SPECIAL REPORT 11/2025 **EN**

Transparency of EU funding granted to NGOs

Despite progress, the overview is still not reliable



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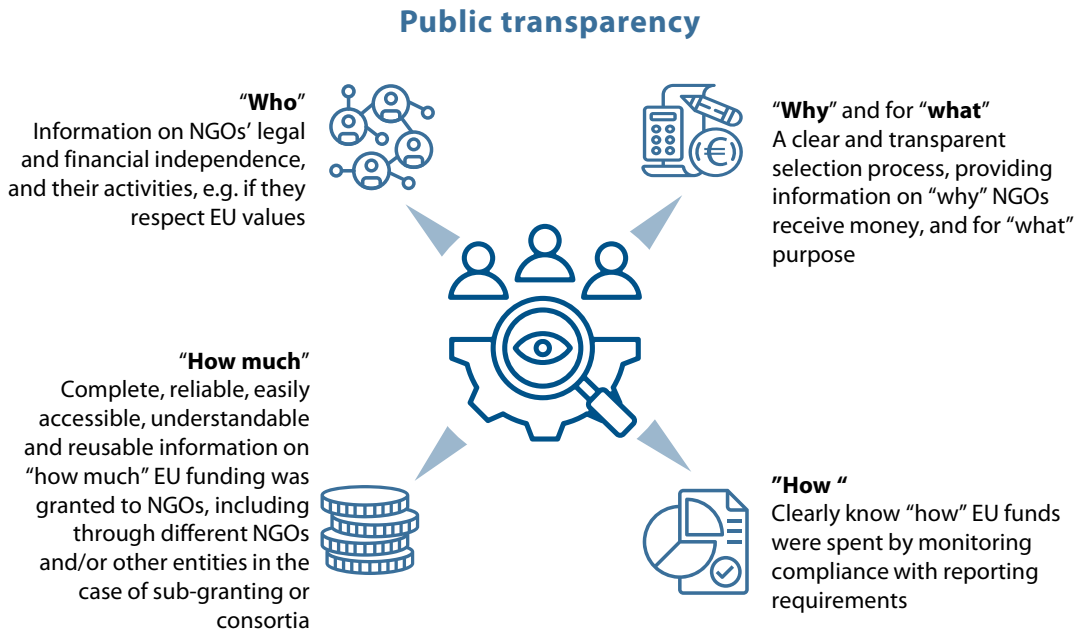
01 Main messages

Why this area is important

01 The Treaty on European Union emphasises the importance of transparent and ongoing dialogue with civil society organisations, of which non-governmental organisations (NGOs) are a subset. NGOs are diverse in terms of size or areas of activity, working mostly on social inclusion, equal opportunities, gender equality, climate and environmental protection, and research and innovation.

02 Public transparency is about providing citizens with proper information so that they can hold public decision-makers to account. This means that fulfilling transparency requirements includes knowing not only to whom, why and for what purpose EU funds were granted, but also how they were used, the amounts involved, and whether fund recipients respect EU values (see ***Figure 1***).

Figure 1 | Public transparency is about providing information for accountability



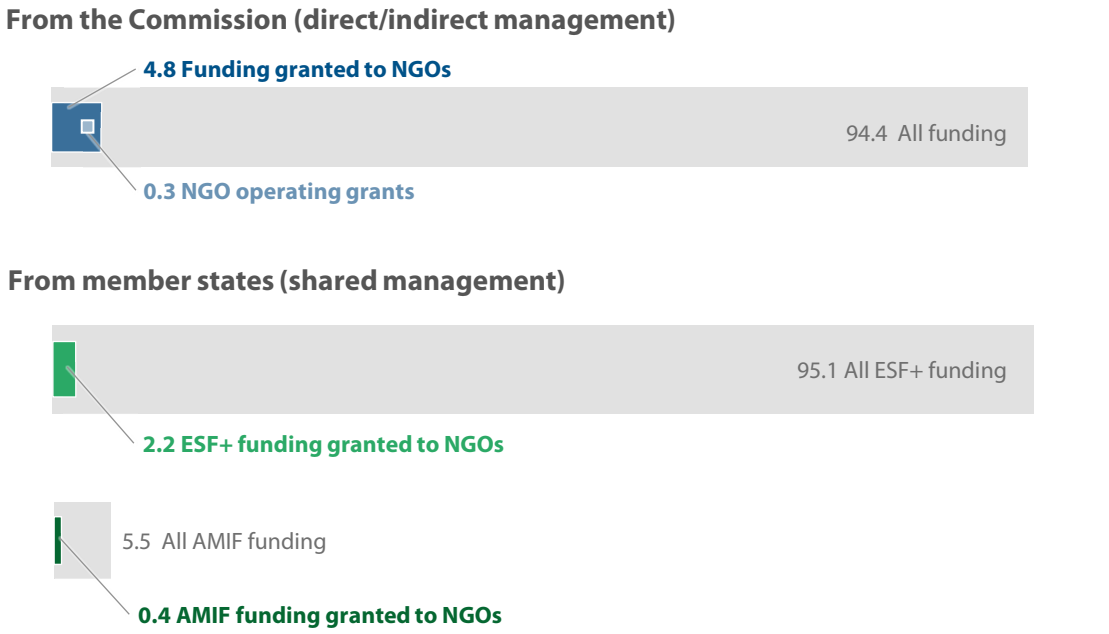
Source: ECA, based on international organisations' standards on public transparency (the Organisation for Economic Co-operation and Development, the International Monetary Fund and Transparency International).

03 The Treaty lays down the values of human dignity, freedom, democracy, equality, the rule of law and human rights, including rights of persons belonging to minorities, as the foundation of the EU. Respecting these EU values is a contractual obligation for recipients – including NGOs – in order to receive EU funds.

04 In general, the EU budget finances activities irrespective of whether they are carried out by NGOs or other types of entity. NGOs receive most of their EU funding through grants and must adhere to the transparency requirements that apply to all recipients. During the 2021-2023 period covered by our audit (see ***Figure 2***), the Commission reported committing €4.8 billion to NGOs in internal policies. Furthermore, for the European Social Fund Plus (ESF+) and the Asylum, Migration and Integration Fund (AMIF), the two funds under shared management that are included in the scope of our audit, member state authorities reported granting €2.6 billion. For these policies, EU funding commitments totalled €7.4 billion.

Figure 2 | NGOs received less than 4 % of funding from the EU budget for the selected internal policies during the 2021-2023 period

(billion euros)



Source: ECA, based on the Financial Transparency System and financial data received from managing authorities.

05 Public interest in improving transparency requirements for EU-funded NGOs has increased since the "Qatargate" scandal in 2022. The European Parliament resolution adopted in January 2024 called for greater transparency and accountability of EU funding granted to recipients, including NGOs. With the aim of increasing the transparency of NGO recipients of EU funds, the EU Financial Regulation as updated on 23 September 2024 defined an NGO as "*a voluntary, independent from government, non-profit organisation, which is not a political party or a trade union*".

06 Following our 2018 report on the transparency of EU funding granted to NGOs, with a focus on external action, this audit assesses the transparency of EU funding granted to NGOs in EU internal policies, specifically examining whether the Commission, its implementing partners and member states:

— collected and disclosed reliable data on EU funding granted to NGOs; and

— appropriately assessed key transparency requirements for NGOs in receipt of EU funds, as well as whether they respect EU values.

For more background information, and details of the audit scope and approach, see ***Annex I***.

What we found and recommend

07 Overall, our audit shows that EU funding granted to NGOs in internal policies was not sufficiently transparent, although we have observed improvements in this regard since our previous special report in 2018. In general, the Commission and other implementing bodies verify key transparency requirements (see ***Annex II***) before granting EU funds to NGOs, but do not proactively check compliance with EU values.

08 Despite improvements, such as the Commission's introduction of a common registration system for grant applicants, the transparency of EU funding granted to NGOs is undermined by the lack of a reliable overview. We observed that what qualifies as an NGO was not always understood in the same way by the Commission, its implementing partners, and member state authorities. The listing of NGOs in the Financial Transparency System, which is the main transparency tool for first-level recipients of EU funds under direct and indirect management, is based on self-declaration. The Commission continues to check some elements of an NGO's classification, i.e. whether an NGO is a private entity and non-profit. However, important aspects of an NGO status were not checked, such as a government influence through its representatives in governance bodies and whether self-declared NGOs are not pursuing their members' commercial interests. This approach contributes to some entities having an incorrect NGO classification in the Financial Transparency System. The 2024 Financial Regulation definition of an NGO is not sufficient in itself to address this issue, as some operational aspects remain open to interpretation (see paragraphs ***17*** to ***24***).



Recommendation 1

Improve guidance on classifying non-governmental organisations

The Commission should facilitate consistent understanding and application of the definition of non-governmental organisations across all management modes, by issuing guidance to clarify the criteria for:

(a) "independence from government" beyond a prerequisite of being a private entity; and

(b) NGO status when an entity is pursuing its members' commercial interests.

Target implementation date: 2025

09 We observed that the Commission improved the way it collected and managed information on EU funding granted to recipients, including NGOs, and the way it disclosed that information through the Financial Transparency System. Nevertheless, we found

weaknesses affecting the relevance, comparability and timeliness of this information, such as incorrect classification of recipients as NGOs, incomplete coverage of all recipients of EU funds, and infrequent updates. Incomplete coverage of all recipients is largely due to the Commission's publication, in line with the Financial Regulation, of commitments made to first-level recipients only (see paragraphs ***25*** to ***34***).

10 Member state authorities do not monitor and report on EU funding granted to NGOs; as this information is not required by EU law, it is not readily available. On their websites, member state authorities disclose to the public only information on amounts that have been committed (see paragraphs ***35*** to ***38***). The updated Financial Regulation requires that, as from 2028, information on EU funds granted to recipients, including NGOs, under shared management programmes, should be published on a centralised website, together with information on direct and indirect management modes. This new requirement is expected to improve the completeness of information on recipients of EU funds, but cannot ensure the full comparability of financial data from all management modes as there is no requirement to report payments received under shared management, for example (see paragraph ***39***).

11 Overall, we found that there is no reliable overview of EU funding granted to NGOs. This information is published on multiple systems, websites and databases, resulting in a fragmented approach, which hampers transparency and limits insights into the role of NGOs in EU policy-making and programme implementation. Moreover, without this information, it is more difficult to assess whether EU funds are overly concentrated on a small number of NGOs and whether such concentration aligns with EU policy objectives (paragraphs ***40*** to ***43***).

Recommendation 2

Improve the quality of information on EU spending in the Financial Transparency System

To ensure that the information disclosed in the Financial Transparency System is comparable and useful, the Commission should improve its completeness and timeliness by increasing the frequency of updates and covering second-level recipients of EU funds for direct and indirect management.

Target implementation date: 2029.

12 We also assessed whether the managers of EU funds appropriately checked NGOs' compliance with key legislative transparency requirements (see ***Annex II***). We observed

that, overall, the transparency requirements of the Financial Regulation and sectoral legislation for accessing EU funds were adhered to. The Commission and other implementing bodies appropriately published calls for proposals, making them accessible to interested parties and transparent to the public (see paragraphs ***45*** to ***49***).

13 NGOs can receive grants to support their operating costs. Consequently, these operating grants finance NGOs' various activities which may include advocacy. We found that the Commission did not clearly disclose to the public the information it held on NGOs' advocacy activities that were financed through this type of grants. During our audit, the Commission issued guidance that grant agreements should not require recipients to lobby EU institutions. The implementation of this guidance was outside the scope of our audit (see paragraphs ***50*** to ***51***).

14 The recipients of EU funds, including NGOs, are required to respect EU values. We found that the managers of EU funds do not proactively search for potential breaches of EU values. Instead, they mainly rely on self-declarations and do not use other available data sources. For example, checks on financial dependency and funding sources, which can provide useful information about 'who stands behind an NGO', were not carried out. Starting in mid-2023, the Commission provided awareness activities and guidance for its staff on the obligation for recipients to respect EU values. However, there is no guidance on how to assess potential cases of non-compliance with the obligation to respect EU values (see paragraphs ***52*** to ***57***).

Recommendation 3

Strengthen verification of compliance with EU values

The Commission should explore the feasibility of developing the current systems to include risk-based verification of recipients' (including NGOs') compliance with EU values, in order to detect potential breaches.

Target implementation date: 2028.

15 Our assessment of practices in a sample of NGOs benefiting from EU funds showed that they differed significantly in how transparent they were towards the public. Administrative capacity was an obvious factor affecting their level of transparency. The presence of accreditation arrangements which are not linked to reporting obligations related to EU funds also enhanced NGOs' transparency (see paragraphs ***58*** to ***64***).

02

A closer look at our observations

Despite improvements, transparency of EU funding granted to NGOs is undermined by the lack of a reliable overview

16 In line with the international definition of public transparency (see ***Annex I***, paragraph ***06***, and ***Figure 1***), we would expect the Commission, the member state authorities and implementing partners to provide the public with reliable and timely information on the amounts of EU funds granted to NGOs and for what purpose. To ensure this transparency, they should:

— use the same criteria to allow for consistency in determining what an NGO[1] actually is. It is important to understand exactly to "whom" EU funds are awarded, and to facilitate consistent and reliable reporting on EU funding granted to NGOs;

— use IT systems that collect reliable, complete, and up-to-date financial data; and

— publish information on EU funding granted to NGOs in a machine-readable format that allows further data analysis yielding more robust information, such as consolidated data on funds spent from all EU programmes per recipient.

[1] Regulation 2024/2509, recital 8.

The identification and registration of entities as NGOs are not always consistent and reliable

17 In January 2022, the Commission provided a definition of an NGO when it updated its publicly available guideline on how to legally validate entities participating in EU funding or tenders under direct and indirect management. In addition to being a non-profit organisation, an NGO must be independent from government. However, in their calls for proposals to award operating grants, the Commission departments and agencies defined criteria for NGOs differently. As a result, an organisation considered to be an NGO in one competition for grants may be excluded in another (see ***Box 1***).

Box 1

Commission departments and agencies use different criteria to differentiate NGOs from other types of entity

The calls for proposals for grants financed from the Erasmus+, ESF+ and LIFE programmes in the 2021-2023 period were managed, respectively, by the European Education and Culture Executive Agency (EACEA), the Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL) and the European Climate, Infrastructure and Environment Executive Agency (CINEA). The calls specified that NGOs must be not only independent from government but also non-profit. However, these bodies stipulated further criteria:

— EACEA: independent of political parties and commercial organisations;

— DG EMPL: independent of industry, commercial and business or other conflicting interests; and

— CINEA: independent of other public authorities, political parties and commercial interest.

18 We asked the member states' managing authorities for the ESF+ and AMIF whether their national legislation included a definition of an NGO. About a quarter of EU member states reported having legal definitions of an NGO in their national legislation, albeit often with a different scope. ***Box 2*** gives examples of national NGO definitions.

Box 2

Examples of NGO definitions in EU member states

In **Greece**, organisations known as NGOs are voluntary, not-for-profit, and have a public-benefit purpose. They are independent from the State, local governments, public- and private-law bodies, commercial and professional organisations and associations, trade unions, and political organisations and parties. This independence is demonstrated by the fact that no legal person belonging to the public sector may participate in the organisation's management bodies and general meetings.

In **Lithuania**, NGOs must be independent from the State or lower-level self-governing institutions and bodies, act for the benefit of the public or a group thereof, and cannot have political or religious aims. In addition, organisations are not classified as NGOs if they are controlled by:

— religious communities;

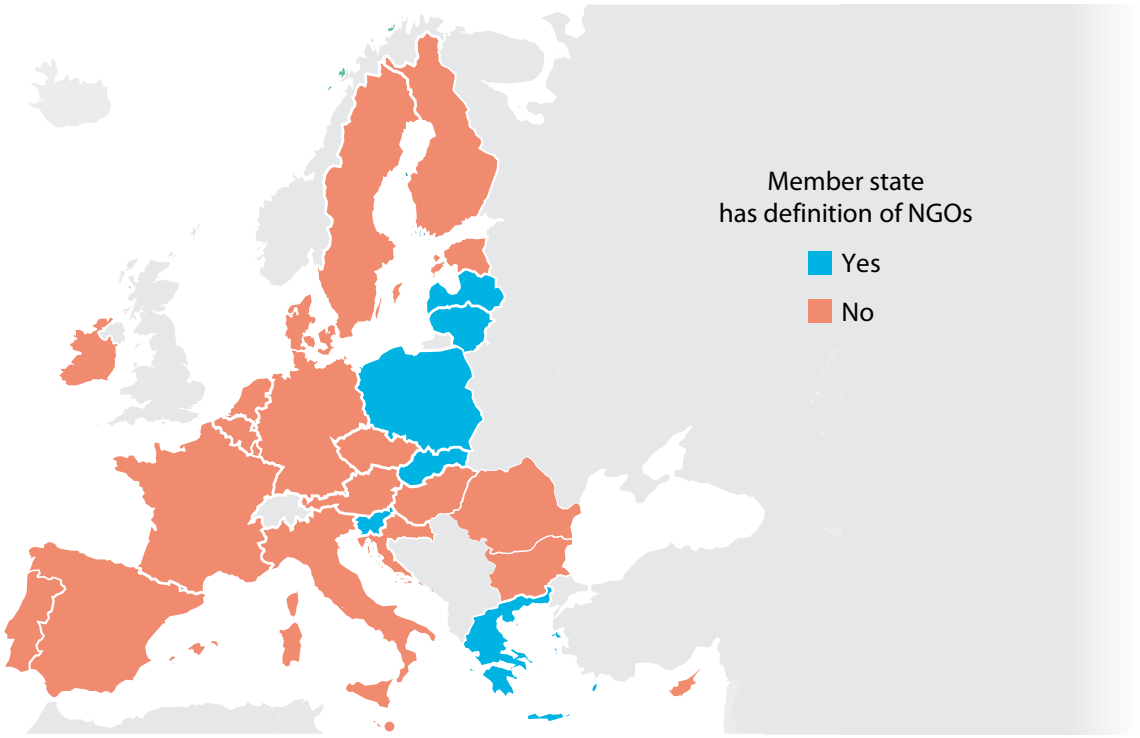
— municipalities; or

— other entities which are not NGOs themselves and hold more than 30 % of votes or participation in the organisations' general assembly.

In **Poland**, NGOs are organisations which are non-profit and are not enterprises (including public enterprises), research institutions, banks or part of the public finance sector. Political parties and their foundations, trade unions, and employers' and employees' associations cannot be NGOs, either.

19 *Figure 3* gives an overview of which member states have their own legal definition of NGOs.

Figure 3 | A few member states have their own legal NGO definitions



Source: ECA, based on replies to the questionnaires we sent to the managing authorities.

20 In September 2024, the EU's co-legislators adopted the Commission's proposal to include a definition of an NGO in the updated EU Financial Regulation (***Annex I***, paragraph ***03***). The aim of this definition is to enhance transparency about recipients of EU funds which are NGOs[2]. The definition covers the most essential criteria for NGOs, i.e. that they should be independent from government and non-profit. The organisations considered to be NGOs in the light of the EU definition may not always be NGOs in their member states.

21 For the purposes of direct and indirect management, the Commission records recipients as NGOs in its central accounting system, based on self-declaration after validating an entity as non-profit and private, which is then disclosed in the Financial Transparency System (FTS); see ***Annex I***, paragraph ***08***. The Commission considers NGOs to be independent from government if they are not public bodies. This interpretation does not consider an important aspect of an NGO's independence, namely controlling participation by governments in NGO governance bodies. In addition, the Commission checks the applicants' non-profit status based on documents they submit, confirming their legal form or purpose, or whether they have a legal or statutory obligation not to distribute profits to

[2] Regulation 2024/2509, recital 8.

shareholders or individual members[3]. However, the Commission does not check whether NGOs pursue their members' commercial interests (see ***Box 3***).

Box 3

Example of an entity being registered as an NGO despite pursuing its members' commercial interest

In our sample, we identified an entity which was marked as an NGO in the FTS. The entity is a research organisation which, aside from research and innovation activities, provides advanced technical services for the textile industry and integral services for the cosmetics industry. It employs more than 250 staff and has offices worldwide.

The entity is a private, non-profit organisation, but it clearly pursues the commercial interests of its mostly profit-oriented members, and so should not had been considered as an NGO. In response to our survey, it also stated that it is not an NGO.

22 Although the Commission checks the main aspects of the NGO definition, these checks are not complete. We found that more than 90 % (over 70 000) of entities to which payments were made in the accounting system in the 2021-2023 period were not categorised as an NGO or non-NGO, as this field was left blank (optional for recipients). We believe this increases the risk of recipients being categorised incorrectly for reporting purposes, directly impacting the quality of the information available to the public through the FTS.

23 Based on our observations above, we consider that the EU definition of an NGO is not sufficient in itself to fully address the risk of incorrect classification of NGOs, as the following aspects of their practical application are not sufficiently clear:

(a) rules on what should be understood by "independent from government", for example by setting a threshold for governmental control over organisations' governance bodies;

(b) rules on how NGO status is to be verified in the event that NGOs pursue their members' commercial interests; and

(c) the entities excluded from the definition of an NGO. The current NGO definition excludes political parties and trade unions, but not other similar types of organisation so as to ensure equal treatment (e.g. foundations and associations established by political parties and trade unions as *de facto* integral parts thereof; employers'

[3] Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment, Commission, 1 February 2024.

associations by analogy with trade unions, or the entity types being independent from governments beyond the formal status of private body).

24 Such insufficient clarity provides room for a broad interpretation of the definition of an NGO by organisations that implement the EU budget. Consequently, the way the definition is applied to EU funding may not be consistent across all EU programmes and management modes.

Despite a more streamlined granting process, issues with the completeness and accuracy of data remain

Direct management

25 In our previous special report on the transparency of EU funding to NGOs with a focus on external action[4], we found that the Commission had varying granularity of information on the funding provided to recipients under direct management programmes, due to the different systems its departments used. However, the Commission's system for the granting process has since become more uniform, mainly due to the rollout of the SEDIA project in 2017 which allows for digital communication and exchanges with applicants. This means that the same documents from recipients/applicants are brought together by the Commission's IT system – the eGrants suite – when managing direct grants. We confirmed this improvement, as 29 out of 30 NGOs from our direct management sample were registered in eGrants, and included the same type of information on recipients (e.g. documents identifying recipients, financial statements, and grant applications and evaluations).

26 We cross-checked the financial data that were publicly available in the FTS (see ***Annex I***, paragraph ***08***) against the information kept in eGrants and other systems and sources, such as the EU Transparency Register (EUTR), in order to verify their reliability. We found several weaknesses which impact the accuracy of the Commission's FTS in relation to EU funding to NGOs under direct management:

— **eight entities (over 25 % of our sample) were incorrectly marked as NGOs**: Three of these entities included organisations dependent on government, such as a public-private partnership (a collaborative agreement between government entities and private-sector companies) or a national research institute (see ***Box 4***). The fourth one represented its members' commercial interests which were not compatible with being an NGO. Three additional recipients did not consider themselves as NGOs in

[4] Special report 35/2018, paragraphs 41-42.

their responses to our survey, and another was registered as a non-NGO on the Commission's Funding and Tenders (F&T) portal;

Box 4

Example of a research institute being marked as an NGO even though it is dependent on government

A national research institute pursues international research on energy and the bioeconomy. It ranks among the largest research institutes in Europe.

The institute is registered as a private, non-profit limited liability company. When applying for an EU grant, it self-declared as an NGO. However, the institute's operations are closely tied to government. The State provided a guarantee for the institute to secure its financial capacity, and its highest governance body is exclusively composed of representatives of the member state authorities.

— **entities incorrectly marked as non-NGOs**: When cross-checking the FTS database against other registers at EU level, i.e. the EUTR and the information we received from the national managing authorities for ESF+ and AMIF, we found 70 entities that were not marked in the Commission's accounting system as NGOs, despite indications from the other registers that they were.

27 In line with the requirements of the Financial Regulation, **the Commission discloses the information on first-level transactions** to individual recipients. Grant agreements may provide for the possibility of some of the EU funds being granted to another entity. In our sample, we identified one recipient receiving funding from the Citizens, Equality, Rights and Values (CERV) programme which regranted some amounts to another entity. According to the Commission, for the CERV programme in 2022 and 2023, the "regranted" amounts were €3.9 million and €3.7 million, respectively. These amounts represent 2 % of committed CERV funding for these years.

28 We also found **differences between amounts disclosed in the FTS** and what was contractually agreed between the Commission and its recipients. In one of the grant agreements in which an NGO in our sample participated, the Commission contractually committed €549 million, but the FTS showed only €317 million. The Commission noted that it only disclosed cumulative annual budgetary commitments, meaning that the full grant amount is set to appear in the FTS in the last year of the contract. However, this was not always the case for the Commission's other commitments, where it disclosed entire amounts agreed in the contracts as soon as they took effect.

29 The Commission updates its FTS annually, by June each year, as required by the Financial Regulation. This means that the information on amounts committed per year-end is disclosed with a delay; this may be up to one and a half years, as amounts committed in January of year *n* will be disclosed only by June of year *n*+1. Furthermore, the Commission does not update the financial information in the FTS following amendments to grant agreements in its annual updates. In our direct management sample, we identified three cases (10 % of our sample) where the information in the FTS was not up-to-date for this reason. In two cases, the financial information following amendments to grant agreements was not disclosed in the FTS and, in the third case, the commitment from a signed grant agreement was disclosed with a one-year delay.

Indirect management

30 For indirect management, for Erasmus+ and the European Solidarity Corps (ESC), the Commission established the Project Management Module (PMM), a web-based IT system where implementing partners report information. The PMM covers a project's full lifecycle, from application to final payments. The Commission monitors the information, extracts data to perform further analysis, and then uses the information in its annual activity reports and annexes. Through the PMM, the Commission has access to individual project documentation.

31 Despite improvements in the data recording system for these two specific programmes, we found that the public information about recipients of EU funds from indirect management programmes in the FTS was incomplete. This is because the FTS discloses financial information only about first-level transactions, i.e. between the Commission and its implementing partners. The latter are required to publish information on their websites about EU funding they have distributed to final recipients, some of which are NGOs. Unlike in the case of shared management, they are not required to publicly disclose this information in a machine-readable format which would allow consolidation and big data analysis.

32 In the 2021-2023 period, for Erasmus+ and the ESC, the Commission committed €1 363 million to its implementing partners, and this amount was marked in the FTS as going to NGOs. However, the information from the Commission's PMM for the three selected implementing partners shows that only 10 % of the amounts they received was transferred to NGOs, while 90 % went to other types of recipients. The Commission also makes payments to non-NGO implementing partners which may subsequently transfer the funds to NGOs. The Commission did not monitor the amounts transferred in this way to NGOs.

33 The three implementing partners we selected for further examination followed different procedures to disclose information on the EU funding they manage. *Table 1* shows the information that they provided about grants awarded.

Table 1 | Differences in how the selected implementing partners disclose information on the EU funding they manage

Information	In Germany	In Poland	In Slovenia
Application number		✓	✓
Erasmus code	✓		
Applicant name	✓	✓	✓
Location (city)	✓	✓	✓
Project title			✓
Budget	✓	✓	✓
Points awarded			✓
Outcome of assessment		✓	
Format	Not machine-readable	Not machine-readable	Not machine-readable
Order	Year and action	Year, action and budget range	Year and action

Source: ECA.

34 According to the Commission, Erasmus+ and the ESC programmes together have 54 implementing partners, which are located in the EU and third countries associated with the programmes. This means that the information on their final recipients is scattered across many information sources using different formats. Furthermore, the implementing partners do not distinguish between types of final recipient, so it is not possible to obtain reliable consolidated information about the EU funds granted to NGOs under this management mode.

Shared management

35 As regards shared management, while national authorities are required to disclose information on the amount of EU funds they have committed to recipients, they are not required to record the share for NGOs. This means that information on EU funding for NGOs under shared management is not readily available. In addition, member states have different criteria – or none at all – for identifying EU recipients as NGOs, leading to data that is neither homogeneous nor complete (see paragraphs *18* and *19*).

36 We also found that the national databases in the three member states we visited list neither co-recipients in the case of consortia nor the amounts paid to recipients, as only committed amounts are disclosed. However, these databases are more frequently updated than the Commission's FTS, and they also disclose information about amendments to grant agreements.

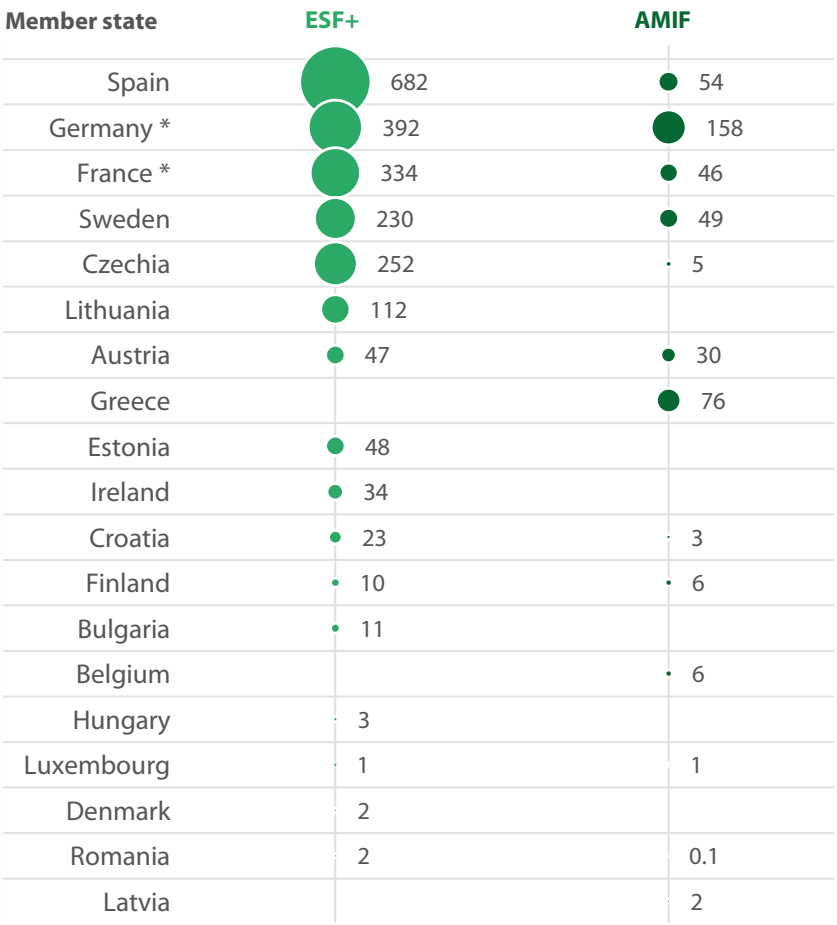
37 As managing authorities are not required to publish information specifically on EU funding granted to NGOs, we asked all managing authorities in the member states for the selected programmes (AMIF and ESF+) to provide information about amounts of EU funding committed to NGOs. We received this information from all but Germany and France; see ***Figure 4***.

— The German authorities stated that Germany does not have any specific legislation, registration or identification numbers for NGOs. Moreover, there is no separate allocation of ESF+/AMIF funding to NGOs in the 2021-2027 multiannual financial framework (MFF).

— The French authorities produced no financial data, as France has no legal definition for NGOs that operate in the country.

Figure 4 | Member states show significant differences in the amounts granted to NGOs during the 2021-2023 period from ESF+ and AMIF

(million euros)



** For Germany and France, we analysed the information on recipients of the AMIF and ESF+ funds as published by the national (or "domestic" if also regional) authorities in order to estimate the amounts contracted to NGOs.*
*** Italy, Cyprus, Malta, Netherlands, Poland, Portugal, Slovenia, and Slovakia reported no amounts contracted.*

Source: ECA, based on the financial data received from the national managing authorities.

38 For our sample, we reconciled the amounts that the managing authorities provided with the underlying documents, i.e. grant decisions, and found no discrepancies.

The lack of a reliable overview of EU spending on NGOs hampers useful analysis

39 The previous paragraphs show that there is no comprehensive and reliable overview by policy area and all management modes for the EU funding committed or paid to NGOs. The updated Financial Regulation requires the Commission to have a single website which consolidates, centralises and publishes financial information on EU spending under all

three management modes[5]. This should be available from the post-2027 MFF. Until this requirement is met, and provided NGOs are correctly registered, obtaining reliable information on all EU funds that NGOs have received is practically impossible.

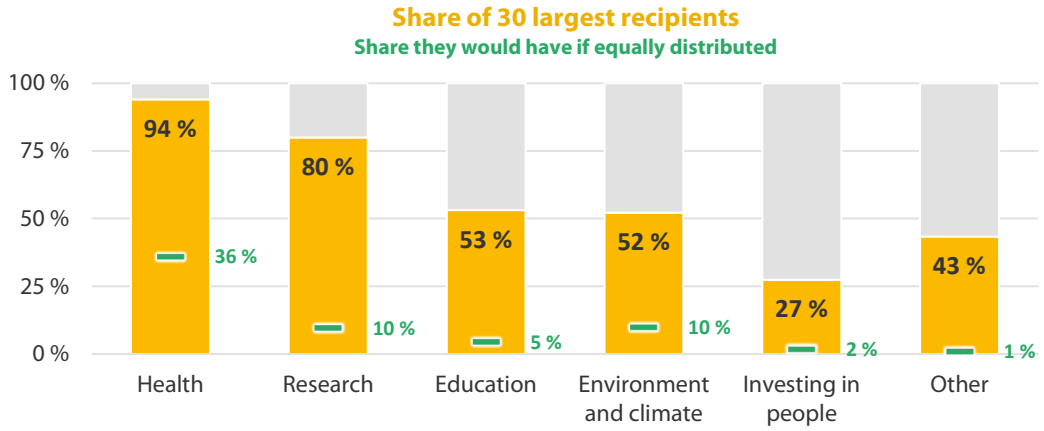
40 Furthermore, the absence of a common identifier makes it more difficult to cross-check and consolidate financial data on EU spending. We have already made an observation on the lack of a common identifier in our previous special report on blacklisting. We reported that this causes problems for identifying counterparties and matching their records against the various registers.

41 A reliable overview of EU funding granted to NGOs would not only increase the transparency of EU spending, but would also make it possible to analyse the concentration of EU funds. Such analysis could be useful, for example, for the purposes of mitigating the risk that over-concentration of EU funds in a small number of NGOs prevents wider participation in EU policy-making or programme implementation.

42 Notwithstanding the limitations of the financial data available, our analysis shows that a large part of EU funding granted to NGOs under direct management went to a small number of NGOs. Of over 4 400 NGOs, 30 received more than 40 % of total funds during the 2014-2023 period (i.e. €3.3 billion). ***Figure 5*** shows the concentration of EU funding granted to NGOs in various policy areas.

[5] Regulation 2024/2509, Article 38.

Figure 5 | A substantial portion of funding from the EU budget is directly granted to the 30 largest NGOs by the Commission in each selected policy area



	Health	Research	Education	Environment and climate	Investing in people	Other
*Total no. of recipients**:	**89**	**306**	**663**	**300**	**1 594**	**2 649**

* *Some NGOs received payments from more than one fund.*

Source: ECA, based on financial data from the Commission's accounting system.

43 In 2024, the co-legislators agreed to the Commission's proposal to introduce very low-value grants as a new category of grant, the aim being to facilitate access to funding for smaller projects. According to the Commission, this should make the concentration less acute. Applicants for such grants – including NGOs – will need to supply fewer documents (e.g. no need to demonstrate financial capacity to implement a project).

Managers of EU funds verify recipients' transparency, but do not proactively check whether they comply with EU values

44 The Financial Regulation and sectoral legislation lay down specific transparency requirements for accessing EU funds (see ***Annex II***). The Commission, member states and implementing bodies should verify that, as EU recipients, NGOs comply with these transparency requirements before being granted EU funds and throughout the duration of the grant contract. In this section, we examine whether the Commission, its implementing partners and member state authorities:

— ran open calls for grants in a transparent way; and

— verified that EU fund recipients respect EU values.

Lastly, we also assessed the transparency of the NGOs in our sample in terms of how they present information about their donors and activities.

Calls for proposals in our sample were transparent

45 We reviewed the EU legal framework for the programmes included in our audit scope, and identified requirements contributing to public transparency (***Annex II*** provides references to legal acts). We found that these requirements were consistent between the management modes under which the EU budget is implemented.

46 When publishing calls for proposals, the granting authorities (our sample included the Commission, three implementing partners and six managing authorities for AMIF and ESF+ in the selected member states) require applicants to provide several documents so that their legal status (e.g. statutes and legal representatives) and financial capacity can be assessed. As well as assessing applicants' capacity to complete a project, these documents provide the granting authorities with some information about the potential recipients of the funds.

47 Our survey asked NGOs if they think EU and national transparency requirements in calls for proposals are excessive. Over 90 % of NGOs that responded did not. Those that did were mostly smaller NGOs. They mainly pointed to cumbersome national requirements for reporting on how the funds they received were used.

48 We examined the transparency of calls for proposals in which the sampled 90 NGOs were successful. Overall, we found these calls were transparent, as they were available to potentially interested parties as well as to the public. The published criteria for accessing EU funds were clear.

49 We also examined the Commission's and implementing bodies' checks and decisions on applications in order to ascertain how transparent they were when the recipients of EU funds were being selected. The Commission's documentation in eGrants, which is standardised across all departments and agencies, provides a sufficient level of information about the decisions on how funding is granted (i.e. "why" the NGOs received the money). However, in the three member states we visited, we observed different levels of transparency in the selection process. In Sweden, the methodology used to assess grant applications leaves evaluators more room for discretion than in Germany and Spain, both of which provide more guidance on how to assess grant applications (see ***Box 5***).

Box 5

The transparency of the selection process in member states varies

In **Germany**, managing authorities keep detailed documentation on how scores were awarded. These scores are divided into sub-categories, and detailed justifications are provided for each. Projects exceeding the minimum threshold receive funding. However, the documentation on the selection process is not publicly available.

In **Spain**, managing authorities use the award criteria and the objective criteria published in the calls for proposals for evaluating applicants and applicants' scores. To assign points to each project, they use an assessment form that calculates the total score based on these pre-defined parameters.

In **Sweden**, the detailed assessment methodology for the call criteria is described in the managing authorities' internal guidelines, but these are not publicly available. The scoring system does not define, for example, what a "strong" or "weak" project is, even though this is a criterion for awarding funding. The managing authorities assigned these scores by comparing projects and using their professional judgment.

50 Some of the EU operating grants awarded to NGOs may finance advocacy activities such as lobbying. In our sample, we came across two cases of operating grants financed by the LIFE programme which included advocacy activities with policymakers (see ***Box 6***). Both NGOs are registered in the EUTR as interest representatives; however, the information in F&T does not disclose any such activities. Even if there are no legal requirements to disclose advocacy activities included in operating grants for NGOs, we consider that their sensitive nature, when funded by the EU, requires additional transparency.

Box 6

Operating grants where advocacy activities were not disclosed

For the two operating grants, F&T provides a standardised presentation of the objectives of such grants in less detail than signed grant agreements, which describe specific work and actions an NGO needs to perform for the funding it receives. One of our selected operating grants included advocacy activities such as holding meetings with members of the European Parliament and high-level representatives of the Commission. This information was not disclosed in F&T.

51 During our audit work, in order to mitigate reputational risk for the EU, the Commission issued guidance in May 2024 that grant agreements should not require recipients to lobby

EU institutions. As our audit covered EU funding granted to NGOs until the end of 2023, we did not examine the implementation of this guidance.

Respect of EU values is not proactively verified

52 The Treaty on European Union lays down the values of human dignity, freedom, democracy, equality, the rule of law and human rights, including rights of persons belonging to minorities[6], as the foundation of the EU. Since the beginning of the 2021-2027 MFF, respecting EU values has been a contractual obligation for recipients, including NGOs, in order to receive EU funds. We would thus expect all EU grant contracts to include the obligation to respect EU values for all recipients' activities, not just for those funded by the EU. In addition, we expect the Commission and implementing bodies to proactively verify compliance with the obligation to respect EU values. Assessing recipients' compliance with EU values is crucial for the EU's credibility.

53 In the direct management funds we selected, the Commission uses a corporate grant agreement model which includes the obligation for recipients to respect EU values in general, not just for the activities funded by the EU. Recipients are required to provide self-declarations that they respect EU values. For indirect management, the Commission has applied a similar approach since 2024[7]. For shared management, there are differences in how national authorities require recipients - including NGOs - to respect EU values. This means that the situation is less uniform than for direct and indirect management. ***Table 2*** shows the differences in how the managers of EU funds verify compliance with EU values.

Table 2 | The Commission and member states' managing authorities verify compliance with EU values differently

Stage	Compliance with EU values	Direct	Indirect (1)	Shared (2)
Application	The Commission/managing authorities check if an NGO's statutes are in line with EU values (admission criteria)	✓	✓	✗(3)
	The Commission/managing authorities proactively check whether the project is in line with EU values (eligibility criteria)	✗	✗	✗
	The project gets more points if it aims to develop EU values (award criteria)	✗	✓	✗(4)

6 Treaty on European Union, Article 2.

7 Erasmus+ programme guide as of 28 November 2023.

Stage	Compliance with EU values		Direct	Indirect [1]	Shared [2]
Grant agreement/ decision	Respecting EU values is an obligation for the grant agreement/decision		✓	✓	✓
Monitoring	Failure to comply with EU values is a reason for recovering funds from a recipient	regarding the funded project	✓	✓	✓
		regarding an NGO's other activities	✓	✓	✗

[1] For programmes managed by the Directorate-General for Education, Youth, Sport and Culture from 2024 onwards.
[2] For the three member states that we visited, i.e. Germany, Spain and Sweden.
[3] As a criterion for admission, only Spanish managing authorities check whether an NGO respects EU values.
[4] Only Spanish managing authorities from AMIF have award criteria linked to the development of EU values.

Source: ECA.

54 Contracts or grant decisions require recipients - including NGOs - to respect EU values. The Commission and other implementing bodies rely mainly on applicants' self-declarations. Some Commission departments and the other bodies that implement the EU budget do not systematically use complementary information, unless, according to the Commission, it is brought to their attention. In our sample, apart from *ex-ante* checks (e.g. whether recipients' statutes comply with EU values), checks on exclusion situations, and applicants' declarations, there is no evidence that other sources of information had been used.

55 In order to mitigate the reputational risk for EU funding entities that do not respect EU values, the Commission has provided training and presentations since mid-2023. It also issued internal guidance in 2024 about what should be done if EU values are not respected. Potential action ranged from payment suspensions to grant reductions or terminations, but there was no mention of how compliance with this obligation should be checked or how to assess the seriousness of non-compliance. In the case of shared management, for example, the Swedish authorities informed us that they had not yet received any guidance, and would only investigate if they suspected non-compliance.

56 Unlike other private, for-profit entities, for which information on ultimate owners is required, NGOs are not owned, meaning that the question of who "stands behind them" is not easy to answer. Current EU legislation does not require the Commission and other implementing bodies to check NGOs' sources of funding. When, the legislatively required financial stability check is carried out, it provides an opportunity for managers of EU funds to assess the NGO's sources of funding, thereby enabling them to identify 'who stands behind them' and any conflict of interests or the risks undermining NGOs' independence from specific donors. Our sample did not show any evidence that such a check on funding sources had been carried out.

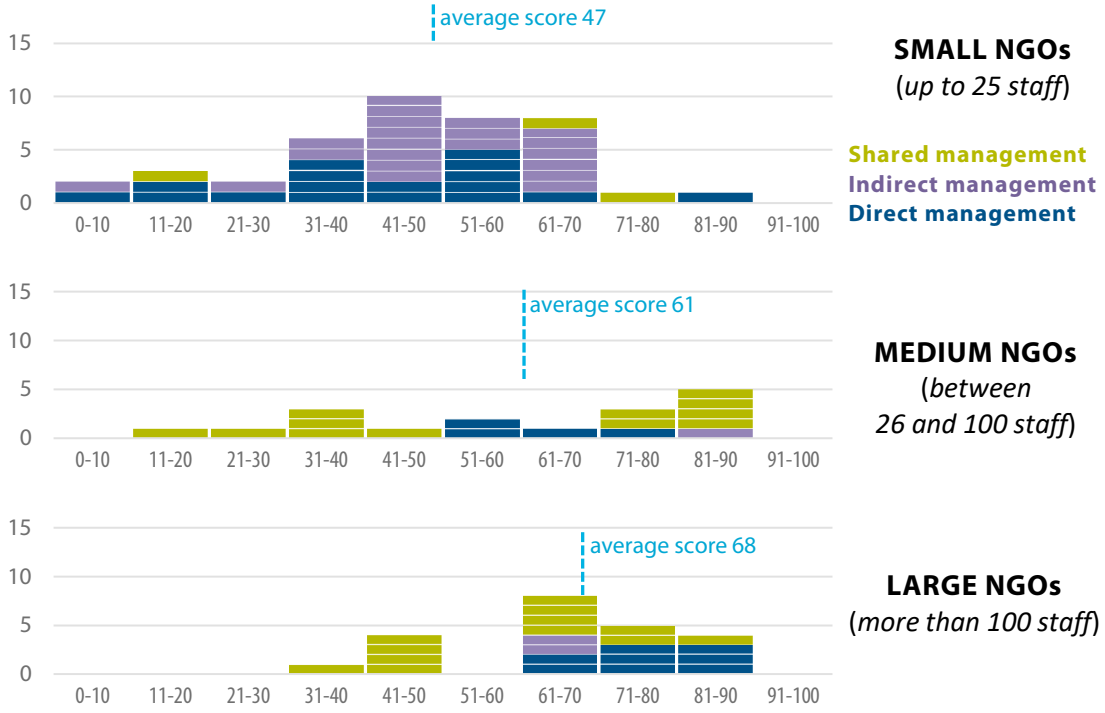
57 We carried out additional verifications, such as checking external data providers' databases (based on publicly available data) and directly asking NGOs, and found that public authorities were the main source of funding for most recipients. We obtained information for 51 of the 90 entities in our sample. More than 85 % of these 51 NGOs were financed mostly from public sources in 2022 and 2023, and the fact that the EU budget was the main source of funding for half of them highlights the need for thorough checks of recipients' compliance with EU values.

Transparency practices vary widely in our sample, with larger NGOs performing better

58 We assessed the transparency of the NGOs we sampled by reviewing the information they disclosed about themselves to the public. Our assessment of publicly available information was based on the transparency standards of the Expert Council on NGO Law of the Conference of International NGOs of the Council of Europe, and the approach by two Spanish organisations: *La Coordinadora de ONG para el desarrollo* (CONGE) and a private foundation that acts as an independent NGO evaluator (*Fundación Lealtad*). We focused on areas that provide information about who NGOs are and what they do. We grouped them into four transparency sections: governing bodies; missions, visions and values; social base and support; and planning and reporting. ***Annex IV*** provides detailed information about the methodology we used to assess NGOs' transparency and on features that contribute to better scoring.

59 NGOs differ significantly in their degree of voluntary transparency. On a scale of 0 to 100, we arrived at a total average score of 55 points for the NGOs in our sample. However, individual scores ranged from 5 to 90 points; see ***Annex III***. Our assessment shows that NGOs scored well as regards disclosing information on governing bodies and their missions, visions and values. However, they tend to be less transparent about their social base, support and financial statements. Although NGOs usually indicate their main donors, they rarely include the amounts donated and the periods concerned. ***Figure 6*** provides a summary of our assessment of NGOs' total voluntary transparency, and ***Annex V*** provides detailed results for each section we considered when assessing voluntary transparency.

Figure 6 | Small NGOs obtain lower scores than medium and large NGOs in our assessment of voluntary transparency



Note: The average scores are based on the sample of 90 recipients. The graphics show the information on 80 NGOs which we were able to classify by size. Each brick represents an NGO from the sample.

Source: ECA.

60 We found that the key factor determining the level of NGO transparency is size, especially in terms of administrative capacity. Small NGOs in our sample - i.e. those employing fewer than 25 people - obtained an average of 47 points, which is below the average for the entire sample (55 points); large NGOs with more than 100 staff averaged 68 points. Seven organisations in our sample had no permanent staff, as they only hired staff to carry out projects for which funding had been received.

61 In Spain, one of the three member states we visited, we came across different accreditation processes that NGOs can carry out in addition to the reporting obligations that arise from contractual agreements, EU law, and national legislation. The accreditation processes relate to the NGOs' management, governance, and transparency. NGO accreditation processes in Spain aim to verify the origin of public and private funding sources, social base and support (including the groups and entities that support their work, such as individuals, donors and volunteers), major donors, and the networks to which NGOs belong.

62 The Spanish NGOs in our shared management sample scored 71 points on average. This indicates that an accreditation process could act as an incentive for NGOs to be more transparent. Of 10 Spanish NGOs, five have transparency accreditations, four being

medium-sized NGOs and one small. For comparison purposes, the German and Swedish NGOs' scores were close to the average, with one large NGO from Germany also having this type of accreditation.

63 Undergoing an accreditation process with a view to obtaining a transparency certificate is not widespread among EU-funded NGOs. In our sample of 90 recipients, we identified eight NGOs that have transparency certification, which was carried out by private entities independent from the NGOs. Two different Spanish organisations specialising in NGO governance and transparency certified five Spanish NGOs, while a Swedish organisation specialising in NGO fundraising certified one NGO from Sweden. We also found one NGO from Germany and another from Belgium with transparency certificates granted by certifying organisations in their respective countries.

64 We found no material differences in NGOs' voluntary transparency scores linked to the management mode they were financed under. NGOs financed under indirect management scored slightly less, mostly because they are small, with many employing fewer than five people. The reason for this is that the part of our sample covering the indirect management mode is financed from Erasmus+ and the ESC in which small NGOs are often recipients.

This report was adopted by Chamber V, headed by Mr Jan Gregor, Member of the Court of Auditors, in Luxembourg at its meeting of 25 February 2025.

For the Court of Auditors

Tony Murphy
President

Annexes

Annex I – About the audit

EU support for NGOs and the applicable transparency requirements

01 The Treaty on European Union highlights the importance of open, transparent and regular interaction with representative associations and civil society[1], of which NGOs are a subgroup. While examples of civil society organisations include trade unions, employers' associations and religious institutions, the characteristic specific to NGOs is that they are expected to operate independently of government influence. NGOs are mostly involved in the areas of social inclusion, equal opportunities, gender equality, climate and environment protection, and research and innovation, either under EU external action, or EU internal policies. The Commission is committed to supporting civil society organisations in their role in democratic policy-making and a stronger Europe, through EU funding and various policy initiatives[2].

02 The Organisation for Economic Co-operation and Development (OECD) defines NGOs as any non-profit entity organised to pursue shared objectives and ideals, without significant government-controlled participation or representation[3]. In some member states, NGOs are defined by law, and in others by the nature of their activities. In our 2018 special report on EU funding for NGOs, with a focus on external action, we stated that while the term "NGO" was widely used, there was no common definition within the scope of EU-funded activities. We recommended that the Commission should establish clear criteria for identifying NGOs so as to make the financial data on EU funding for NGOs more reliable. We also recommended improving the information on funds implemented by NGOs so as to

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1 Treaty on European Union, Article 11.

2 Commission's website.

3 Development Assistance Committee Members and Civil Society, OECD, 2020, page 28.

ensure it was published accurately, and verifying the application of rules for sub-granting. The Commission has largely implemented these recommendations[4].

03 In September 2024, the EU's co-legislators updated the Financial Regulation, defining an NGO in Article 2(49) in the following terms: "*'non-governmental organisation' means a voluntary, independent from government, non-profit organisation, which is not a political party or a trade union*". As the definition was introduced to increase transparency surrounding those recipients of EU funds which are NGOs[5], the co-legislators also stipulate that EU grant applicants will be required to state whether they satisfy this definition.

04 NGOs are not a homogeneous group. They can be small organisations carrying out activities at local level, or large international NGOs present in many countries. Some NGOs have annual budgets of less than €10 000 and employ staff only to carry out specific projects, while other organisations have an annual budget of more than €1 billion and several thousand staff.

05 NGOs can receive EU grants, for example to implement an EU project. At the same time, they can also be "interest representatives" (organisations, associations, groups, and self-employed individuals) who carry out certain activities to influence EU policy and decision-making. As of June 2024, over 3 500 NGOs, platforms, networks and similar registered in the EUTR. Over 900 of them received EU grants in the 2021-2023 period[6]. After the "Qatargate" scandal in 2022, pressure to strengthen transparency standards for NGOs in receipt of EU funding grew. With this concern in mind, the European Parliament adopted a resolution in January 2024[7] urging improved transparency and accountability in the distribution of EU funding to recipients, including NGOs.

06 Based on international standards[8], public transparency is about providing citizens with proper information so that they can hold public decision-makers to account. Transparency is about knowing not only to whom, why and for what purpose EU funds were granted, but

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4 ECA's Report on the performance of the EU budget – Status at the end of 2021.

5 Regulation 2024/2509, recital 8.

6 The official portal for European data.

7 European Parliament resolution of 17 January 2024 on the transparency and accountability of non-governmental organisations funded from the EU budget (2023/2122(INI).

8 OECD (2017), OECD Budget Transparency Toolkit: Practical Steps for Supporting Openness, Integrity and Accountability in Public Financial Management, OECD Publishing, Paris; the International Monetary Fund; and Transparency International.

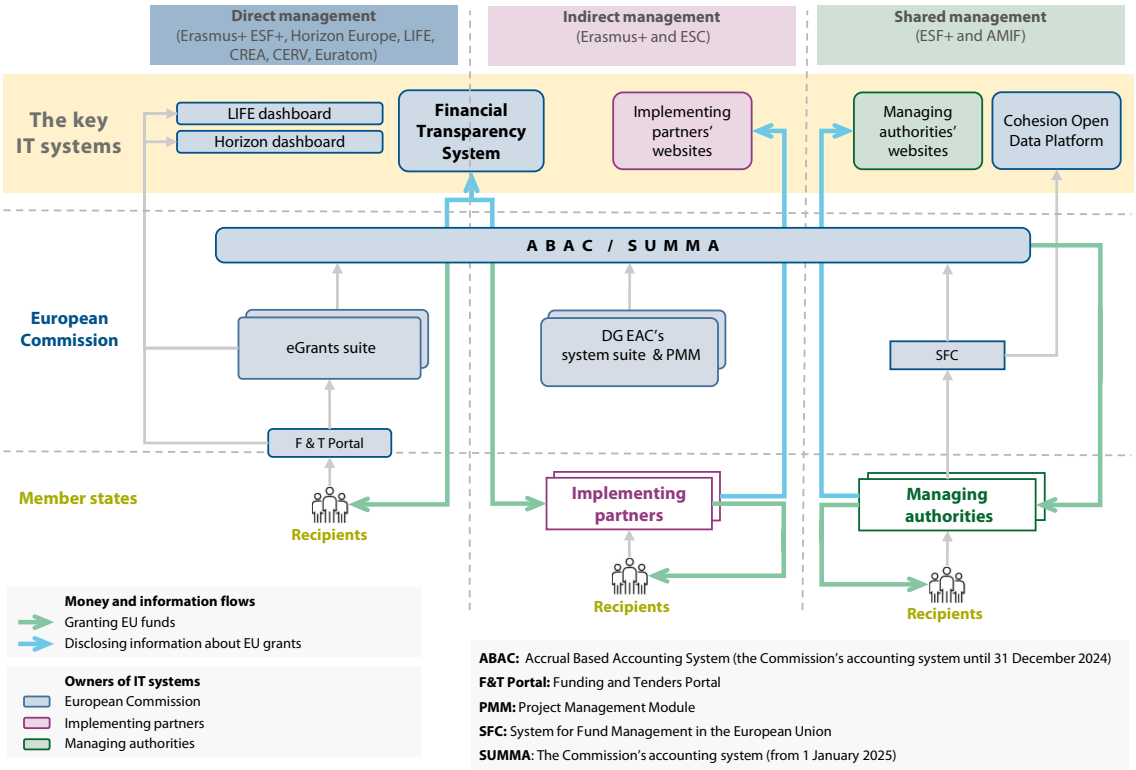
also how they were used, and the amounts involved. Meeting transparency requirements includes the factors illustrated in ***Figure 1***.

07 The Financial Regulation lays down transparency as one of its guiding budgetary principles, requiring the Commission to make information on EU funds available in an appropriate and timely manner[9]. It contains specific transparency requirements for the Commission and bodies that implement the EU budget to publish information about recipients of EU funds under direct management. In the case of grant and contract management procedures, additional transparency requirements are stipulated in the Financial Regulation and sectoral legislation. Some member states have their own additional transparency requirements. NGOs may also self-regulate regarding their transparency practices, and provide information on their own initiative. ***Annex II*** provides further information on EU transparency requirements.

08 The FTS is a publicly available database on recipients of funding from the EU budget. It discloses the financial information on first-level transactions under direct and indirect management. It is the main transparency tool for recipients of EU funds subject to these two management modes. Marking an entity as an NGO in FTS is based on self-declaration by recipients of EU funds. Implementing partners and member state authorities are required to publish on their websites the information on EU funding they have granted to recipients. ***Figure 1*** presents key IT systems that the Commission and other implementing bodies use to disclose information on EU funding.

[9] Regulation 2024/2509, article 38.

Figure 1 | Multiple IT systems are used to disclose information on EU funding



Source: ECA.

EU funding granted to NGOs

09 EU funding granted to NGOs is provided mostly in the form of grants for which various types of recipients are eligible. NGOs must therefore comply with the EU transparency requirements (***Annex II***) that apply to all types of recipients.

10 In the 2021-2023 period, the Commission stated in its FTS that it had committed €3.4 billion to NGOs from the funding it managed directly for internal policies and €1.4 billion for actions managed indirectly through its implementing partners. Together, these amounts, which were received by 5 000 NGOs, represent 5 % of all directly and indirectly managed spending in internal policies. Of these amounts, the Commission targeted €261 million solely at NGOs, in the form of operating grants.

11 Information on EU funding granted to NGOs under shared management programmes is not consolidated and available at EU level. At our request, the member states reported

that they had granted €2.6 billion from the two largest EU funding sources to around 7 500 NGOs in the 2021-2023 period:

— €2.2 billion from the ESF+, over 2 % of the total of €95.1 billion committed until the end of 2023; and

— €0.4 billion from AMIF, more than 7 % of the total of €5.5 billion committed until the end of 2023.

Audit scope and approach

12 Given the European Parliament's call for greater transparency and accountability of EU funding, the important role of NGOs in democratic policy-making and the objective of the 2024 Financial Regulation to improve transparency around NGO recipients of EU funds (see paragraph ***03***), we decided to assess the transparency of EU funding granted to NGOs in EU internal policies.

13 We specifically examined whether the Commission, its implementing partners and member states:

— collect and disclose reliable data on EU funding granted to NGOs; and

— appropriately assessed key transparency requirements for NGOs in receipt of EU funds, as well as whether they respect EU values.

14 The scope of our audit covered funding for EU internal policies for the 2021-2023 period. We looked at EU funding granted to NGOs under all modes of management: direct or indirect (through implementing partners) by the Commission, and under shared responsibility with member states (through national or regional authorities). In this report, we use the term 'internal policies' for all EU programmes other than external action (Heading 6: Neighbourhood and the World). The audit included the following key EU internal policies and programmes with NGO funding:

— "Investing in people, social cohesion and values": ESF+, Erasmus+, ESC, CREA and CERV;

— "Research and innovation": Horizon Europe and Euratom Research and Training Programme;

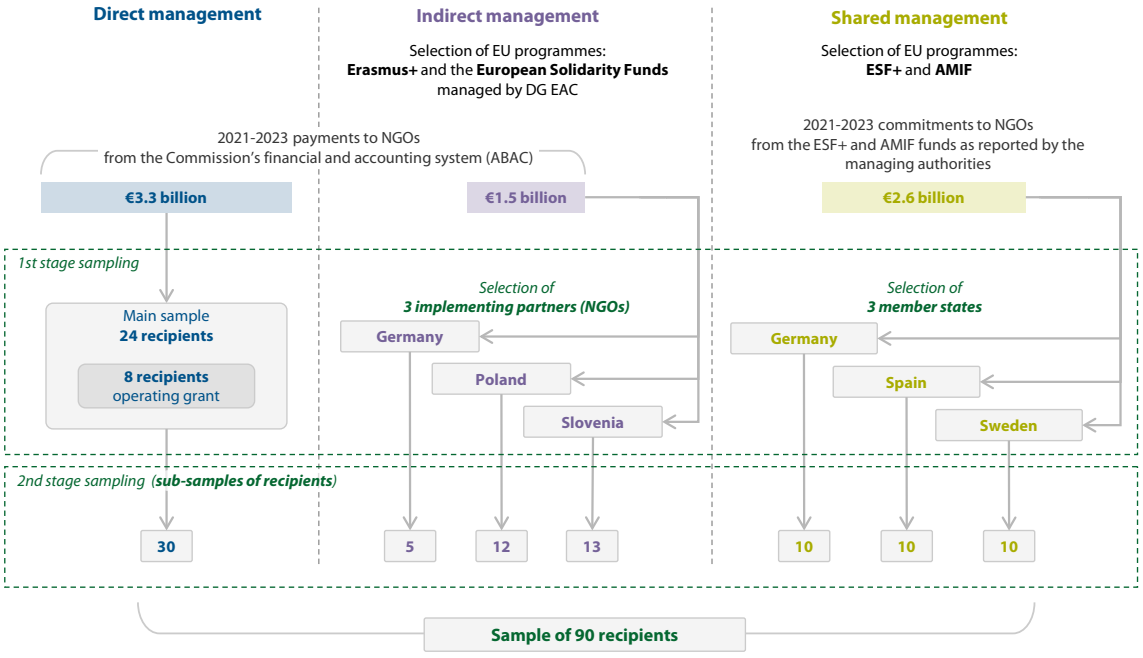
— "Asylum, migration and integration": AMIF; and

— "Environment and climate action": LIFE.

15 We excluded EU external policy from the scope of our audit because it was covered by our 2018 report on EU funding granted to NGOs[10], and then followed up in 2021[11].

16 We assessed the reliability of the information published by the Commission, its implementing partners, and the member states' authorities on EU funding for NGOs by reconciling it with underlying data for a random sample of 90 recipients. ***Figure 2*** describes the sample selection and its stratification. Our sample covered all three management modes with 30 recipients for each mode (see ***Annex III***). To obtain NGOs' views about the EU's transparency requirements, we sent a survey to our sample of recipients and consulted an additional four NGOs or associations of NGOs. We also assessed whether this information was easy to use for the purposes of further analysis. In addition, we assessed the main systems that the Commission, its implementing partners and member state authorities use to collect information about all EU funding.

Figure 2 | Our sample selection



Source: ECA.

17 To obtain evidence as to whether managers of EU funds assessed key transparency requirements for NGOs appropriately (see ***Annex II***), we examined not only the procedures put in place but also the way they checked our sample of 90 recipients. This included assessing whether the grant decisions were justified in a transparent manner, and contained a similar level of information for the various EU funds. We also examined

[10] Special report 35/2018.

[11] Report on the performance of the EU budget – Status at the end of 2021.

whether the systems put in place by managers of EU funds to check recipients' compliance with EU values is sound and capable of detecting possible breaches.

18 To complement our work further, we interviewed staff from the Commission's Directorate-General for Budget; DG EMPL; the Directorate-General for Research & Innovation; the Directorate-General for Migration & Home Affairs; CINEA; EACEA; the European Research Council Executive Agency, and the European Health and Digital Executive Agency. We also sent questionnaires to national and regional authorities in order to obtain information about EU funding granted to NGOs that was under shared management and about national transparency requirements, and the related systems of checks.

19 We selected three member states for audit visits (Germany, Spain and Sweden). Our key selection criterion was the materiality of EU funding committed to NGOs in these countries in the 2021-2023 period, our aim being to obtain a balanced analysis. In addition, we used data analysis techniques to carry out cross-checks between the relevant systems, databases and portals containing financial information on EU funding for NGOs.

Annex II – EU legal basis for transparency requirements for selected EU programmes

EU regulations setting out transparency requirements

Transparency requirement	Financial Regulation – 2018	Common Provisions Regulation	Legal base for other EU programmes
To award grants following published calls for proposals	Art. 189	Art. 49	
To publish information on recipients and other information	Art. 38	Art. 48	
Visibility of EU funds	Art. 63(1), Art. 154(2) and Art. 201	Arts. 46 and 47	
To acknowledge the receipt of EU funding		Art. 50	Art. 21 of R. 1293/2013 (LIFE) Art. 51 of R. 2021/695 (Horizon Europe) Art. 25 of R. 2021/817 (Erasmus+) Art. 22 of R. 2021/888 (European Solidarity Corps) Art. 20 of R. 2021/692 (Citizens, Equality, Rights and Values) Art. 23 of R. 2021/818 (Creative Europe)

Source: ECA.

Annex III – Basic information on entities in our sample

Information on entities included in our sample, covering 14 countries

Sample reference	Country	EU programme	Grant amount (in thousand euros)	Size (number of staff)	Transparency certification	Our transparency score – total
DM01	ES	Horizon Europe	5 460	large	NO	80
DM02	ES	Horizon Europe	2 241	large	NO	65
DM03	BE	Erasmus+	140	small	NO	60
DM04	BE	Horizon Europe	4 187	small	NO	5
DM05	FR	Erasmus+	2 220	medium	NO	50
DM06	SE	CREA	160	small	NO	55
DM07	AT	ERASMUS+	280	*not available*	NO	65
DM08	DE	Horizon Europe	7 317	large	NO	60
DM09	BE	CREA	1 153	small	YES	90
DM10	BE	ESF+	174	small	NO	40
DM11	DE	Horizon Europe	975	large	NO	80
DM12	MT	Horizon Europe	1 061	small	NO	15
DM13	DE	Horizon Europe	8 865	large	NO	90
DM14	PT	Horizon Europe	1 625	large	NO	90
DM15	AT	CERV	503	small	NO	60
DM16	SK	CERV	257	small	NO	20
DM17	DE	CERV	525	small	NO	55
DM18	IT	Erasmus+	86	*not available*	NO	70
DM19	IT	LIFE	1 580	*not available*	NO	30
DM20	EL	ISF	283	small	NO	35
DM21	DE	EURATOM	102 000	*not available*	NO	75
DM22	BE	Erasmus+	125	small	NO	50

Sample reference	Country	EU programme	Grant amount (in thousand euros)	Size (number of staff)	Transparency certification	Our transparency score – total
DM23	BE	ESF+	1 023	small	NO	35
DM24	FR	CREA	255	small	NO	25
DM25	BE	CREA	483	small	NO	40
DM26	BE	ESF+	816	small	NO	55
DM27	SE	ESF+	165	small	YES	70
DM28	BE	LIFE	700	medium	NO	75
DM29	DE	LIFE	700	medium	NO	55
DM30	IL	Horizon Europe	1 300	large	NO	80
IM01	DE	Erasmus+	213 200	large	NO	70
IM02	PL	Erasmus+	200 722	large	NO	60
IM03	SI	Erasmus+	7 665	*not available*	NO	45
IM04	SI	Erasmus+	151	small	NO	65
IM05	SI	Erasmus+	23	small	NO	40
IM06	SI	Erasmus+	60	small	NO	40
IM07	SI	ESC	28	*not available*	NO	55
IM08	SI	ESC	7	small	NO	65
IM09	SI	ESC	28	small	NO	60
IM10	SI	Erasmus+	44	*not available*	NO	50
IM11	SI	Erasmus+	120	small	NO	70
IM12	SI	Erasmus+	10	small	NO	65
IM13	SI	ESC	48	small	NO	45
IM14	SI	Erasmus+	309	small	NO	55
IM15	SI	Erasmus+	29	small	NO	55
IM16	PL	Erasmus+	39	small	NO	30
IM17	PL	Erasmus+	60	small	NO	5
IM18	PL	ESC	30	small	NO	45
IM19	PL	Erasmus+	57	small	NO	50
IM20	PL	Erasmus+	29	small	NO	45
IM21	PL	Erasmus+	400	small	NO	85
IM22	PL	Erasmus+	32	small	NO	60

Sample reference	Country	EU programme	Grant amount (in thousand euros)	Size (number of staff)	Transparency certification	Our transparency score – total
IM23	PL	Erasmus+	25	small	NO	45
IM24	PL	Erasmus+	52	small	NO	50
IM25	PL	Erasmus+	29	small	NO	45
IM26	PL	Erasmus+	250	small	NO	65
IM27	DE	Erasmus+	291	*not available*	NO	35
IM28	DE	Erasmus+	810	*not available*	NO	60
IM29	DE	Erasmus+	731	*not available*	NO	70
IM30	DE	Erasmus+	400	small	NO	45
SM01	DE	AMIF	1 771	medium	NO	40
SM02	DE	AMIF	9 742	medium	NO	40
SM03	DE	AMIF	12 142	small	NO	75
SM04	DE	AMIF	1 922	*not available*	NO	25
SM05	DE	AMIF	707	large	NO	65
SM06	DE	ESF+	3 648	*not available*	NO	50
SM07	DE	ESF+	2 866	large	YES	60
SM08	DE	ESF+	290	*not available*	NO	50
SM09	DE	ESF+	23 559	medium	NO	45
SM10	DE	ESF+	63	*not available*	NO	55
SM11	ES	AMIF	95	medium	YES	85
SM12	ES	AMIF	156	large	NO	85
SM13	ES	AMIF	49	medium	YES	80
SM14	ES	AMIF	159	small	NO	70
SM15	ES	AMIF	84	large	NO	50
SM16	ES	ESF+	13 591	medium	NO	75
SM17	ES	ESF+	46 670	large	NO	80
SM18	ES	ESF+	33 800	medium	YES	90
SM19	ES	ESF+	18 506	medium	YES	85
SM20	ES	ESF+	4 000	small	YES	15
SM21	SE	ESF+	2 253	large	NO	50
SM22	SE	ESF+	5 512	large	NO	80
SM23	SE	ESF+	269	large	NO	50

Sample reference	Country	EU programme	Grant amount (in thousand euros)	Size (number of staff)	Transparency certification	Our transparency score – total
SM24	SE	ESF+	1 238	medium	NO	15
SM25	SE	ESF+	1 353	medium	NO	35
SM26	SE	AMIF	5 536	large	NO	70
SM27	SE	AMIF	818	large	NO	50
SM28	SE	AMIF	280	large	NO	35
SM29	SE	AMIF	5 654	large	NO	70
SM30	SE	AMIF	1 809	medium	NO	85

Source: ECA.

Annex IV – Description of the methodology we used to assess NGOs' voluntary transparency

In our assessment of the sampled NGOs, we examined the information that enables the public to understand who those NGOs are and what they do.

We searched for information on how the NGOs work, and how this work is done (financial and human resources); what the internal processes, decisions and results obtained are; and how this information is openly and clearly circulated so that any interested party can find it easily.

The methodology

To develop our methodology, we considered the transparency standards of the Expert Council on NGO Law standards of the Conference of International NGOs of the Council of Europe, and the approaches of two Spanish organisations: *CONGE* and the *Fundación Lealtad*.

We split the assessment into four sections, similar to *CONGE*'s transparency and good government method (see 'governing body', 'mission, vision and values', 'social base and support' and 'planning and reporting'), as it covers the Council of Europe's main applicable standards and provides specific questions for each section. We evaluated publicly available information for the 90 NGOs in our sample, and awarded a maximum of 100 points for each section (see ***Table***). The total score is the average of the scores obtained in each of the four sections.

ECA assessment grid for NGO voluntary transparency measures

Area | Question | Maximum points		
Governing body	Is the composition of the governing body accessible and publicly available?	30
	Are links/ties with other institutions made known?	30
	Is the organisation chart accessible and publicly available?	10
	Are statutes and relevant regulations accessible and publicly available?	30
Mission, vision and values	Are the mission, vision and values accessible, publicly available, and in line with EU values?	75
	Is information on historical changes accessible and publicly available?	10

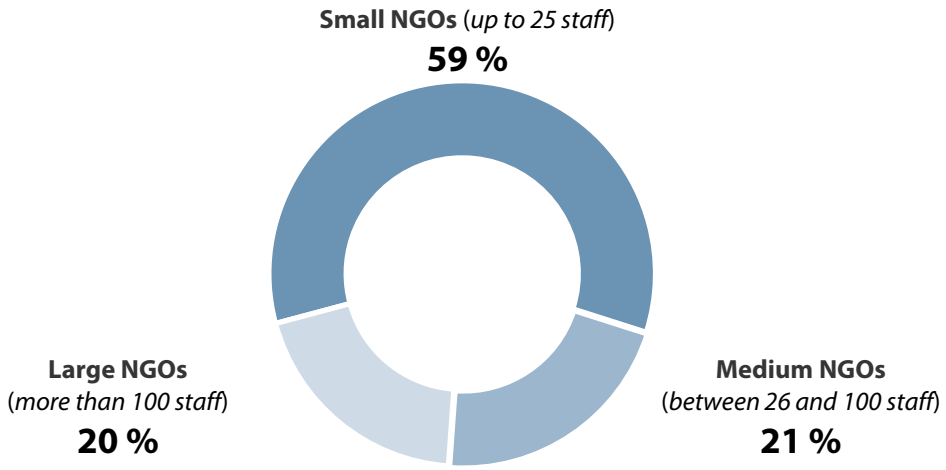
Area | Question | Maximum points		
	Are codes of conduct (in-house or subscribed) accessible, publicly available, in line with EU values, and equipped with mechanisms for managing potential conflicts of interest properly?	15
Social base and support	Do the groups and entities that formally support the work of the NGO appear publicly on its website?	25
	Are quantitative data about the NGO's staff publicly available?	15
	Is there a public and accessible list of the networks or federations to which the NGO belongs?	15
	Is a list of public and private legal entities that finance the NGO accessible and publicly available?	10
	Are channels accessible for requesting information and submitting complaints about the NGO?	15
	Is information on the territorial implementation of the NGO (headquarters) accessible and publicly available?	10
	Is there a public and accessible list of public aid and public and private subsidies?	10
Planning and reporting	Is strategic planning accessible and publicly available?	20
	Are the NGO's annual accounts accessible and publicly available?	25
	Is there an accessible and publicly available activity report?	15
	Does the NGO report on the origin and application of the funds it receives?	15
	Do activity reports provide information on all programmes and projects?	15
	Is the NGO's financial investment policy publicly available?	10

Source: ECA, based on CONGE's transparency and good government method.

Annex V – Results of our assessment of NGOs' voluntary transparency

We assessed a sample of recipients. ***Figure 1*** shows the size of the NGOs we selected.

Figure 1| The majority of our sample consists of small NGOs



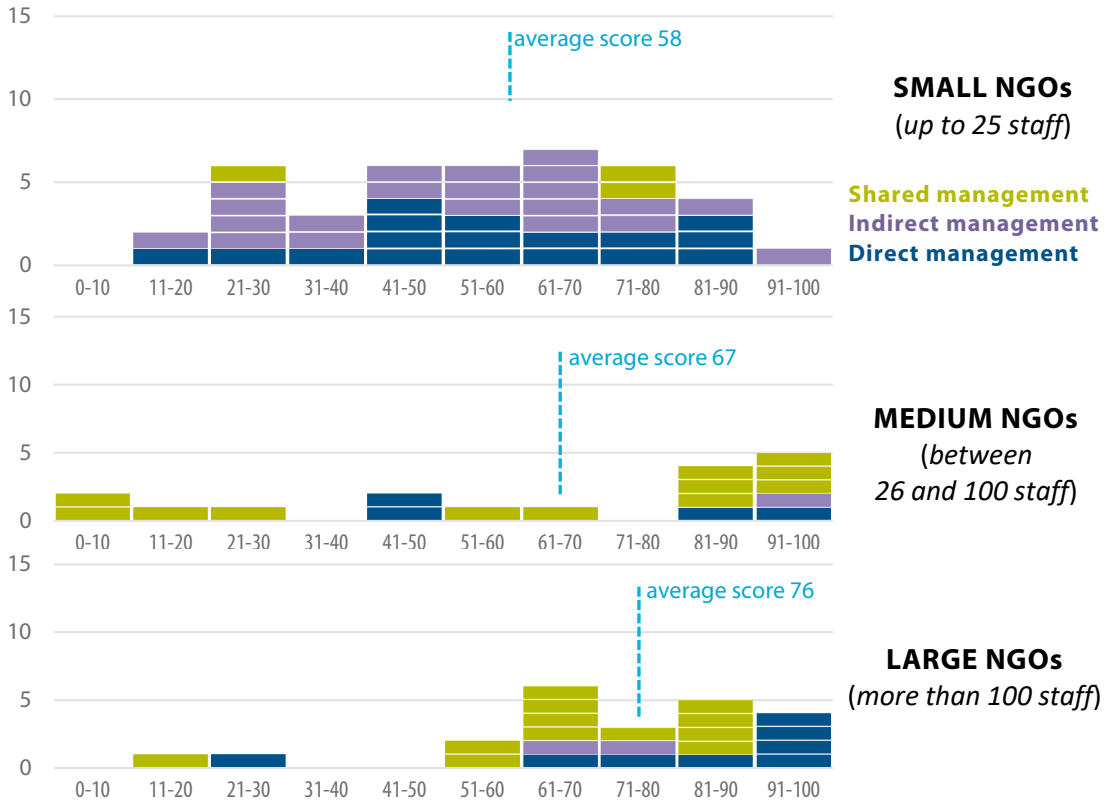
Source: ECA, based on our survey of NGOs.

Governing body

This section presents an average total of 65 points and a median of 70, driven by high scores achieved by NGOs funded through direct and shared management. Regardless of size and management mode, a few NGOs scored between 91 and 100 points. The lowest scores – 40 or less – were obtained by small NGOs that are mostly funded by indirect management.

The disclosure of links or ties with other institutions and the availability of statutes contributed significantly to higher scores.

Figure 2 | Transparency scores for the 'Governing Body' section



Note: The average scores are based on the sample of 90 recipients. The graphics show the information on 80 NGOs, one brick each, which we were able to classify by size.

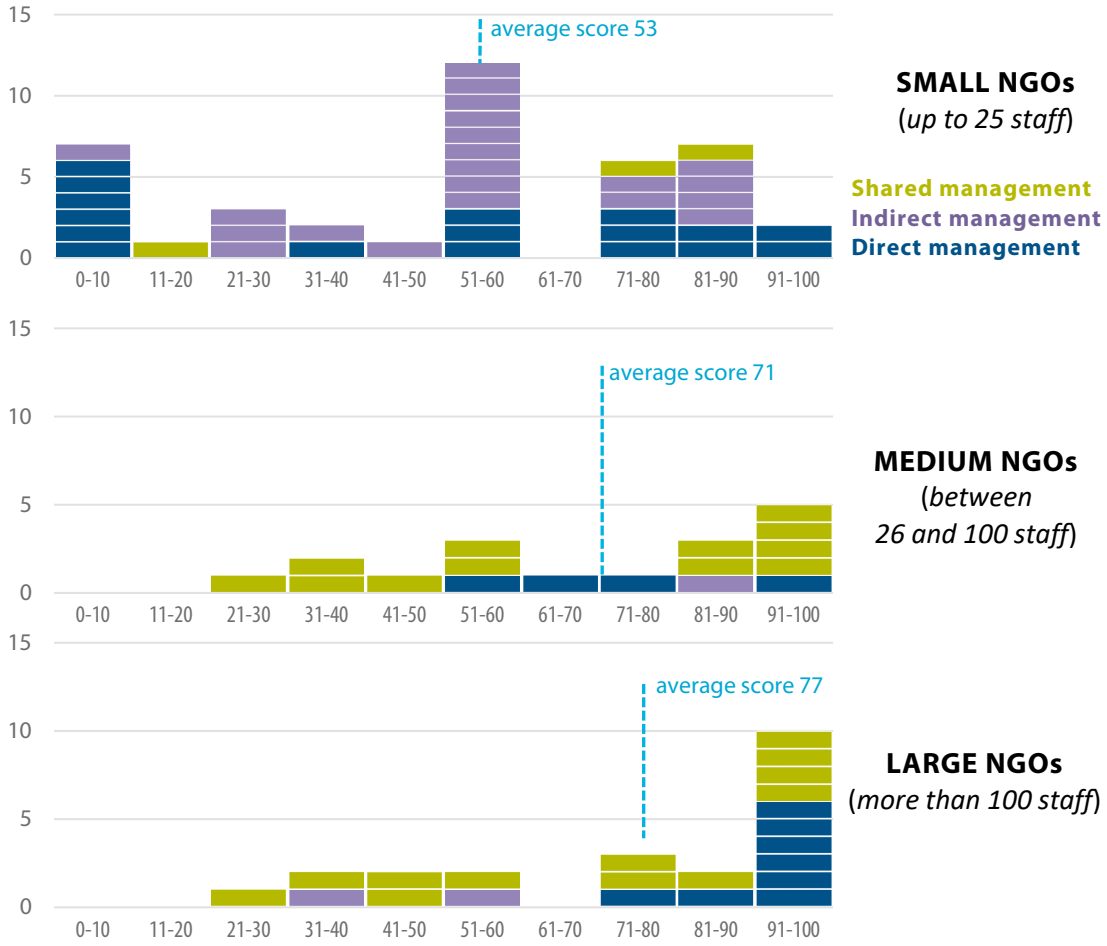
Source: ECA.

Mission, vision and values

Information being available online resulted in better total average and median scores (64 and 63, respectively). In this section, eight NGOs scored the maximum of 100 points (six under direct management and two under shared). Conversely, small NGOs had the lowest scores, with 11 obtaining 30 points or less.

Clearly expressing its mission, vision and values was decisive in order for an NGO to obtain a high score. This makes it possible not only to establish the identity of an NGO, but also to ensure the relevance of an NGO definition.

Figure 3 | Transparency scores for the 'Mission, vision and values' section



Note: The average scores are based on the sample of 90 recipients. The graphics show the information on 80 NGOs, one brick each, which we were able to classify by size.

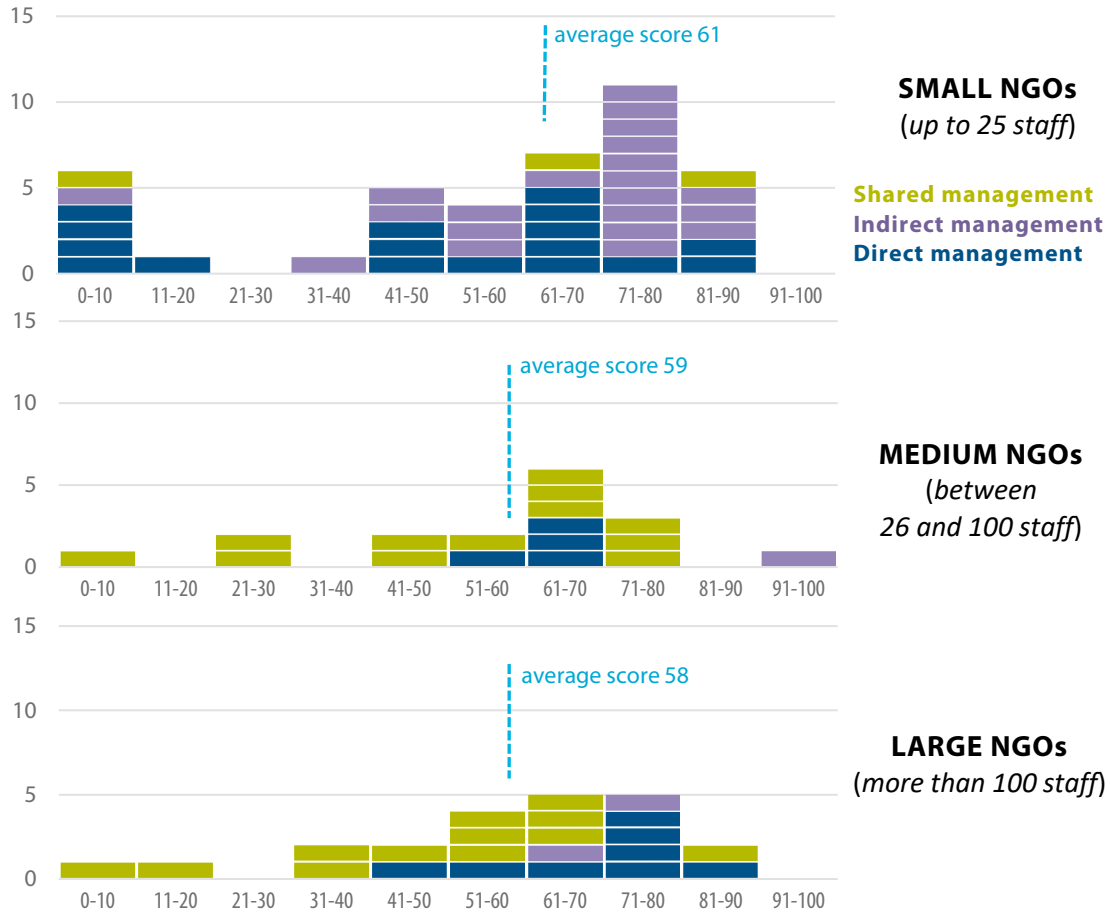
Source: ECA.

Social base and support

The varied scores in this section show that the transparency practices in our sampled NGOs differ. Most of the 28 NGOs that scored more than 71 points were funded through indirect management (15 NGOs), including a single score of 100 points. The 15 NGOs with 40 points or less resulted in a lower average (58) than for previous sections, but the median (65) remains aligned.

Showing who is behind an NGO, whether groups/entities, hired staff or donors was critical in order to obtain a higher score.

Figure 4 | Transparency scores for the 'Social base and support' section



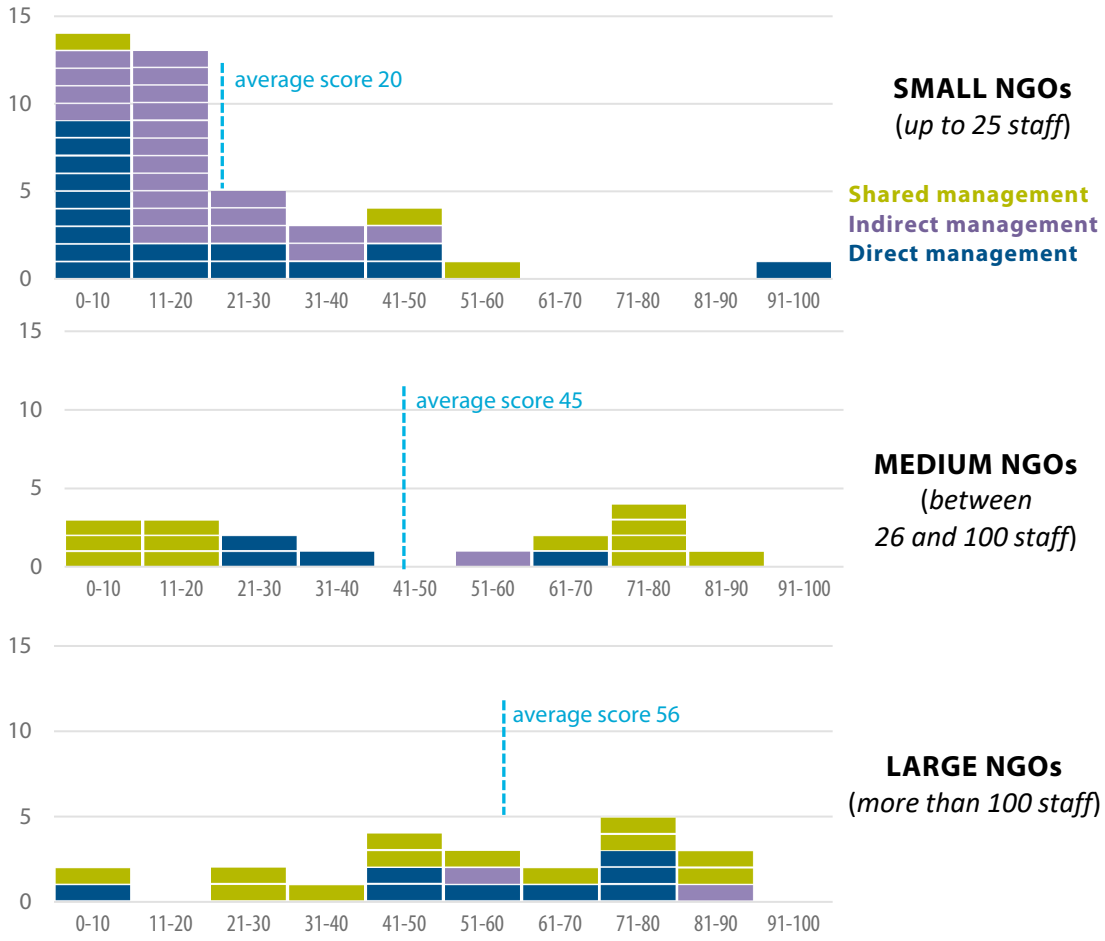
Note: The average scores are based on the sample of 90 recipients. The graphics show the information on 80 NGOs, one brick each, which we were able to classify by size.

Source: ECA.

Planning and reporting

This section presents the lowest results, with a total average score of 33 and a median of 25, mostly because 49 NGOs score 40 points or less, with 35 scoring 20 points or less. The absence of publicly available annual accounts, the report on the origin and application of the funds, and activity reports providing information for all programmes and projects in several of the cases we analysed explain the low average score.

Figure 5 | Transparency scores for the 'Planning and reporting' section



Note: The average scores are based on the sample of 90 recipients. The graphics show the information on 80 NGOs, one brick each, which we were able to classify by size.

Source: ECA.

Abbreviations

AMIF: Asylum, Migration, and Integration Fund

CINEA: European Climate, Infrastructure and Environment Executive Agency

CERV: Citizens, Equality, Rights and Values

CONGE: La Coordinadora de ONG para el desarrollo

CREA: Creative Europe

DG EMPL: Directorate-General for Employment, Social Affairs, and Inclusion

EACEA: European Education and Culture Executive Agency

ESC: European Solidarity Corps

ESF+: European Social Fund Plus

EUTR: EU Transparency Register

F&T: Funding and Tenders portal

FTS: Financial Transparency System

MFF: Multiannual financial framework

NGO: Non-Governmental Organisation

OECD: Organisation for Economic Co-operation and Development

PMM: Project Management Module

SEDIA: Single Electronic Data Interchange Area

Glossary

Civil society : Part of society, distinct from government and business, that consists of associations and other groupings representing shared interests in the public domain.

Commitment : Amount earmarked in the budget to finance a specific item of expenditure, such as a contract or grant agreement. A commitment requires an underlying commitment appropriation.

Council of Europe : International organisation, comprising 47 European countries, that promotes democracy and protects human rights and the rule of law in Europe. Not an EU institution.

Database : Structured set of data stored electronically and available for consultation and extraction.

Direct management : Management of an EU fund or programme by the Commission alone, in contrast to shared management or indirect management.

eGrants: The Commission's online platform for managing EU research grants throughout their lifecycle.

First-level transaction: Payment/commitment made by the Commission to a recipient or implementing partner. A subsequent payment/commitment from these funds made by the recipient or implementing partner to another organisation ("second-level recipient") is known as a "second-level transaction".

Grant: EU budget support for the costs incurred by a beneficiary for an eligible project or programme, usually not repayable.

Indirect management : Method of implementing the EU budget whereby the Commission entrusts implementation tasks to other entities (such as non-EU countries and international organisations).

Managing authority : National, regional, or local authority (public or private) designated by a member state to manage an EU-funded programme.

Operating grant: Financial support to cover the operating costs of an organisation pursuing an EU policy objective.

Shared management : Method of spending the EU budget in which, in contrast to direct management, the Commission delegates to a member state while retaining ultimate responsibility.

The Commission’s replies

https://www.eca.europa.eu/en/publications/sr-2025-11

Timeline

https://www.eca.europa.eu/en/publications/sr-2025-11

Audit team

The ECA's special reports set out the results of its audits of EU policies and programmes, or of management-related topics from specific budgetary areas. The ECA selects and designs these audit tasks to be of maximum impact by considering the risks to performance or compliance, the level of income or spending involved, forthcoming developments and political and public interest.

This performance audit was carried out by Audit Chamber V – Financing and administering the Union, headed by ECA Member Jan Gregor. The audit was led by ECA Member Dr Laima Liucija Andrikienė, supported by Tomas Mackevičius, Head of Private Office and Aldona Drėgvaitė, Private Office Attaché; Margit Spindelegger and Jindřich Doležal, Principal Managers; Tomasz Kokot, Head of Task; Sara Danif and Anthony Balby, Auditors, Sara Pérez Miguel, Assistant Auditor. Jesús Nieto Muñoz provided graphical support.



From left to right: Aldona Drėgvaitė, Sara Danif, Tomasz Kokot, Laima Liucija Andrikienė, Tomas Mackevičius, Sara Pérez Miguel and Jindřich Doležal.

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Transparency gives citizens the information they need to hold public decision-makers to account. NGOs play an important role in EU policy-making. We assessed the transparency of EU funding granted to NGOs in EU internal policies. We found, that despite improvements, the transparency of EU funding granted to NGOs has been hampered by inconsistent classification of NGOs and issues impacting data quality. We also found that the Commission and other bodies do not proactively check recipients' compliance with EU values, and that certain advocacy activities were funded by the Commission in a way that was not fully transparent. We recommend that the Commission classify NGOs consistently, improve the quality of EU spending data, and actively verify compliance with EU values.

ECA special report pursuant to Article 287(4), second subparagraph, TFEU.

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