Civil Society Organisations have a vital role in delivering development objectives. Both the Millennium Declaration (2000) and the Accra Agenda for Action (2008) acknowledge this politically at global level. European institutions affirm the importance of Civil Society Organisations (CSOs) as development actors, in developing countries and in the European Union (EU).

CSOs empower people and organisations in the fight against poverty, the promotion of human rights and democracy, adding value through their independent, autonomous and non-governmental nature. CSOs are key players to identify and address the real needs of people in developing countries in their struggle for a decent life.

The recent political acknowledgement of the role and added value of CSOs was however not met by appropriate types and volumes of funding. Volumes and modalities are not following policies in an adequate manner and declarations are not sufficiently honored. Earlier rationalization and deconcentration of EU cooperation instruments and the devolution of European Commission (EC) funds and management to developing countries under the present Financial Perspectives (2007-2013), have presented new challenges and opportunities for CSOs in Europe and developing countries.

CONCORD believes that the cooperation between the EC and CSOs has still much potential that should be better used in order to further the roles and respective added value of actors in view of meeting development objectives more effectively.

**Budget Support in 2008**

In the context of the Paris Declaration and the Accra Agenda for Action, the EC made commitments on new aid delivery mechanisms. The three main delivery modalities are: General Budget Support (GBS), Sector Budget Support (SBS) and project support, depending on EC and government analysis of each country and the political and institutional environment.

GBS consists on delivering aid through governments institutional chains (the national treasury) to support national policies and making them responsible for the program preparation, implementation and timing. GBS also includes the SBS, which is directly addressed to a specific sector such as health and education. The project approach is used to support civil society actions, regional programmes and when it’s not possible to use government systems.

EC’s preferred modalities (GBS and SBS) have been used increasingly since the commitments were taken in 2005. In 2008, from both the EC external budget (€7.9 billion) and the EDF (€4.8 billion), 30 % (€3.8 billion) of commitments were allocated to GBS and SBS. The importance of GBS and SBS has significantly increased over the years (from 17 % in 2004 to 30 % in 2008 of the EC External aid budget), while the EC External Budget has stayed relatively stable. This means that eventually the part of funds accessible for CSOs have been decreasing from 2004 to 2008.

**Facts and Figures**

What the official 2008 figures continue to tell us about EC aid and NGOs

The recent political acknowledgement of the role and added value of CSOs has still much potential that should be better used in order to further the roles and respective added value of actors in view of meeting development objectives more effectively.

**Scope of this note:**

Perceptions of officials and politicians in European institutions continue to be that development NGOs administers a great quantity of EC funds. However the official figures from the European Commission indicate that in 2008, from a € 7.9 billion budget for External Aid ¹ about € 1.08 billion (13.7%) were granted to Civil Society Organisations (CSOs), among which € 754 million (9.5%) were granted to NGOs.

The purpose of this note is to deepen the debate of the place of NGOs in European Development policy with accurate figures and to follow the evolution of these figures from 2004 ² to 2008. We will pay special attention to the Development Co-operation Instrument (DCI), the European Neighborhood and Partnership Instrument (ENPI) and the European Instrument for Democracy and Human Rights (EIDHR). The DCI, within its Geographic Programs, covers Asia, Central Asia, Latin America, Middle East and South Africa; the ENPI covers neighbor countries from the North of Africa and the East of Europe; while the EIDHR is a horizontal instrument with global coverage.

Under the DCI, there are also five Thematic Programmes for developing countries which cross-cut and complement the Geographic Programmes. These thematic programmes are: Non State Actors and Local Authorities (NSA and LA), Food Security, Investing in People, Environment, and Migration & Asylum.

Izabella Toth (Chair FDR Working Group - CONCORD, ito@cordaid.nl)

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The figures below were calculated using mainly the following sources: Annual Action Plans 2008, EC official budget, EC Annual Report 2009, beneficiaries of grants and contracts list\(^1\) and the information provided by the Financial Transparency System\(^2\). However it is noted that it is still very difficult to access accurate data, as there aren’t consolidated official figures by recipients. Ambiguity and difficulty to read and analyze the figures is thus a significant constraint for transparent recording of aid.

The EC External Aid budget (Humanitarian –ECHO-, EuropeAid, Development, Relex -External Relations-, European Neighborhood and Trade) for 2008 was € 7.9 billion, which represents 6.37% of the EC budget (€ 124 billion). On the other hand, the EDF\(^3\) Budget for 2008 was €4.8 billion. The information about allocations made for NGOs within the EDF instrument is not provided in this note, as CONCORD was unable to access detailed grants recipient information.

\[^1\]http://ec.europa.eu/europeaid/work/funding/beneficiaries_en.htm  
\[^2\]http://ec.europa.eu/beneficiaries/fts/index_en.htm  
\[^3\]European Development Fund (EDF): This instrument provides aid for development cooperation in the African, Caribbean and Pacific (ACP) states and Overseas Countries and Territories (OCT). It’s administered jointly by the European Commission, the Member States and the ACP States, and represents an additional development aid budget of € 22.7 billion for the 2008-2013 period (10th EDF).
### 1. The allocations to European NGOs have decreased

Before 2007, local partners were not able to access directly EC funding. This has changed with the new instruments. In 2008, local NGOs in developing countries were granted € 85 million (22 %) out of the total budget available for NGOs in development actions (€ 391 million). At the same time, funding for European NGOs is decreasing, as it has dropped from € 681 million in 2004 to € 669 million in 2008, while 12 new countries have joined the EU in the same period.

