
EUROPEAN COURT OF AUDITORS CALLS FOR NGO DEFINITION

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The EU delegates 1.7% of its budget to NGOs, while no common definition exists in Europe, a shortcoming which complicates the monitoring of EU-funded projects. EURACTIV France reports.

Who are really non-governmental organisations (NGOs)? There is no easy answer to this question at European level because there is no specific framework to define an NGO.

Each member state has criteria to define a framework for these structures, on the basis of the organisations legal form and sometimes on the nature of the activities it performs.

However, the European Court of Auditors believes that the lack of a consistent definition is a serious problem because NGOs implement part of the European budget.

According to a report published by the ECA, Europe entrusts the implementation of 1.7% of its budget to NGOs, notably in the fields of humanitarian and development aid, environmental protection and culture.

NGOs are also asked to play a role in implementing 6.8% of the European Development Fund (EDF), which is not part of the European budget. In total, over the 2014-2017 period, the European Commission distributed around €11.3 billion to NGOs.

Lack of reliability

The auditors noted that the current system of classifying organisations as NGOs is not reliable [*] and the European Commission does not have sufficiently detailed information on how the money is spent.

The Court of Auditors believed this lack of reliability is due to the fact that the European Commission draws on NGOs self-declarations to judge whether they are in fact non-governmental organisations. Moreover, beyond this, the checks are limited, the auditors said.

The EU is the worlds biggest aid donor and NGOs often play an essential role in delivering that aid. But EU taxpayers need to know that their money is being paid over to properly defined organisations and that the Commission will have to account for it fully, said Annemie Turtelboom, the ECA member who drafted the report.

European statute on hold

The question of establishing a European statute for NGOs has repeatedly been discussed, has never succeeded due to a lack of political agreement.

In a communication from 1997, the European Commission listed the characteristics for defining an NGO: organisations with a formal or institutional existence; which are non-profit-distributing; independent of government and public authorities, not managed for personal gain; their activities must contribute to the public good. However, these criteria remain illustrative.

In its last attempt, in 2011, the European Parliament adopted a written declaration on establishing Europe statutes for mutual societies, associations and foundations.

This non-binding declaration called on the European Commission to introduce proposals for European statutes for associations, mutual societies and foundations. However, this call went unheeded by the European Commission, which was then headed by José Manuel Barroso.

Criticism of sub-granting

Another black mark highlighted by the report was the provision of sub-granting, which does not allow the European Commission to properly monitor how European money is used.

In four of the 14 projects under direct management examined in the report, the signatory NGOs of the grant agreements [have] used the technique of sub-granting to entrust implementation to other entities from the same network, without this information being recorded in the Commission systems, the auditors complained.

Kaynak/Source: