutions to provide adequate funding to programmes aimed at protecting and promoting the rights and values enshrined in the EU Treaties; whereas NGOs and CSOs play an important role in implementing these programmes;
- E. whereas the Commission’s Financial Transparency System (FTS) is the main source of publicly available data for large-scale analysis of grants and contracts managed directly by the Commission; whereas a clear distinction should be made between public transparency and transparency for the purpose of legitimate budgetary control, given the

¹¹ European Parliament, ‘[Discharge 2021: EU general budget - Commission and executive agencies](#)’, 10 May 2023.

¹² Joint communication by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 25 March 2020 entitled ‘EU Action plan on human rights and democracy 2020-2024’, (JOIN(2020)0005).

sensitive contexts and issues NGOs work with;

- F. whereas an analysis of FTS data shows that EU financial commitments to NGOs, excluding EU programmes in the field of education and research, amounted to at least EUR 2.6 billion in 2022, under direct management, across all EU programmes and funds;
- G. whereas EU transparency and accountability requirements and controls should apply to all interest representatives benefiting from EU funds; whereas 3 377 entities¹³ are registered in the EU Transparency Register under the category ‘NGOs, platforms and networks and similar’; whereas the nature of requirements and controls has to conform with the categorisation established in the Transparency Register, with a view to taking into account all judicial forms of entities and not only NGOs; whereas EU requirements and controls do not solely have to be linked to the Transparency Register as some entities granted with EU funds might prefer to stay out of this register to avoid putting their existence at risk;
- H. whereas EU transparency and accountability requirements and controls should apply to all beneficiaries of EU funds, including NGOs, that are required to maintain accurate and transparent financial records on the use of EU funds and the origin of financial sources used for their functioning, as they are accountable to their members, donors, partners and beneficiaries regarding the actions they take, the sources of their financing, including EU funds, and the decisions they take on behalf of their stakeholders; whereas the Member States lay the legal basis for NGOs, which have their status registered at national level;
- I. whereas the exploitation of EU funds against EU rules, principles and values is on the rise; whereas individuals and front organisations, most often under foreign influence, seek to obtain EU financial support and the respectability that results from it, whatever the amount, but in reality use EU funds for activities that undermine fundamental EU principles and values and our attachment to democracy;
- J. whereas the Commission has the responsibility to ensure the implementation of the EU budget and to respect EU regulations and values; whereas, in this regard, all *ex ante* and *ex post* controls have to ensure that only NGOs and entities working in respect of EU rules, principles and values will be granted EU funds;
- K. whereas the 2021 Discharge on the general budget of the EU and the Commission underlines the deep concern regarding the funding of projects carried out by or involving NGOs with links to radical religious and political organisations; calls on the Commission to guarantee that EU funds only finance organisations that strictly respect all Union values and urges the Commission to set up *ex ante* mechanisms that clearly identify NGOs operating on Union territory and abroad that have acknowledged ties to religious fundamentalist networks and that push forward an agenda that undermines Union values¹⁴;

¹³ Source: EU Transparency Register, data accessed on 22 September 2023.

¹⁴ European Parliament, ‘[Discharge 2021: EU general budget - Commission and executive agencies](#)’, 10 May 2023.

- L. whereas the same high standards for accountability and the same transparency rules should apply to all NGOs that receive EU funding, regardless of whether the place they operate is within or outside the European Union;
- M. whereas some considerations set out hereafter are based on some of the findings of the transparency and accountability study that address further transparency weaknesses concerning the information on the use of EU funds by the Commission, the Member States and beneficiaries, including NGOs;

General remarks

1. Welcomes the vital role played by NGOs in representing civil society and in promoting and defending the rights and values enshrined in the Treaties and the fundamental rights under the EU Charter of Fundamental Rights (EU Charter); stresses that only NGOs whose actions respect these rights and values should be entitled to EU funding; urges all stakeholders to increasingly place EU principles and values at the heart of EU funding and acknowledges the diversity of NGOs as regards their size, resources and staff;
2. Highlights, in particular, the role of beneficiaries, including NGOs, in implementing the EU budget and the obligation to carry out this role in full respect of the EU financial rules and principles for the protection of the EU's financial interests; recalls that NGOs operating within EU territory are required to comply with the national law applicable in each Member State concerned by their activity, as well as with Union law and international law; reiterates that EU transparency and accountability are essential to strengthen a favourable and fair European system based on democracy, fundamental freedoms, inclusion and diversity;
3. Underlines that NGOs rely both on public financial support and on private donations, in a non-mutually exclusive way; recalls that the ability to seek, secure and use resources other than EU funds or public funds at national or local level is essential for the existence and operation of NGOs;
4. Highlights that CSOs deserve the utmost respect and gratitude for the daily work they do; recognises the work done by CSOs across Europe and the world on a daily basis and affirms that these NGOs deserve the highest praise and support; emphasises the importance of meeting the financial and other needs of these organisations;
5. Commends the crucial role of NGOs in EU and non-EU countries in defending the rule of law and democratic values, fighting corruption and promoting human rights and democracy; reiterates that in countries with authoritarian or non-democratic regimes, NGOs often represent the last line of defence of democracy that authoritarian regimes worldwide try to silence, including through adopted legislation and discriminatory obligations, and are thus in need of support and protection; calls on the Commission to consider safeguard clauses and mechanisms in this respect; stresses the importance of securing adequate and transparent EU funding for NGOs and entities active in these fields;
6. Applauds the activity of NGOs in areas of conflict in ensuring that humanitarian aid reaches the civilian population and those in need in a rapid and effective manner; recognises the importance of NGOs in ensuring that the EU, as the largest donor of

development aid in the world, continues to contribute to promoting stability, overcoming poverty and advancing global development;

7. Points out that, in practice, the legislative processes could neglect the voices of local, regional and national NGOs; considers that small NGOs often face difficulties in accessing EU funding because of cumbersome administrative procedures; calls on the Commission to further simplify and streamline the procedures, so as to enable smaller NGOs, including at the local level, to apply and benefit from EU funding; highlights that the priorities and needs of smaller NGOs are often ignored or receive less attention, despite the fact that they often know the situation best and accomplish a huge amount of work; emphasises that the work of small organisations should be paid the highest respect and that EU funding should be made more accessible to them, as they represent an important element that reinforces diversity and variety across Europe and beyond; recognises that NGOs in Europe play a crucial supportive role in complementing public services;
8. Remains deeply concerned by threats to and unjustified attacks on NGOs in some Member States, including by proposing and adopting legislation that imposes discriminatory obligations on NGOs that restrict or ban their activities, and through online and offline intimidation and harassment against their staff, negative public statements and smear campaigns, verbal threats and legal and physical attacks; stresses that some NGOs also face excessive administrative controls or audits, politically motivated funding cuts and overly strict legal requirements for their formation and registration; insists that NGOs must be protected and should receive adequate funding and support;
9. Is convinced that transparency and accountability are also vital for NGOs and other for-profit or non-profit entities to showcase their valuable work, be recognised and build their credibility; considers that special provisions should apply to NGOs acting in full compliance with EU values and financial rules and in full respect of the EU Charter, while operating in democratically challenged environments; believes that European citizens must be assured that the EU knows exactly how all EU funds are used; is therefore concerned that there is a lack of information, data and control on who or what receives EU funds, despite existing transparency requirements; recalls that transparency and accountability requirements should always comply with international and human rights law, in particular regarding the exercise of civic freedoms, remaining strictly necessary and proportionate to the specific aims pursued;
10. Recalls that transparency and accountability should not be used to curtail the space for independent civil society or to silence critical voices;
11. Underlines that it is of utmost importance to ensure that EU transparency and accountability obligations do not put the final beneficiaries of EU funds at risk; believes that, in duly justified cases, in particular for NGOs operating in countries ruled by authoritarian regimes or with recognised rule of law issues negatively impacting NGOs and with reduced civic space, where the public dissemination of information on the identity or the work of those NGOs could lead to reprisals, putting the existence of those NGOs and the security and safety of their staff at risk, public transparency requirements should exceptionally be applied in an appropriate manner;

12. Is of the opinion that certain alleged corruption cases, which generated public discontent, such as Qatargate, could have been prevented through the consistent enforcement of existing transparency requirements and an obligation for involved entities, including NGOs, to disclose their sources of funding and their internal structures; notes that, in some cases, the involved entities profited from EU funding;
13. Condemns the increase in the exploitation of EU funds against EU principles and values, especially when the use of funds and transfers to other organisations are not entirely traceable; warns of the danger of EU funds ultimately being used within corrupt circles and being subject to fraud and irregularities, foreign interference or entryism; emphasises the importance of ‘final beneficiary transparency’ for EU funds;

NGOs and entities in the context of budgetary control

14. Reiterates the fundamental significance of public trust in and support for NGOs; acknowledges that the terms used to describe these organisations are subject to different legal and public interpretations, which vary among Member States;
15. Emphasises that the term NGO is a broad umbrella term encompassing many different kinds of entities: from large international organisations to small regional or local ones, from organisations run mostly by employees to those consisting mostly of volunteers; highlights that the subject matter covered by NGOs and the method of implementation can also vary substantially; understands that this diversity makes it difficult to have a common definition of NGOs within the EU; highlights, nevertheless, the advantages of establishing a harmonised EU-wide approach, including through a harmonised definition, whose added value lies in increased transparency, accountability, predictability and public trust; encourages the co-legislators, therefore, to reach an agreement on such a harmonised approach to NGOs and relevant entities at EU level, which would considerably help European budgetary control procedures, especially in the case of cross-border associations; reiterates the utmost importance of ensuring transparency and accountability for all entities that are granted EU funds; acknowledges the advantage of establishing a harmonised approach to what these entities are in relation to the EU and its bodies in different contexts;
16. Takes note of the Commission proposal to include a common definition of NGOs in the 2022 proposal for a recast of the Financial Regulation; recalls that Parliament, in its mandate, requested further clarity on the definition of an NGO, in particular on the degree of formal existence, transparency and accountability from its members or founders; encourages the Commission to conduct an in-depth consultation on the definition of an NGO, involving Member State officials and NGO representatives, also taking into account the methodology that was followed when defining the term ‘small and medium-size enterprise’ (SME);
17. Considers that an NGO should not be financed 100 % by the state and the Commission in order to be considered an NGO;
18. Notes that the Commission uses the terms NGOs and not-for-profit organisations (NFPOs) without a clear distinction in the FTS; regrets that this results in an uncertainty in the allocation and monitoring of EU funds and might lead to a misperception regarding the volume of funding for NGOs and entities; notes that the FTS FAQs

provide a definition for NGOs whose non-profit status is an essential element and is subject to validation; regrets that this unclear distinction is possible as up to now, there has been no harmonised EU approach to NGOs and only self-classification of entities has been used for the FTS, which is based solely on rules that may vary among Member States; calls further for the FTS to ensure a proper categorisation of the various types of NGOs or NFPOs in order to avoid situations in which there is little or no differentiation between certain types of organisations and whereby universities, research institutes, voluntary organisations and other NGOs are considered identical in the FTS database;

Towards better EU transparency and accountability of EU funds

19. Considers that fraud, conflict of interests, double funding, corruption and money laundering or embezzlement must be prevented and tackled in all situations and for all beneficiaries irrespective of their nature and legal status; is concerned about the insufficient available data to the discharge authority on such cases; recalls that all applicants and beneficiaries of EU funding, including NGOs, are subject to EU financial rules;
20. Underlines that the Early Detection and Exclusion System (EDES) is an important instrument to protect the Union's financial interests, ensuring multilevel protection through the early detection of persons or entities representing risks that threaten the Union's financial interests; welcomes the Commission proposal for a recast of the Financial Regulation, which includes the extension of EDES to shared management and adds new grounds of exclusion¹⁵; calls on the Commission to make EDES fully operational to allow for an effective exclusion of beneficiaries, including NGOs, based on the Financial Regulation, from further access to EU funds;
21. Is concerned that transparency requirements can be insufficient, especially when funds are passed along a chain and used to co-fund joint projects with other donors; considers it problematic that the FTS only provides information about grants awarded directly by the Commission under direct management, but no details on funds received indirectly from beneficiaries and partners that have a legal relationship with the Commission;
22. Emphasises that not all Member States provide the same level of information on grants and that the existing EU database is not sufficiently consistent and coherent; calls on the Commission to strengthen transparency and accountability in cases of shared and indirect management by verifying the re-allocation of funds and their use up to the final recipients, in line with the proposal for a recast of the Financial Regulation;
23. Calls on the Commission to reinforce *ex ante* control mechanisms proportionately, including adequate random checks; is of the opinion that severe weaknesses exist in the *ex post* control on the use of EU funds and urges the Commission, in cooperation with Member States, to produce an in-depth analysis with clear proposals to reinforce their quality, amount and regularity, supported by a well-established and centralised budgetary control task force within the Commission for all interest representatives, disposing of a clear mandate, investigation capabilities and resources;

¹⁵ Articles 139(1)(i) and 139(1)(c)(vi) of the Commission proposal for a regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (recast) of 16 May 2022, (COM(2022)0223).

24. Recognises the importance of transparency in all aspects of EU-funded activities to ensure the responsible and accountable use of funds; acknowledges the concerns regarding potential foreign interference in EU policymaking and that the system in place cannot fully prevent actors from establishing fund and/or co-opt beneficiaries, including NGOs, to promote false narratives including through disinformation, as allegedly happened in Qatargate; believes that existing concerns should not lead to a stigmatisation of all NGOs since most NGOs respect and promote EU democratic principles and values; underlines that the EU budget must not be used to lobby against the EU's democratic principles and values;
25. Calls on the Commission to require beneficiaries, including NGOs, in receipt of EU funds to publish details of any funding received from other sources in relation to projects co-financed by the EU over a five-year period, while maintaining the principle of confidentiality, in particular, in duly justified cases of beneficiaries, including NGOs, facing serious threats of reprisal; underlines that funding for NGOs from outside the EU can be a legitimate source of financing, but stresses that without clear transparency rules in respect of the principle of confidentiality, such funding possibilities are open to abuse and undue influence from third state actors; calls on the EU institutions to improve the implementation of their transparency standards, including the obligatory reporting of lobbying activities;
26. Encourages the Member States to establish national lobby and transparency registry laws, which should also require the disclosure of donors, including international ones, and sources of funding, with equal transparency requirements for all interest representatives regardless of their nature and legal status;
27. Recalls that Member States are responsible for the registration, control and reporting of cases of detection of fraud, misuse of funds or money laundering, convictions or ongoing investigations; believes that national administrations, which are closer to the ground, represent the first effective layer for the control and monitoring of organisations that are acting against EU rules and values, in order to strengthen efforts to prevent, detect and tackle fraud and the misuse of funds;
28. Calls on national authorities to strengthen their transparency and accountability systems in order to identify all organisations or entities that are acting against EU rules and values and to take legal and administrative measures that facilitate action at EU level and make it easier and quicker for the Commission to include the entities concerned in its systems; urges the Commission to include all interest representatives in violation of EU rules and values in the EDES and to exclude them from EU funding accordingly, in line with the Financial Regulation applicable to the EU budget;
29. Is of the opinion that no margins of appreciation should be left for Member States to subject NGOs to fatally restrictive requirements and obligations; recalls that the Commission started an infringement procedure against Hungary when it introduced a foreign interference law in 2017 and that, in its judgment of 18 June 2020¹⁶ (*European Commission v Hungary*), the Court of Justice of the EU stated that the right to freedom of association and thus EU law is violated if systematic obligations on CSOs are

¹⁶ Judgment of the Court of 18 June 2020, *European Commission v Hungary*, Case C-78/18, ECLI:EU:C:2020:476.

rendering significantly more difficult the action and the operation of the organisations subject to them;

30. Regrets the publication of data in the FTS with a delay of between 6 and 18 months and its impact on transparency; calls on the Commission to publish information about EU grants awarded to NGOs and entities no later than six months after the date on which the grant was awarded, including funding received from other sources, while taking into account the principle of confidentiality in duly justified case of beneficiaries, including NGOs, facing serious threats; calls on the Commission to develop and integrate data validation tools so that the FTS data validation process is automatic, continuous and quicker, and consumes fewer resources;
31. Regrets the fact that the Commission's IT systems are not user-friendly and use different conventions to identify beneficiaries of projects and grants, resulting in differing data, making it difficult to reconcile information from different publicly accessible Commission portals and databases; recommends that the Commission establish harmonised rules and standardise the layout and functionalities of programme-specific databases, taking into consideration the diverse environments and areas of action in which NGOs operate, and without putting additional unnecessary burdens on them;
32. Calls on the Commission to use a common unique entity, such as a unique participant identification code, and project identification keys across all portals and databases, including on beneficiaries' websites, while maintaining the principle of confidentiality, in particular, in duly justified cases of beneficiaries, including NGOs, facing serious threats of reprisal, in order to facilitate the reconciliation of publicly available information provided by different systems and websites; calls on the Commission to provide all beneficiaries, including NGOs, with code that extracts five years of funding data directly from the FTS and includes links to the corresponding project entries in the Commission's programme databases;
33. Observes significant inconsistencies in the content and extent of the information displayed on project websites including on the distribution of funds received among partners and on the connection to pertinent Commission databases; calls for a more proactive approach to public transparency and increased cooperation with EU budgetary authorities that goes beyond the current minimal requirements for EU grant funding; calls for the Commission to reinforce a system for a commitment from all applicants, including NGOs, to the EU Charter when applying for EU funds; calls for a clearer and more systematic presentation of information on EU-funded project websites on the grant funding received from the EU and from other sources;
34. Calls for the ultimate owners of companies to be listed in central registers in EU countries, accessible to people with a 'legitimate interest', such as investigative journalists, concerned citizens and NGOs;
35. Notes that, although the mainstreaming of the eGrants system as a common grants management tool and applicant registration system across Commission services has improved the quality and completeness of FTS data, more effort needs to be made to improve the reliability of such data; is concerned that there are still continuing

shortcomings in terms of consistency in existing Commission transparency portals and systems; calls further on the Commission to step up its work on streamlining databases for a more user-friendly FTS that is linked to the Transparency Register and compatible with specific programme databases; highlights that it should include final payments, making it possible to identify beneficiaries, including NGOs, by category, including through the definition of an NGO and relevant entities in line with the Financial Regulation; requests that the Commission prepares a proposal for further administrative action by the end of 2024;

36. Notes that in some situations the home office of the non-profit organisation is in one country and the beneficiary operations take place in another; calls for the non-profit organisations to take appropriate measures to account for funds and services delivered in locations other than their home jurisdiction;
37. Welcomes the Commission's proposal to set up, based on Article 36 of the Financial Regulation, a centralised, interoperable IT system for data mining and risk scoring to improve the efficiency of the internal control of budget implementation; underlines that this system must not only include recipients' data, but also the data of beneficial owners in accordance with Directive (EU) 2015/849¹⁷; calls for this system to include risk indicators based on data from the EDES under all management modes;
38. Regrets that the coexistence of reporting obligations and accounting practices at national and EU levels may lead to a disproportionate administrative burden for beneficiaries, including NGOs; calls on the Commission to ensure that reporting obligations at EU and national levels are consistent in order to guarantee easier monitoring of the fulfilment of obligations;
39. Emphasises the importance of transparency and of identifying the final recipient of EU funds; calls on the Commission to develop a harmonised monitoring system aimed at reducing the red tape, improving efficiency and identifying final beneficiaries; recommends that the Commission track EU funds up to the final beneficiaries in a systematic, standardised and harmonised manner across information and transparency platforms at EU level; calls, furthermore, for an enhanced dialogue between the Commission and the beneficiaries of EU funding, including NGOs, on how to reduce excessive burdens;
40. Is concerned when the visibility provisions of EU programmes are not entirely respected; calls on the Commission to instruct its services to terminate agreements or reduce payments to beneficiaries not respecting their contractual visibility obligations;
41. Invites the Commission to ensure that it provides training for all of its programme officers and EU agencies on the Financial Regulation and on the EU budget; calls on the Commission to provide all beneficiaries of EU funding, including NGOs, training on reporting and financial rules, and requests that the discharge authority is duly informed about these trainings, including their content, their participants and the related costs;

¹⁷ [Directive \(EU\) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation \(EU\) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC, OJ L 141, 5.6.2015, p. 73.](#)

calls on the Commission to simplify the grant application and selection procedures, and to ensure uniformity of approach and transparency of the process, a reduction in administrative burden and regular adaptation of these rules to changing circumstances and lessons learned;

42. Notes the 2018 finding of the European Court of Auditors (ECA) that the provision of sub-granting does not allow the Commission to properly monitor how EU funds are used; calls for the amounts provided to NGOs as third parties in the form of cascading grants to be clearly identifiable in the FTS and in the Commission annual financial and accountability reporting;
43. Calls on all EU institutions to ensure far stricter implementation, enforcement and supervision of adherence to the current provisions on the EU Transparency Register; calls for more resources to be allocated to the Transparency Register Secretariat so that it is able to offer support to all applicants and registrants, especially small entities and NGOs, throughout the registration process and to verify the information they provide more thoroughly; calls, in particular, for a transparency officer to be placed in all committee secretariats and relevant administrative units; recalls that, according to the Transparency Register guidelines, changes in the data provided should be communicated as soon as they occur and, in any case, within three months; insists that any changes in the board or leadership of entities registered should also be recorded in the Transparency Register; requests to have the transparency database only accessible to specific authorised persons, and upon request to the budgetary authority, in order to avoid the dissemination of information that could endanger an individual's life or personal safety or the existence of an NGO;
44. Regrets the coexistence of different disclosure requirements for different types of organisations in the Transparency Register; calls on the Commission to impose the same disclosure requirements on all types of organisations registered in the Transparency Register; notes that, in particular, they must all be required to disclose their income and all amounts spent on lobbying¹⁸;
45. Recalls the recommendations from the 2021 Parliament discharge resolution¹⁹ calling for a revision of the EU Transparency Register and its guidelines to require the disclosure of details on all funding sources from registered organisations, including the shares held in other companies, and to allow EU funds to be traced from the direct recipient to the final beneficiary when funds are passed along a chain, including when funds from one beneficiary, including an NGO, are transferred to another, while taking into account the principle of confidentiality in the case of NGOs facing serious threats;
46. Calls on all NGOs and entities committed to full transparency and accountability, the EU Charter and promoting democratic and EU values, to request to be included in the Transparency Register when applying for EU funds;
47. Calls for strict enforcement of the rules for access to Parliament and for invitations to parliamentary committees, which are conditional on the registration of each organisation in the Transparency Register by the new transparency officer who will be

¹⁸ See: transparency and accountability study, recommendation 24.3.

¹⁹ Texts adopted, [P9_TA\(2023\)0138](#), paragraph 74.

placed in each committee secretariat;

48. Considers the adoption of an NGO regulation to be a discriminatory measure that targets NGOs but not any other EU funding recipients; is of the opinion that issues such as revolving doors, transparency in financing and donations, the fight against money laundering, limiting foreign interference, independence from political and economic influence, and whistleblowing are of importance for all entities receiving EU funds and should not be used to limit the space of action of NGOs;
 49. Reiterates its call in the 2021 Commission discharge resolution²⁰ to ensure that all EU funding beneficiaries, including NGOs, that have misused or misappropriated EU funds, or engaged in activities contrary to the EU values enshrined in Article 2 of the Treaty on European Union and the EU Charter, including inciting terrorism, hate speech, supporting or glorifying violence, political and religious extremism as well as spreading disinformation under the guise of intentionally falsified scientific data, are listed in the EDES and are blocked from access to EU institutions and EU funding programmes in direct and shared management; calls on the Commission and the Member States to enforce the implementation and publication of an improved exclusion list as recommended by Parliament and in line with the agreement on the Financial Regulation; expects the Commission to report on the implementation of this recommendation at the beginning of 2025;
 50. Calls on the Commission and the ECA to systematically submit the findings and the audit conclusions related to the risk-based on-site checks of beneficiaries, including NGOs, and their results to Parliament as the discharge authority; encourages increased cooperation with the European Anti-Fraud Office (OLAF) and the ECA; calls on the Commission to enhance, in particular, the access status for OLAF in order to obtain information on the financial misconduct of individual beneficiaries, investigate them and impose appropriate sanctions (i.e. suspension of payment via the EDES system), in the event of fraud, corruption and other irregularities related to EU funds, in compliance with the applicable regulations;
 51. Recalls that NGOs are subjected to the same level of controls and investigations as any other recipient of EU funds covering all expenditure sides, within the respective mandates of both OLAF and the European Public Prosecutor's Office;
-
- ◦
52. Instructs its President to forward this resolution to the Council, the Commission and the European Court of Auditors.

²⁰ Texts adopted, P9_TA(2023)0137.

EXPLANATORY STATEMENT

Non-governmental organizations (NGOs) are instrumental in linking civil society with the political decision-making in all EU policy areas. They also play an important role in the implementation of the EU budget, either when they receive EU funds as direct beneficiaries of EU grants awarded by the Commission or when they receive EU funds indirectly from beneficiaries and partners that have a legal relationship with the Commission, across all budget management modes. According to the data published in the Financial Transparency System (FTS) of the Commission, the contracted amount of grants awarded from the EU budget to NGOs, after excluding EU programmes in the field of education and research, amounted to at least 2.6 billion EUR in 2022, under direct management and across all EU programmes and funds. However, the total amount of grants awarded to NGOs is likely to be higher (approximately EUR 3.7 billion in 2022), due to the absence of an NGO definition and due to the lack of clear differentiation between NGOs and not-for-profit organisations (NFPOs) in the FTS.

Whereas transparency and accountability are basic principles enshrined in the financial rules governing the implementation of the EU budget and important factors of public trust, the analysis of the framework surrounding the implementation of the EU budget by NGOs reveals major shortcomings in terms of public transparency and accountability. Since only the funds directly awarded to NGOs are subject to monitoring and reporting by the Commission, the EU funds reallocated in the form of sub-granting, sub-contracting or shared within a consortium are difficult to track and are not published on public websites such as the FTS. As a result, control mechanisms aimed at ensuring that EU funds are used effectively, efficiently, and in accordance with the EU's objectives, policies and financial rules are made difficult to implement, if not ineffective.

With a view to preventing and fighting against fraud and ensuring that EU funds are not used against EU values, public transparency and accountability requirements must be strengthened. It is of paramount importance to ensure that the contracted EU funds be tracked up to the final beneficiaries in a systematic and harmonised manner across information and transparency platforms at EU level and at the level of NGOs in the Member States. In particular, the EU Transparency Register should allow the traceability of funding sources, including EU funds, and provide greater transparency of registered organisations, thus contributing to avoid cases such as Qatargate. Furthermore, the funding of NGOs has to be made transparent from the source.

As recommended in previous years' budgetary discharge resolutions, the adoption of a NGO Regulation setting up minimum requirements for NGOs across the EU (definition, access to funding, disclosure of sources of financing, independence from political influence and non-European interference, etc.) would provide a more sound budgetary control framework, allowing the NGOs to deliver their positive achievements with the outmost transparency and accountability.

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

Pursuant to Article 8 of Annex I to the Rules of Procedure, the rapporteur declares that he has received input from the following entities or persons in the preparation of the report, until the adoption thereof in committee:

Entity and/or person
European Commission/DG Budg
Blomeyer & Sanz

The list above is drawn up under the exclusive responsibility of the rapporteur.

17.11.2023

OPINION OF THE COMMITTEE ON FOREIGN AFFAIRS

for the Committee on Budgetary Control

on the transparency and accountability of non-governmental organisations funded from the EU budget
(2023/2122(INI))

Rapporteur for opinion: Deirdre Clune

SUGGESTIONS

The Committee on Foreign Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- having regard to its resolution of 8 March 2022 on the shrinking space for civil society in Europe¹,
- A. whereas Article 11 of the Treaty on European Union (TEU) and Article 15 of the Treaty on the Functioning of the European Union (TFEU) requires the EU institutions to conduct their work as openly and transparently as possible in order to promote good governance and ensure the participation of civil society; whereas the European Economic and Social Committee, composed, inter alia, of representatives of civil society organisations and exercising advisory functions, should assist Parliament, the Council and the Commission, in line with Article 300(1) TFEU;
- B. whereas, under the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI)², ‘civil society organisations’ (CSOs) are defined as a wide range of actors with multiple roles and mandates, which may vary over time and across institutions and countries; whereas CSOs include all non-state, not-for-profit independent and non-violent structures through which people organise the pursuit of shared objectives and ideals, whether political, cultural, religious, environmental, social or economic, which operate at local, national, regional or international levels and which comprise urban and rural, and formal and informal organisations;
- C. whereas, in Article 2(48) of its proposal of 16 May 2022 for a regulation of the European Parliament and of the Council on the financial rules applicable to the general

¹ OJ C 347, 9.9.2022, p. 2.

² See Article 2(7) of [Regulation \(EU\) 2021/947](#) of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, OJ L 209, 14.6.2021, p. 1.

budget of the Union (recast) (COM(2022)0223), the Commission defines a ‘non-governmental organisation’ (NGO) as ‘a voluntary, independent from government, non-profit organisation, which is not a political party or a trade union’;

- D. whereas interest representatives, including NGOs, should be subject to scrutiny, due diligence and transparency rules, in particular with regard to financing, with proportional criteria and non-cumbersome procedures, in particular for small NGOs;
- E. whereas strengthening transparency requirements for legal entities, including NGOs, carrying out lobbying or advocacy activities with EU institutions should contribute to tracing foreign interference;
- F. whereas the Commission has strong mechanisms for the control of the expenditure of NGOs funded from the EU budget, among the strictest in Europe; whereas recent corruption allegations against Members and former Members of the European Parliament involved an NGO which was not registered in the Transparency Register;
- G. whereas on 13 September 2023, the European Parliament amended its Rules of Procedure with a view to strengthening integrity, independence and accountability;

Importance of the role of NGOs in promoting and protecting human rights and democracy

1. Commends the essential role that NGOs and CSOs working for the promotion and protection of human rights, democracy and the rule of law play in societies around the world; highlights, in this regard, the crucial work of these organisations in promoting and defending human rights and democracy, combating all forms of discrimination, fighting for a clean, healthy and sustainable environment, informing individuals and groups, especially the most vulnerable, about their rights and standing up for them when those rights are violated, denouncing human and civil rights violations, promoting intercultural dialogue, civic engagement and public participation, countering disinformation and hate speech, collecting public interest information and holding governments and elected representatives accountable to citizens, and fighting corruption and impunity for human rights abuses;
2. Highlights the serious risks that people working for human rights NGOs face in their activities around the world, including threats against them and their families, intimidation and all forms of harassment, including through online channels and social media, abusive legal proceedings and prosecution, arbitrary detention, violence, torture, disappearances, killings and executions, which can force them into exile;
3. Is alarmed by the fact that some governments in third countries, whose aim is to shrink civil society space and silence dissenting voices, have adopted legislation based, inter alia, on security, counter-terrorism and the fight against foreign interference, that imposes discriminatory obligations on human rights NGOs and their workers, stigmatises, restricts or bans their activities, including by closing these NGOs, freezing their assets, deterring their donors from contributing funds or depriving them from access to funding; believes that the EU should lead by example in this context;

Transparency and accountability of human rights NGOs funded by the EU external action budget

4. Underlines the importance of ensuring, as far as possible, transparent and accessible information on the beneficiaries, including NGOs, of EU external action funds dedicated to human rights and democracy support and to the related EU-funded projects which are implemented worldwide; recognises that NGOs have been calling for further transparency at EU level for years; acknowledges the risky and life-threatening conditions faced by some human rights defenders and NGOs in non-EU countries; believes, in this regard, that confidentiality and data protection must be ensured in order not to put them at risk;
5. Welcomes the cessation of EU funding and the recovery of funds paid to a few organisations whose actions were contrary to EU values; calls on the Commission to continue its efforts to ensure that EU funds do not finance organisations that do not respect EU values as set out in Article 2 TEU; also calls on the Commission to develop more flexible strategies of supporting civil society actors in repressive environments, which have difficulties benefiting from assistance;
6. Calls for the EU and its Member States to be fully transparent about the allocation of funds to third countries for cooperation in migration matters, and to ensure that migration-related European funding, training or other forms of support to third countries neither directly or indirectly facilitate the perpetration of human rights violations, nor reinforce and perpetuate impunity for such violations; urges that any EU or Member State-funded migratory cooperation project or initiative be made subject to thorough and independent *ex ante* human rights impact assessments and monitoring throughout the project, and for the results of such assessments and monitoring to be disclosed to the European Parliament;
7. Calls on the Commission to improve the clarity and organisation of information and data available in the Financial Transparency System (FTS) on the beneficiaries of EU-funded projects, including in the field of human rights and democracy support; stresses that requiring beneficiaries to disclose all funding sources must take into account the situation of the countries and the environment in which they operate, in order to ensure that the publication of the information and data under the FTS does not put them at risk;
8. Recommends that the legal obligations on transparency and financial accountability be applied identically to all NGOs and other interest representatives benefiting from EU funding;
9. Points out that NGOs receiving EU funding must be transparent about the funding received; notes that their work gives visibility to the EU's support in different ways, through various communication channels, including official websites; underlines that these differences could sometimes also depend on the fact that, in some countries ruled by certain authoritarian and illiberal regimes and with reduced civic spaces, the dissemination of such information may put NGOs at risk; calls for the establishment of harmonised but flexible approaches to make EU funding for human rights and democracy support more visible to the public, while avoiding putting at risk NGOs that operate in precarious contexts;

10. Denounces the use of organisations sponsored by third country governments (government-organised NGOs (GONGOs)) to spread disinformation and false narratives related, in particular, to human rights issues;
11. Stresses that the funding by third countries of EU-based legal entities, including NGOs, carrying out lobbying or advocacy activities within the EU and aiming to influence the EU's foreign policymaking, may at times expose these entities to malign external influences; believes that transparency requirements should not, however, stigmatisate legitimate foreign funding; recalls, in this regard, the findings of its resolution of 1 June 2023 on foreign interference in all democratic processes in the European Union, including disinformation³, and of 13 July 2023 on recommendations for reform of the European Parliament's rules on transparency, integrity, accountability and anti-corruption⁴, highlighting the risks of foreign interference and disinformation stemming from some NGOs funded by non-EU countries; calls for further reflection on the future strategy and approaches of the EU institutions to detecting and preventing risks of corruption and foreign interference in EU policymaking; highlights that in the context of recent corruption allegations against some Members and former Members of the European Parliament, an NGO not registered in the EU Transparency Register and whose stated purpose was to carry out advocacy activities in the human rights field, is suspected to have been used as a vector of foreign interference; considers that there is a public interest in knowing the financial sources, including non-EU funding, of all stakeholders active in the fields of lobbying or advocacy, while any measures in this regard need to be proportional, preventing any unintended limitations on fundamental rights;
12. Welcomes the progress made in the use of the EU Transparency Register and is committed to continuing its work to expand the scope of the Register and strengthen the monitoring of the data it contains; points out that, as a general rule, annual financial data on the sources of funding, including EU grants and domestic and non-EU donations, of registered legal entities are made publicly available under the EU Transparency Register; stresses that, since 12 July 2023, the participation of 'interest representatives' as invited active guests at Parliament's events is conditional on their prior registration in the EU Transparency Register, except if registration is likely to endanger an individual's life or personal safety or the existence of the entities concerned or where other compelling reasons require confidentiality; recalls that the EU Transparency Register (Annex II) requires that NGOs provide their main sources of funding by category, including EU funds; stresses that the measures requiring NGOs to disclose all funding sources must take into account the situation of NGOs operating in countries under authoritarian and illiberal regimes, in particular when the disclosure of such information could put them and their work at risk because of the application of repressive legislation such as 'foreign agents' laws and similar provisions; regrets the fact that registration imposes a heavy bureaucratic burden on small CSOs based in other continents, which do not usually work or conduct advocacy activity in the working places of the EU institutions; calls for an assessment of the new measures, in order to avoid unintended limitations on fundamental rights for civil society and to ensure that the adopted measures are proportional and fair, in consultation with CSOs;

³ Texts adopted, P9_TA(2023)0219.

⁴ Texts adopted, P9_TA(2023)0292.

13. Recalls its own decision adopted on 13 September 2023, to make amendments to Parliament's Rules of Procedure with a view to strengthening integrity, independence and accountability⁵; recognises, however, that the EU institutions, including the European Parliament, should be more diligent in ensuring greater transparency, integrity and accountability regarding their framework for interaction with entities to be listed in the EU Transparency Register; calls, in this regard, for increased scrutiny by Parliament's services in order to enforce Parliament's amended Rules of Procedure relating to integrity, independence and accountability; acknowledges that further resources are needed to strengthen the transparency and the accountability of all lobbying or advocacy activities of legal persons or entities, including human rights NGOs;
14. Calls for all EU institutions to be far stricter in their implementation, enforcement and supervision of adherence to the current provisions on the EU Transparency Register; also calls for the strengthening of the EU Transparency Register by increasing the budget and staff allocated to it, so that it is able to offer support to all applicants and registrants, particularly small entities and NGOs, throughout the registration process and verify the information they provide more thoroughly; calls on the Commission to present proposals to enhance the transparency of interest representation and to ensure that lobbying or advocacy activities, in particular on behalf of third country governments, their budgets and their policy scope are properly disclosed under the EU Transparency Register and that sanctions are provided for in the event of false declarations.

⁵ Texts adopted, P9_TA(2023)0316.

**ANNEX: LIST OF ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The following list is drawn up under the exclusive responsibility of the rapporteur. The rapporteur has received input from the following entities or persons in the preparation of the opinion, until the adoption thereof in committee:

Entity and/or person
HUMAN RIGHTS AND DEMOCRACY NETWORK
CIVIL SOCIETY EUROPE

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	16.11.2023
Result of final vote	+ : 39 - : 5 0 : 3
Members present for the final vote	Alexander Alexandrov Yordanov, François Alfonsi, Maria Arena, Petras Auštrevičius, Anna Bonfrisco, Reinhard Bütikofer, Susanna Ceccardi, Włodzimierz Cimoszewicz, Anna Fotyga, Giorgos Georgiou, Raphaël Glucksmann, Andrius Kubilius, Ilhan Kyuchyuk, Antonio López-Istúriz White, Thierry Mariani, Marisa Matias, David McAllister, Vangelis Meimarakis, Sven Mikser, Francisco José Millán Mon, Alessandra Moretti, Kostas Papadakis, Tonino Picula, Isabel Santos, Mounir Satouri, Jordi Solé, Dominik Tarczyński, Hilde Vautmans, Charlie Weimers, Isabel Wiseler-Lima
Substitutes present for the final vote	Dacian Cioloș, Georgios Kyrtos, Gabriel Mato, Juozas Olekas, Pina Picierno, María Soraya Rodríguez Ramos, Mick Wallace, Elena Yoncheva
Substitutes under Rule 209(7) present for the final vote	Karolin Braunsberger-Reinhold, Charles Goerens, Eero Heinäluoma, Maria-Manuel Leitão-Marques, Dan-Ștefan Motreanu, Paul Tang, Eugen Tomac, Lucia Vuolo, Juan Ignacio Zoido Álvarez

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

39	+
PPE	Alexander Alexandrov Yordanov, Karolin Braunsberger-Reinhold, Andrius Kubilius, Antonio López-Istúriz White, David McAllister, Gabriel Mato, Vangelis Meimarakis, Francisco José Millán Mon, Dan-Ștefan Motreanu, Eugen Tomac, Lucia Vuolo, Isabel Wiseler-Lima, Juan Ignacio Zoido Álvarez
Renew	Petras Auštrevičius, Dacian Cioloș, Charles Goerens, Georgios Kyrtos, Ilhan Kyuchyuk, María Soraya Rodríguez Ramos, Hilde Vautmans
S&D	Maria Arena, Włodzimierz Cimoszewicz, Raphaël Glucksmann, Eero Heinäluoma, Maria-Manuel Leitão-Marques, Sven Mikser, Alessandra Moretti, Juozas Olekas, Pina Picierno, Tonino Picula, Isabel Santos, Paul Tang, Elena Yoncheva
The Left	Marisa Matias, Mick Wallace
Verts/ALE	François Alfonsi, Reinhard Bütikofer, Mounir Satouri, Jordi Solé

5	-
ECR	Anna Fotyga, Dominik Tarczyński, Charlie Weimers
ID	Thierry Mariani
NI	Kostas Papadakis

3	0
ID	Anna Bonfrisco, Susanna Ceccardi
The Left	Giorgos Georgiou

Key to symbols:

+ : in favour

- : against

0 : abstention

28.11.2023

OPINION OF THE COMMITTEE ON CIVIL LIBERTIES, JUSTICE AND HOME AFFAIRS

for the Committee on Budgetary Control

on transparency and accountability of non-governmental organisations funded from the EU budget
(2023/2122(INI))

Rapporteur for opinion: Clare Daly

SUGGESTIONS

The Committee on Civil Liberties, Justice and Home Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- having regard to its resolution of 8 March 2022 on the shrinking space for civil society in Europe²⁶,
- having regard to the Council conclusions of 10 March 2023 on the application of the EU Charter of Fundamental Rights; the role of the civic space in protecting and promoting fundamental rights in the EU,
- having regard to its resolution of 13 July 2023 on recommendations for reform of European Parliament’s rules on transparency, integrity, accountability and anti-corruption²⁷,
- having regard to the Treaty on European Union (TEU), in particular Article 11 thereof,
- having regard to the Charter of Fundamental Rights of the European Union (the Charter), and in particular Article 12 thereof,
- having regard to the European Convention on Human Rights, in particular Article 11 thereof,
- having regard to its resolution of 7 October 2020 on the establishment of an EU Mechanism on Democracy, the Rule of Law and Fundamental Rights²⁸,
- having regard to the Joint Guidelines on Freedom of Association adopted by the European Commission for Democracy Through Law (Venice Commission) and the

²⁶ OJ C 347, 9.9.2022, p. 2.

²⁷ Texts adopted, P9_TA(2023)0292.

²⁸ OJ C 395, 29.9.2021, p. 2.

Organization for Security and Co-operation in Europe (OSCE) Office for Democratic Institutions and Human Rights (ODIHR) in December 2014,

- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012²⁹,
- A. whereas non-governmental organisations (NGOs), grassroots and community organisations, trade unions, activist groups, human rights defenders and many other civil society actors are the backbone of civic space, and constitute the legal and political framework in which people and groups can meaningfully participate in the political, economic, social and cultural life of their societies;
- B. whereas civil society plays a crucial role in promoting and defending the rights and values enshrined in Article 2 TEU and the fundamental rights under the Charter, both at European and at national level, as well as in protecting women, LGBTIQ+ persons, persons with disabilities, minorities, migrants and refugees and other vulnerable groups; whereas to this end, it is crucial that civil society actors benefit from an environment that allows them to thrive throughout the Union;
- C. whereas civil society actors play a central role in democracy by exercising public oversight over political power as an essential component of a rule of law ecosystem of healthy democracies, articulating and relaying to policy makers the aspirations and interests present in society, engaging in advocacy and litigation, contributing to informed policy-making with their expertise and knowledge of what goes on on the ground and fostering active and responsible citizenship, thereby promoting active public participation in the democratic process and governance, increasing transparency at Union and Member State level, and fostering public debate and pluralism in society; whereas some governments have a tendency to use pretexts in order to place restrictions on NGOs, causing them to face an unsafe environment with increasingly worrying attacks, including via legislation;
- D. whereas the Council conclusions on the role of civic space and promoting fundamental rights in the EU and Parliament’s resolution on shrinking civic space in the EU call for the protection of civic space and for the active protection of civil society organisations (CSOs);
- E. whereas Article 63 of the Treaty on the Functioning of the European Union, together with Articles 7, 8 and 12 of the Charter enshrines the freedom of association at all levels and protects non-profit organisations against discriminatory, unnecessary and unjustified restrictions regarding the financing of their activities; whereas the freedom of association is one of the essential foundations of a democratic and pluralist society, as it allows citizens to act collectively in fields of mutual interest and to contribute to the proper functioning of public life; whereas freedom of association includes not only the ability to create or dissolve an association but also the ability for that association to

²⁹ OJ L 193, 30.7.2018, p. 1.

operate without unjustified interference by the state; whereas the ability to seek, secure and use resources is essential to the operation of any association;

- F. whereas the Court of Justice of the European Union confirmed in its judgment in Case C-78/18 *European Commission v Hungary*³⁰ that the obligations of declaration and publicity may, in certain circumstances, be liable to limit the capacity of CSOs to receive financial support or have a deterrent effect on the participation of donors;
- G. whereas the Venice Commission indicated in its ‘Report on Funding of Associations’ of March 2019 that some public disclosure obligations can be imposed on associations with ‘public utility status’, but these obligations should be limited to information on how the public funds obtained by the association concerned are spent; the disclosure obligations should not be extended to all financing, including from private donors; and all reporting should be subject to a duty to respect the rights of donors, beneficiaries and staff, as well as the right to protect business confidentiality; whereas international standards on freedom of association require that no restrictions may be placed on its exercise other than those which are prescribed by law and which are necessary in a democratic society in the interests of national security or public safety, public order, the protection of public health or morals or the protection of the rights and freedoms of others;
- H. whereas recent corruption allegations involving the EU institutions have underlined the need to pay more attention to scrutiny and transparency regarding EU funding;
1. Emphasises the crucial role played by civil society, which comprises, inter alia, grassroots and community organisations, trade unions, activist groups, human rights defenders and NGOs in promoting and upholding democratic values, equality, the rule of law and fundamental rights, and in ensuring civic participation and the accountability of governments, as well as state and private actors;
 2. Stresses, moreover, civil society’s crucial role in providing societal benefits and assistance, in particular for the most vulnerable and marginalised groups, as well as promoting their rights and interests, and in providing space for a diversity of opinions and positions to be expressed and heard, thereby allowing citizens to take an active part in setting the political agenda;
 3. Stresses that civil society is a broader category than that of NGOs; acknowledges the diversity of NGOs as regards their size, from large international organisations to small regional or local organisations; as regards resources, from organisations that mostly rely on paid employees to organisations consisting mostly of volunteers; and as regards staff, policy outlook and activities; notes, therefore, that they should not be perceived as a singular bloc; emphasises further that the historical development of the NGO sector varies across Europe and that it is essential to recognise that sensitivity must be deployed in addressing issues regarding NGOs in different parts of Europe;
 4. Notes that in spite of the risks of some NGOs being leveraged by state and private actors for their own ends, many of them play a significant role in exposing public and

³⁰ Judgment of the Court of Justice of 18 June 2020, *European Commission v Hungary*, C-78/18, ECLI:EU:C:2020:476.

private wrongdoing and strengthening accountability; stresses, therefore, that they must be protected, including through the provision of and access to adequate and transparent funding at all levels – public and private, domestic and foreign – on which many organisations rely;

5. Recalls that the Treaties require the EU institutions and EU Member States to maintain an open, transparent and regular dialogue with representative associations and civil society; stresses the importance for EU Member States and EU institutions of providing adequate funding to programmes aimed at protecting and promoting fundamental rights and the values enshrined in the EU Treaties; recognises the role NGOs and CSOs play in implementing these programmes;
6. Remains deeply concerned by threats to and unjustified attacks on NGOs in some Member States and at European level; strongly denounces the fact that such threats and attacks include increasing crackdowns on and the curtailing of political speech and action at all levels across the EU, proposing and adopting legislation that imposes discriminatory obligations on NGOs, which restrict or ban their activities, actions both against organisations and their infrastructure and against their staff or volunteers, online and offline intimidation and harassment, negative public statements and smear campaigns, verbal threats and legal and physical attacks; stresses that some NGOs also face excessive administrative controls or audits, politically motivated funding cuts and overly strict legal requirements for their formation and registration;
7. Recalls that civil society actors at all levels need appropriate and sufficient human, material and financial resources to carry out their missions effectively and that the freedom to seek, receive and use such resources is not circumscribed by national borders and is an integral part of the right to freedom of association;
8. Is deeply concerned that access to funding, including foreign funding, continues to be hindered by restrictive rules in several Member States, such as disproportionately burdensome application and selection procedures regarding EU funds under shared management, attempts to introduce rules penalising NGOs, rules on political advertising and foreign interference in elections that affect advocacy and watchdog activities, funding conditionality requirements and transparency laws that are perceived as stigmatising, and negative campaigns against CSOs receiving foreign funding;
9. Calls for the Member States and the EU to improve the legal environment for civil society through the provision of adequate funding and by ensuring that any measure restricting the right of associations to seek, secure and use resources, including foreign resources, must pursue one of the legitimate aims under Article 11(2) of the European Convention on Human Rights and be fully compliant with fundamental rights in accordance with the case-law of the Court of Justice of the European Union and of the European Court of Human Rights, as well as with the recommendations of the Venice Commission; calls for the Member States and the EU to provide appropriate legal remedies for civil society in the event of any restrictions;
10. Calls for the Member States and the EU to ensure that access to funding and other resources for NGOs is made through clear, transparent and non-discriminatory procedures, and without undue impediments;

11. Underlines that transparency and accountability measures, as well as the monitoring of how public money is spent, are important for upholding democracy and are two of the guiding budgetary principles of the European Union enshrined in the Financial Regulation³¹; emphasises that transparency and accountability measures must only serve the purpose of ensuring legitimate public scrutiny; recalls that international standards on freedom of association and freedom of assembly require authorities to apply a presumption in favour of NGOs' liberty to seek and receive funding from any source; stresses, therefore, that reporting requirements for NGOs must be applied to all beneficiaries of EU funding without discrimination, and must be strictly necessary, proportionate and justified to the specific aims pursued; stresses further that these reporting requirements should take into account the resources, size and staff available to a beneficiary of EU funding and the scope of its activities;
12. Warns against introducing further requirements for NGOs as compared to other beneficiaries; insists that any additional EU measures on reporting requirements should be led by the principles of necessity and proportionality; recalls that imposing obligations of registration, declaration and publication on certain categories of CSOs directly or indirectly receiving support from abroad must be in line with the principles of non-discrimination, the right to respect for private and family life, the right to the protection of personal data and the right to freedom of association, as stated by the Court of Justice of the European Union in Case C-78/18 (*European Commission v Hungary*); recalls the need to focus on the accountability and transparency of the budget, and its use and implementation by the beneficiaries, rather than on measures regarding their organisation and governance;
13. Considers that it would be helpful to have comprehensive data from the Commission on the extent and effectiveness of the implementation of the different EU programmes which provide support to NGOs in achieving the goal of bolstering civic space and participation, as part of their evaluation; considers further that the managing authorities and the Commission should maintain a list of projects awarded grants in line with the explicit requirement in the Common Provisions Regulation³² to create a list of operations selected for support by the funds publicly available on the website in at least one of the official languages of the institutions of the Union and to update that list at least every four months;
14. Welcomes the establishment of Citizens, Equality, Rights and Values (CERV) Programme for the period 2021-2027, which provides direct funding to CSOs from the EU budget; recalls Parliament's role in securing an increased budget for the programme in the negotiations with the Council and the Commission on the multiannual financial framework (MFF) 2021-2027; calls on the Commission and the Council to ensure that

³¹ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

³² Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

the budget for the programme is increased in the next MFF to account for inflation and the need to support CSOs in building a resilient and participatory democracy; calls on the Commission to make the tender procedures in the CERV programme transparent and user-friendly, and to avoid overly complicated requirements that are difficult to fulfil for CSOs, as well as to ensure the necessary flexibility in the process of re-granting the funds to local and grassroots organisations by operators in Member States in order to ensure that the money reaches those working closest to citizens; recalls that any reporting obligations must be proportionate and feasible for the organisation to fulfil, taking into account its size and the level of funds;

15. Stresses that reporting obligations and transparency should be in place to ensure that EU money is well spent, while avoiding unnecessary burdens on organisations; believes that current EU legislation on scrutiny, due diligence and transparency is likely sufficient with minor adjustments, which should apply to all beneficiaries of EU funds, and could, inter alia, address the concerns expressed by the European Court of Auditors, for achieving proportionate transparency goals;
16. Emphasises that a disproportionate increase in reporting and transparency requirements for NGOs under various pretexts should be avoided in order not to undermine civic space;
17. Calls, however, on the Commission to step up its work on streamlining databases and on increasing the user-friendliness of the Financial Transparency System (FTS) to improve transparency and accessibility; stresses that, within the FTS, all types and subtypes of beneficiaries, including for-profit organisations, should be searchable as a category in the register, rather than providing distinct categories just for NGOs or non-profits; calls on the Commission to facilitate better support for applicants when accessing EU funding, as well as increased institutional funding for organisations;
18. Recalls that the circumvention of transparency and accountability requirements cannot be prevented or remedied by creating new, burdensome rules on transparency and accountability, or conducting comprehensive financial pre-screening of NGOs before they are listed in the Transparency Register, or developing a centralised certification system for NGOs wishing to apply for EU funding, which create further legal and administrative obstacles and may hinder smaller NGOs from receiving EU or foreign funds;
19. Appreciates the fact that the Commission has enhanced the access status for the European Anti-Fraud Office (OLAF) in order to obtain information on the financial misconduct of individual NGOs, to investigate them and to impose appropriate sanctions in the event of fraud, corruption and other irregularities related to EU funds, in compliance with the applicable regulations;
20. Appreciates the fact that the Commission ensures that all applicants or beneficiaries of EU funding are required to publish annually the number, amounts and nature of lobbying contacts they have, and welcomes the fact that a growing number of EU-funded NGOs publish their pursued interests and financial data online, in compliance with the applicable regulations, while adding that a more proactive approach from

NGOs to public transparency that goes beyond the existing requirements for EU grant funding would be expected;

21. Welcomes Parliament's decision of 13 September 2023 amending Parliament's Rules of Procedure with a view to strengthening integrity, independence and accountability; calls on all EU institutions to better implement the current provisions on the EU Transparency Register; insists that the EU Transparency Register should be strengthened by increasing its budget and its staff so that it is able to offer support to all applicants and registrants, particularly small entities and NGOs, throughout the registration process and to verify the information they provided more thoroughly; stresses that it is imperative that NGOs do their utmost to ensure compliance with the EU data protection regime;
22. Calls on the Commission to assess the feasibility and necessity of EU legislation in establishing transparency requirements for all organisations that engage in direct political lobbying, independent of their legal status and sources of funding;
23. Stresses that top-down national regulation involves the risk of politically driven control of NGOs and that a cautious approach should be applied in this regard; emphasises that measures that could contribute to excessive state monitoring should be avoided; stresses further that anti-corruption measures should be strictly proportional and must not be used as a justification for excessive reporting and transparency requirements for NGOs that would undermine their activities and restrict freedom of association; deplores the reported cases of excessive disclosure obligations recently introduced in some Member States;
24. Warns emphatically against the weaponisation of the concept of 'foreign interference' and emphasises that this can be and is being used by governments to repress and stigmatise civil society and NGOs; emphasises, however, that some stakeholders may be used as a tool of influence by foreign entities ultimately affecting the democratic process in Member States; believes, therefore, that there is no one-size-fits-all approach to dealing with civil society;
25. Deplores the smear campaigns against NGOs, including those which pursue advocacy and research activities in the area of the environment and human rights, under the pretext, for example, that they are predominantly financed by foreign funding, which aims to undermine their credibility.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	28.11.2023
Result of final vote	+: 31 -: 25 0: 4
Members present for the final vote	Abir Al-Sahlani, Pietro Bartolo, Theresa Bielowski, Vladimír Bilčík, Malin Björk, Vasile Blaga, Karolin Braunsberger-Reinhold, Patrick Breyer, Saskia Bricmont, Annika Bruna, Damien Carême, Clare Daly, Lena Düpont, Lucia Ďuriš Nicholsonová, Cornelia Ernst, Nicolaus Fest, Evin Incir, Sophia in 't Veld, Patryk Jaki, Marina Kaljurand, Assita Kanko, Fabienne Keller, Łukasz Kohut, Moritz Körner, Jeroen Lenaers, Juan Fernando López Aguilar, Nadine Morano, Javier Moreno Sánchez, Maite Pagazaurtundúa, Pina Picierno, Birgit Sippel, Vincenzo Sofo, Tineke Strik, Annalisa Tardino, Yana Toom, Milan Uhrík, Tom Vandendriessche, Elena Yoncheva, Javier Zarzalejos
Substitutes present for the final vote	Daniel Freund, José Gusmão, Rasa Juknevičienė, Beata Kempa, Matjaž Nemec, Janina Ochojska, Jan-Christoph Oetjen, Kostas Papadakis, Silvia Sardone, Paul Tang, Petar Vitanov, Axel Voss, Tomáš Zdechovský
Substitutes under Rule 209(7) present for the final vote	Mathilde Androuët, Tom Berendsen, Jarosław Duda, Rosa Estaràs Ferragut, Pär Holmgren, Andrey Kovatchev, Antonius Manders, Riho Terras

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

31	+
Renew	Abir Al-Sahlani, Lucia Ďuriš Nicholsonová, Sophia in 't Veld, Fabienne Keller, Moritz Körner, Jan-Christoph Oetjen, Maite Pagazaurtundúa, Yana Toom
S&D	Pietro Bartolo, Theresa Bielowski, Evin Incir, Marina Kaljurand, Łukasz Kohut, Juan Fernando López Aguilar, Javier Moreno Sánchez, Matjaž Nemeč, Pina Picierno, Birgit Sippel, Paul Tang, Petar Vitanov, Elena Yoncheva
The Left	Malin Björk, Clare Daly, Cornelia Ernst, José Gusmão
Verts/ALE	Patrick Breyer, Saskia Bricmont, Damien Carême, Daniel Freund, Pär Holmgren, Tineke Strik

25	-
ECR	Vincenzo Sofo
ID	Mathilde Androuët, Annika Bruna, Nicolaus Fest, Silvia Sardone, Annalisa Tardino, Tom Vandendriessche
NI	Kostas Papadakis, Milan Uhrík
PPE	Tom Berendsen, Vasile Blaga, Karolin Braunsberger-Reinhold, Jarosław Duda, Lena Düpont, Rosa Estaràs Ferragut, Rasa Juknevičienė, Andrey Kovatchev, Jeroen Lenaers, Antonius Manders, Nadine Morano, Janina Ochojska, Riho Terras, Axel Voss, Javier Zarzalejos, Tomáš Zdechovský

4	0
ECR	Patryk Jaki, Assita Kanko, Beata Kempa
PPE	Vladimír Bilčík

Key to symbols:

+ : in favour

- : against

0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	14.12.2023
Result of final vote	+: 19 -: 6 0: 2
Members present for the final vote	Matteo Adinolfi, Dominique Bilde, Gilles Boyer, Olivier Chastel, Caterina Chinnici, Ilana Cicurel, Carlos Coelho, Beatrice Covassi, Ryszard Czarnecki, Luke Ming Flanagan, Daniel Freund, Isabel García Muñoz, Maria Grapini, Monika Hohlmeier, Joachim Kuhs, Alin Mituța, Jan Olbrycht, Markus Pieper, Sándor Rónai, Petri Sarvamaa, Eleni Stavrou, Viola von Cramon-Taubadel
Substitutes present for the final vote	Mikuláš Peksa, Sabrina Pignedoli, Wolfram Pirchner
Substitutes under Rule 209(7) present for the final vote	Agnes Jongerius, Marisa Matias

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

19	+
ECR	Ryszard Czarnecki
ID	Matteo Adinolfi, Dominique Bilde, Joachim Kuhs
PPE	Caterina Chinnici, Carlos Coelho, Monika Hohlmeier, Jan Olbrycht, Petri Sarvamaa, Eleni Stavrou
Renew	Gilles Boyer, Olivier Chastel, Ilana Cicurel, Alin Mituța
S&D	Beatrice Covassi, Isabel García Muñoz, Maria Grapini, Agnes Jongerius, Sándor Rónai

6	-
NI	Sabrina Pignedoli
The Left	Luke Ming Flanagan, Marisa Matias
Verts/ALE	Daniel Freund, Mikuláš Peksa, Viola von Cramon-Taubadel

2	0
PPE	Markus Pieper, Wolfram Pirchner

Key to symbols:

+ : in favour

- : against

0 : abstention