### 2. NGOs funding has not increased significantly

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total EC External Aid (aside from EDF)</td>
<td>€ 7.7 billion</td>
<td>€ 7.9 billion</td>
</tr>
<tr>
<td>Funding to NGOs</td>
<td>€ 681 million</td>
<td>€ 754 million</td>
</tr>
<tr>
<td>NGOs /Total EC Aid</td>
<td>8.8 %</td>
<td>9.5 %</td>
</tr>
</tbody>
</table>

The table above shows that the grants to NGOs only increased 0.7% out of the total EC External Aid.

### 3. More actors are accessing EC funding

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding to CSOs</td>
<td>€ 867 million</td>
<td>€ 1 080 million</td>
</tr>
<tr>
<td>Funding to NGOs</td>
<td>€ 681 million</td>
<td>€ 754 million</td>
</tr>
<tr>
<td>% NGOs / CSOs</td>
<td>79 %</td>
<td>70 %</td>
</tr>
</tbody>
</table>

The share of funding to NGOs, out of the budget granted to all CSOs, has dropped from 79% in 2004 to 70% in 2008.

In addition, the possibility for new actors in civil society (trade unions, foundations, universities, local actors…) to apply for EC grants, before reserved only to European NGOs, has significantly increased the competition.

The number of applicants for calls for proposals has increased and consequently the average success rate in the case of Thematic Programmes Calls for Proposal in 2008 was very low: 12.5%, meaning only 404 full applications were selected over 5.339 concept notes received by the EC services.

The EC recognizes that around 80% of the rejected applications are of good quality.

### 4. Overall funding for CSOs has increased

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total EC External Aid (aside from EDF)</td>
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<td>€ 7.9 billion</td>
</tr>
<tr>
<td>Funding to CSOs</td>
<td>€ 867 million</td>
<td>€ 1 080 million</td>
</tr>
<tr>
<td>% CSOs/Total EC Aid</td>
<td>11.3%</td>
<td>13.7%</td>
</tr>
</tbody>
</table>

The table above shows that the grants to CSOs, out of the total EC External Aid, increased 2.4 % from 2004 to 2008.

### 5. 23% of the Thematic Programmes funding was deconcentrated

In 2008, 23% of the total budget for Thematic Programmes was managed by EC Delegations in developing countries. In 2004, before the deconcentration, almost all the thematic funding was managed at HQ’s level.

### 6. Funding for development actions is not rising at the same rate as funding for emergency

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2008</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>EC Funding for Development NGOs</td>
<td>€ 357 million</td>
<td>€ 391 million</td>
<td>+ 9.45%</td>
</tr>
<tr>
<td>ECHO Funding to NGO partners</td>
<td>€ 324 million</td>
<td>€ 363 million</td>
<td>+ 12%</td>
</tr>
</tbody>
</table>

This table shows that the EC support to NGOs is increasingly focusing on emergency aid, rather than on long-term development activities.

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This figure includes: Non-state actors and local authorities, migration & asylum, environment, investing in people, food security and EIDHR.
CONCORD is the European confederation of relief and development NGOs. Its national associations and international networks represent over 1,600 NGOs which are supported by millions of citizens across Europe. CONCORD leads reflection and political actions and regularly engages in dialogue with the European institutions and other civil society organisations.

7. Funding for International Organisations (IOs) has increased

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total EC External Aid</td>
<td>€ 7.7 billion</td>
<td>€ 7.9 billion</td>
</tr>
<tr>
<td>(aside from EDF)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding to IOs</td>
<td>€ 1.3 billion</td>
<td>€ 1.47 billion</td>
</tr>
<tr>
<td>% IOs / Total EC Aid</td>
<td>17%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Funding for IOs (i.e. UN agencies and programmes) has increased €170 million from 2004 to 2008, and still represents, in 2008, twice what was received by NGOs. Even if the funds available for IOs correspond to an important portion of the total EC aid (19%), the funding mechanisms for IOs remain unclear and not transparent.

8. EC External Aid has decreased by 1%

In 2004, the total EC External Aid budget was €7.7 billion (aside from EDF), or 7% of the total EC budget (€110 billion). In 2008, the EC External Aid budget was €7.9 billion, meaning only 6% of the total EC budget (€124 billion).

This means that even if the EC budget increased €14 billion between 2004 and 2008, the share of the external aid has decreased by 1%, while the EU is setting new and ambitious plans for the European External Action and diplomacy services.

CONCORD key recommendations:

1. More transparent, precise and detailed financial report on the nature, the amounts and the beneficiaries of humanitarian and development aid to be published every year.

2. More resources for long-term development actions, and not at the expense of humanitarian aid.

3. Analyse and assess together (EC and CSOs) the impact of the Deconcentration on EC External Aid. EU Delegations should use the different cooperation instruments at their disposal to support civil society’s multiple roles and should consult on a structural basis with CSOs to discuss priorities of the different geographic and thematic instruments. The CONCORD 2010 Deconcentration Monitoring Report can contribute to this effort.

4. Funding for CSOs should be made available along both geographic and thematic lines, in order to promote aid effectiveness and ensure that there are no gaps in aid delivery.

5. In the context of the ongoing Structured Dialogue, reflect about the place of CSOs in New Aid Modalities and about innovative funding mechanisms that could leverage NGOs private funding and EC funding.

6. Base future aid delivery mechanisms upon the analysis of the recommendations from reviews of the current Instruments. The specificity of CSOs should be respected, making sure that new mechanisms accommodate the specificity and added value of a wide range of CSO actors, both in Europe and in developing countries.

7. Be aware of the need for a stable legal framework for budget implementation at the level of the Union Delegations, following the installation of the European External Action Service.

Sources: