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DRAFT OPINION

of the Committee on Development

for the Committee on Budgetary Control

on Budgetary Control of financing NGOs from the EU Budget
(2015/2345(INI))

Rapporteur: Elly Schlein

SUGGESTIONS

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

1. Stresses that NGOs are crucial, autonomous and independent partners, ~~and~~ critical change and accountability agents, citizens mobilisers, and important defenders of democracy and human rights in promoting and implementing EU policies; emphasises that NGOs as part of civil society will continue to play an important role in the implementation and monitoring of the Agenda 2030 for sustainable development; emphasises the pivotal role played by NGOs in the field of development and humanitarian aid, especially in light of the unprecedented scale of humanitarian crises, ~~including their effects on the increase of migrant and refugee flows~~; condemns any attempt to use public funds to impose political control over NGOs;
2. Recalls EU adherence to the 2011 Busan Partnership for Development Effectiveness, and its support for the 2011 International Framework for CSO Development Effectiveness, and in particular commitments to enable CSOs to exercise their roles as independent development actors with a long term results-oriented perspective facilitated by an enabling environment and institutional support;
3. Recalls the Council Conclusions on a rights-based approach to development cooperation, encompassing all human rights, and urges the European Commission to step up its efforts in ensuring the effective implementation of a rights-based approach in order to strengthen the impact of EU's development and cooperation assistance. Future funding in terms of design and indicators should reflect more clearly a rights-based approach and take measurable steps towards gender equality.
- 1.4. Calls on the European Commission to ensure full transparency and accountability in the management of all public finances from the EU budget, which include not only NGOs but also private sector and other entities, such as international organisations, as beneficiaries;
- 2.5. Calls on the Commission to create a centralised and comprehensive database gathering ~~all the~~ information about funding allocated to NGOs beneficiaries, amounts committed or disbursed and key results achieved performance, bearing in mind protection of data and sensitive information that might put the security of actors involved at risk;
- 3.6. Calls on the Commission to continue its efforts to streamline its procedures for humanitarian and development aid in order to reduce the administrative burden on NGOs, ~~affecting particularly small NGOs~~, by simplifying and harmonizing ~~and simplifying proposals~~, application procedures, reporting formats and requirements, ~~improving the provision of funding~~, ensuring an appropriate mix of funding modalities available to a range of civil society actors, and better balancing financial requirements such as audits and bank guarantees;
- 4.7. Recalls that NGOs differ in terms of size and activity area, believes that a

range of funding modalities need to be in place to ensure access to grants should be for a diversity of NGOs proportionate to other financial resources available to NGOs, calls on the Commission to consider making application, implementation and reporting requirements proportional to ~~the size of the NGO and~~ the size of the grant;

- 5.8. _____ Stresses that, in order to adapt to the unpredictability and the increasingly complex environment in which humanitarian and development NGOs operate, flexibility is needed to help NGOs to adjust their projects based on real-time evaluations and feedbacks, defining light and quick procedures for project amendments not affecting the overarching objectives;
- 6.9. _____ Calls on the Commission to use the opportunity of the mid-term review of the Multiannual Financial Framework to agree on the necessary structural changes so that the level of payments for humanitarian and development aid is automatically up to the level of commitments in the annual EC budget;
10. Recognises ~~that co-funding requirements increase ownership and enhance responsibility and accountability, but recalls~~ that having to work with multiple donors ~~might~~ increases the administrative burden and calls therefore on the European Commission to limit co-funding requirements with no minimum co-funding percentage requirement, and further to ensure that in-kind contributions are considered as eligible co-funding within the different funding programmes;
11. Calls on the Commission, in its proposal for a revision of the financial regulations to recognise the direct link between organisational costs and project implementation costs in terms of quality and accountability and thus increase the ceiling for indirect expenditure to at least 15%;
- 7.12. _____ Is concerned about the increasing use of trust funds, their limited transparency, the lack of consultation of actors preventing country and regional ownership, the limited impact in terms of leverage of new funds, and by the increase of the volume of grants leading to greater administrative burden to NGOs and to the exclusion of important actors; calls therefore for a thorough external evaluation of this mechanism;
- 8.13. _____ Recognises that EU monitoring and evaluation systems rely heavily on NGO self-reporting; Calls on the Commission, in this regard, to consider increasing the number of external evaluations, as an additional monitoring and evaluation requirement to harmonise external evaluation requirements, in order to make better use of existing evaluations and results achieved through the different programmes. Support to joint learning and evaluation workshops for grantees can further increase the impact and use of existing evaluations, and improve efficiency and design of future interventions
- 9.14. _____ Calls on the Commission also through the EU delegations to promote proactive engagement with NGOs and intensify partnership and the policy dialogue via umbrella organisations to focus on priorities such as simplification and better implementation, in order to further increasing the efficiency of development and humanitarian aid. EU Country Roadmaps for engagements with CSOs should be recognised and used as a tool for better policy dialogue and overall strategic engagement with a range of civil society actors at the country level.