

# TAKING STOCK OF EU CIVIL SOCIETY FUNDING IN EAP COUNTRIES

**VERA RIHACKOVA**

**EUROPEUM Institute for European Policy Report  
commissioned by the Eastern Partnership Civil Society  
Forum**

**September 2014**



Project Funded by the  
European Union



# LIST OF ABBREVIATIONS

CIR	Common Implementing Regulation
CoE	Council of Europe
CSO/CSOs	Civil society organisation/s
DCI	Development and Cooperation Instrument
DCI NSA-LA	Development and Cooperation Instrument Non-State Actors-Local Authorities
DG	European Commission Directorate-General
DG DEVCO	European Commission's Directorate General Development and Cooperation (EuropeAid)
EACEA	Education, Audiovisual and Culture Executive Agency
EaP	Eastern Partnership
EaP CSF	<i>Eastern Partnership Civil Society Forum</i>
EEAS	European External Action Service
EED	European Endowment for Democracy
EIDHR	European Instrument for Democracy and Human Rights
EIDHR CBSS	European Instrument for Democracy and Human Rights Country-based Support Schemes
ENPI	European Neighbourhood and Partnership Instrument
EU	European Union
FPI	Foreign Policy Instruments
FTS	Financial Transparency System
ICI	Instrument for Cooperation with Industrialised Countries and other high-income countries
ICM PD	International Centre for Migration Policy
IO/IOs	International organisation/s
IOM	International Organization for Migration
OECD	Organisation for Economic Co-operation and Development
OSCE	Organization for Security and Co-operation in Europe
UN	United Nations

This publication does not represent the official view of the EC or the EU institutions. The EC accepts no responsibility or liability whatsoever with regard to its content

Eastern Partnership Civil Society Forum  
Rue de la Loi 42, 1000 Brussels  
Tel: (32.2) 709.84.72 Fax: (32.2) 709. 84. 79  
E-mail: [info@eap-csf.eu](mailto:info@eap-csf.eu)  
Internet: [www.eap-csf.eu](http://www.eap-csf.eu)

## EXECUTIVE SUMMARY

---

The role of the local civil society in the development and democratisation processes in the EaP countries has been widely acknowledged by the EU. In the field of funding, much has been achieved during the last five to eight years and the delivery of EU support via various instruments has indeed improved. We have seen the Civil Society Facility emerging under *European Neighbourhood and Partnership Instrument* (ENPI), gradual lowering of co-funding thresholds and slow but sure implementation of re-granting as a condition for the recipients of large grants. But there is still a lot to follow up on, for example in terms of securing the sustainability of local civil society organisations (CSOs).

This paper focuses on exploring EU EaP civil society funding from two angles: first, summarising commitments from available EU instruments to the local civil society in 2012<sup>1</sup> (but also referencing for local authorities, local private companies, local communication agencies and consultancies, and international organisations) at the level of recipient EaP countries, providing for comparison among the EaP countries; and second, taking an example of the budget heading *19 08 01 03 – European Neighbourhood and Partnership Instrument on financial cooperation with Eastern Europe*, showing the distribution of EU funding among various actors within wider competition of EU and EaP entities.

To summarise the findings in actual numbers, the local CSOs – with the exception of Azerbaijan – enjoy higher support from the EU external action instruments than other local actors while not taking into account the direct budget support and its distribution<sup>2</sup>. For the ENPI budget heading researched, the EaP CSOs were committed EUR 7,130,950, which represents slightly less than 4% of the available funding, which is a rather unimpressive proportion. By comparison, the EU CSOs were committed EUR 15,999,926 (9%), EU public bodies<sup>3</sup> EUR 27,982,209 (15%), international organisations (IOs) EUR 57,598,019 (32%)<sup>4</sup>, and EU consultancies and communication agencies EUR 71,967,773 (40%).

Out of the ENPI *19 08 01 03* funding accounted for in this exercise, the EU consultancies consumed almost 40% of the relevant funding commitments.<sup>5</sup> It is obvious that the EU is over-reliant, for various reasons, on for-profit consultancies in delivering technical and capacity-building support to the EaP countries in most policy areas. Some consultancies definitely bring specific expertise and knowhow but, in many other instances, the involvement of local actors should be considered.

The project-based allocation for IOs stands out as the second largest, after the EU

<sup>1</sup> For details, see the Methodological note.

<sup>2</sup> For allocations of direct budget support for the EaP countries and their sectoral priorities in 2007–2013, see Kaca (2014).

<sup>3</sup> The EU public body category comprises organisations established and funded by governments, and organisations composed of administrative bodies and governmental agencies, as well as grants allocated to the central administration of the EU Member States (ministries).

<sup>4</sup> Only project-based funding is accounted for.

<sup>5</sup> The 40% share presented here is considered doubtful by DG DEVCO; no numbers challenging the conclusion were presented.

consultancies. Although the IOs' work is considered beneficial, questions on cost-effectiveness (namely high administrative expenses), relevance of outputs in the wider context of a country, and involvement of local actors are being asked with growing intensity. In order to increase the credibility of this funding modality, the process of granting awards should be disclosed and open. The EU has recently started introducing mandatory re-granting for the projects implemented by IOs, as well as a mandatory ceiling on administrative costs of the projects. These measures are definitely step in the right direction and should be enforced via amendments to the contract in case of long-term projects currently running.

**Recommendations** based on the findings and survey among the EaP CSF members:

- Enforce effective re-granting; whilst there is a commendable trend towards raising the re-granting thresholds, it is not widely used (or not widely enough) and the re-granted funding usually does not reach local small organisations or those in specific regions.
- Enforce mandatory re-granting to the local actors and ceilings for administrative costs of projects implemented by the IOs on the basis of the EU funding.
- Run checks on the distribution of funding among various categories of beneficiaries in order to get a full picture of funds allocated to the EU consultancies and IOs.
- Include larger involvement of local CSOs in the strategic frameworks of cooperation with the IOs, securing the presence of the local civil society during all stages of the project cycle (planning, preparation and implementation) whenever possible.
- Consider a permanent funding facility from which the operational costs of local CSOs could be covered during the “blind” periods of the EU funding cycle.
- As the EU funding often does not reach the provinces and smaller or troubled regions, consider encouraging more intensive transfer of knowhow at the local level; encourage the cooperation of local professional EU-funded NGOs with local unregistered initiatives or movements.
- Increase understanding and support of innovative projects; as one respondent of the survey put it: *global calls for proposals are more supportive of innovation, but generally more conventional projects are selected at the end.*
- Allocate more funding to the flexible tools rather than replicating less flexible instruments and programmes; some organisations are better prepared to work with funding provided outside of the framework of heavy EU financial procedures (like via EED).
- Reconsider and increase the allocated number of staff where necessary in order to

achieve greater coherence along with a more forward-looking attitude and wider context when designing the local calls, as the capacities of EU Delegations are often stretched to their limits.

## METHODOLOGICAL NOTE

---

This paper looks at the modalities of civil society funding in the Eastern Partnership countries where the EU represents the biggest donor, with a focus on the 2011–2013 period and the year 2012 as a central reference point. The data for the empirical part were drawn from the EU's *Financial Transparency System*<sup>6</sup> or downloaded from the *DG DEVCO*<sup>7</sup> website.

Although aiming for high accuracy, incomplete summarisations are not excluded in this paper, for various reasons including security of recipients<sup>8</sup>. The author recognises more data should be gathered and comprehensive methodology agreed upon, especially in the areas of defining groups of recipients and defining relevant projects via their content and project activities.

Although the major source of information for EU taxpayers – the online *Financial Transparency System* – is a major step forward in disclosing relevant commitments of the EU budget in a user-friendly way, the searching options are limited and summarisations may be inaccurate<sup>9</sup>. When cross-checking the search outcome with other sources of information (mostly documents and reports summarising committed funding by the Commission DGs), some data on committed funding are missing in the online system. The data presented here relate to the EU funding committed (not actually allocated) in 2012 and as such cannot show the trends. In order to assess the trends, a more comprehensive study would be needed.

The findings in the third part of the paper are based on a survey of members of the National Platforms of the *Eastern Partnership Civil Society Forum*<sup>10</sup> and refer to their individual statements. Statistical accuracy based on the input of the 28 respondents is inconclusive; however, some of the data were processed into charts so that the major opinions and perceptions of the EU funding modalities can be depicted.

6 [http://ec.europa.eu/budget/fts/index\\_en.htm](http://ec.europa.eu/budget/fts/index_en.htm) accessed repeatedly in March and April 2014.

7 The author would like to thank the respective DG DEVCO officers for their input.

8 There might be, for example, commitments and recipients whose details are confidential for security reasons, and thus not included.

9 For example, within the summary of commitments provided for Ukraine (and other EaP countries), the total amount for the FP7 research projects is included within the country allocation instead of the share allocated to Ukrainian partner(s).

10 The survey ran 1–10 March 2014, in English and Russian, with 28 respondents in total.

## BACKGROUND

In response to the political developments in its neighbourhood while reflecting the lessons learnt, the EU has been gradually acknowledging the key role of the local civil societies in the development and democratisation processes in these countries. Eventually, the reformed policy design embodied in the 2011 concept of partnership with societies and articulated in the Commission's 2012 Communication (followed by the Council Conclusions) 'The roots of democracy and sustainable development: Europe's engagement with Civil Society in external relations'<sup>11</sup>, should translate into the actual financial support that is provided to the local civil society. While the trend is encouraging, with the new funding instruments emerging (ENPI Civil society facility, European Endowment for Democracy<sup>12</sup>), the ways which the EU funding are actually distributed deserve further review.

The EU supports civil society in the EaP countries in many ways: there is funding that goes directly to the local CSOs<sup>13</sup> and there is funding for other actors that in some way involve or target the local civil society; there are projects implemented either by international organisations or mostly EU-based consultancies where the local civil society is inherently a target group, and there are larger, namely capacity-building projects implemented by EU-based CSOs where local CSOs tend to be more involved both in the project design and activities. The effort to summarise the numbers is therefore demanding and involves a detailed data-mining exercise that needs to go down at the project level. Concluding from the available data, the largest portion of EU funding for civil society in the EaP countries is distributed by DG DEVCO (EuropeAid) via thematic and geographic instruments: *European Neighbourhood and Partnership Instrument*, *ENPI* (Eastern Neighbourhood Civil Society Facility, support within policy sectors, e.g. energy, etc., *CBC*), *European Instrument for Democracy and Human Rights*, *EIDHR* (mainly Country-based Support Schemes, but also global calls), and *Development and Cooperation Instrument* (Non-State Actors-Local Authorities, Gender equality, Cooperation with the third countries in the area of Migration and Asylum).<sup>14</sup> The Education, Audiovisual and Culture Executive Agency provides grants of small amounts to local CSOs within the programme *Youth in Action*, which is a significant source of funding namely for smaller youth organisations. Among the other Commission Directorates-General it is mainly DG Education and Culture (Media Mundus, etc.) and

<sup>11</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0492:FIN:EN:PDF>

<sup>12</sup> EED is not an EU funding instrument but rather a self-standing Foundation at arm's length from the EU institutions. Part of its initial budget was funded by the European Commission; for details, please see (Rihackova, 2013).

<sup>13</sup> The definition of CSOs relevant for this paper is that of the Commission's Communication '*The roots of democracy and sustainable development: Europe's engagement with Civil Society in external relations*', p.1.

<sup>14</sup> Funding dedicated within *ENPI* to support the reform of educational sectors is channelled via the Education, Audiovisual and Culture Executive Agency (EACEA, Erasmus Mundus, Support projects) with the EaP and EU universities as major recipients. The funding allocated solely for the Universities is omitted in this study, as is funding for research institutions within the FP7 and other research support provided by DG Research and Innovation, Joint Research Center, etc.

DG Research and Innovation that provide funding to the civil society<sup>15</sup>. Limited support is provided by the European External Action Service (EEAS) via Service for Foreign Policy Instruments.

Within the upcoming Financial Perspective 2014–2020, little will change in terms of the funding instruments' structure. Besides the newly created *Partnership Instrument*, which replaces the *Instrument for Cooperation with Industrialised Countries and other high-income countries (ICI)*, the major innovation of the next funding period is the *Common Implementing Regulation (CIR)* that should simplify the implementation of the EU's external instruments with the set of rules and procedures applicable to all of them<sup>16</sup>. A major innovation, *European Endowment for Democracy*, stands alongside the EU funding structure and already has been praised by many in the region for showing greater flexibility and having a less burdensome granting system, i.e. fulfilling the initial goals and objectives of its emergence.

## 1. EU FUNDING OF CIVIL SOCIETY IN EAP COUNTRIES

The following section looks at EU funding in the EaP countries in 2012 from two angles: first, summarising commitments to various actors<sup>17</sup> (CSOs, local authorities, private companies, local communication agencies and consultancies)<sup>18</sup> at the level of recipient countries, providing for comparison among the EaP countries. Second, taking an example of the budget heading *19 08 01 03 – European Neighbourhood and Partnership Instrument on financial cooperation with Eastern Europe* (ENPI), showing the distribution of the relevant EU funding among various actors within wider competition of EU and EaP entities. As an illustration, also included is an overview of the EU funding provided to the international organisations (IOs) for projects implemented in the Eastern Partnership countries (not contributions to their regular operations).

To complement the numbers, further analysis of funded projects' content and activities should be conducted. From a brief overview when working with the data, it seems the EU

<sup>15</sup> Other sources of funding of the civil society in the EaP countries provided by sectoral DGs have not been traced so far within the publicly accessible tools (FTS).

<sup>16</sup> Besides audit standards and procurements guidelines, CIR provides clear provisions on the coherence and complementarity of instruments, on their visibility, on involving local civil society organisations, on impact assessment and on mainstreaming human rights; the specificities, like in case of EIDHR, should be taken into regard (Troszczynska-Van Genderen, 2014)

<sup>17</sup> There might be commitments and recipients whose details are for security reasons confidential and thus not included.

<sup>18</sup> For allocations of direct budget support for the EaP countries and their sectoral priorities in 2007–2013, please see (Kaca, 2014)

funding overwhelmingly focusses on promoting development and development policy goals (namely in the area of education, environment, etc.) and quite narrowly defined or selected human rights initiatives targeting vulnerable groups, especially in countries with difficult political contexts. As also pointed out elsewhere (Shapovalova, Youngs, 2012), more projects focussing on participation in policy-making and the enforcement of public accountability of the governmental bodies seem to be needed. Also, larger support to those who are trying to deliver objective information and policy alternatives via both established and alternative channels would be desired, as well as strengthening the security of the civil society actors, especially in some EaP countries.

Chart 1.1.

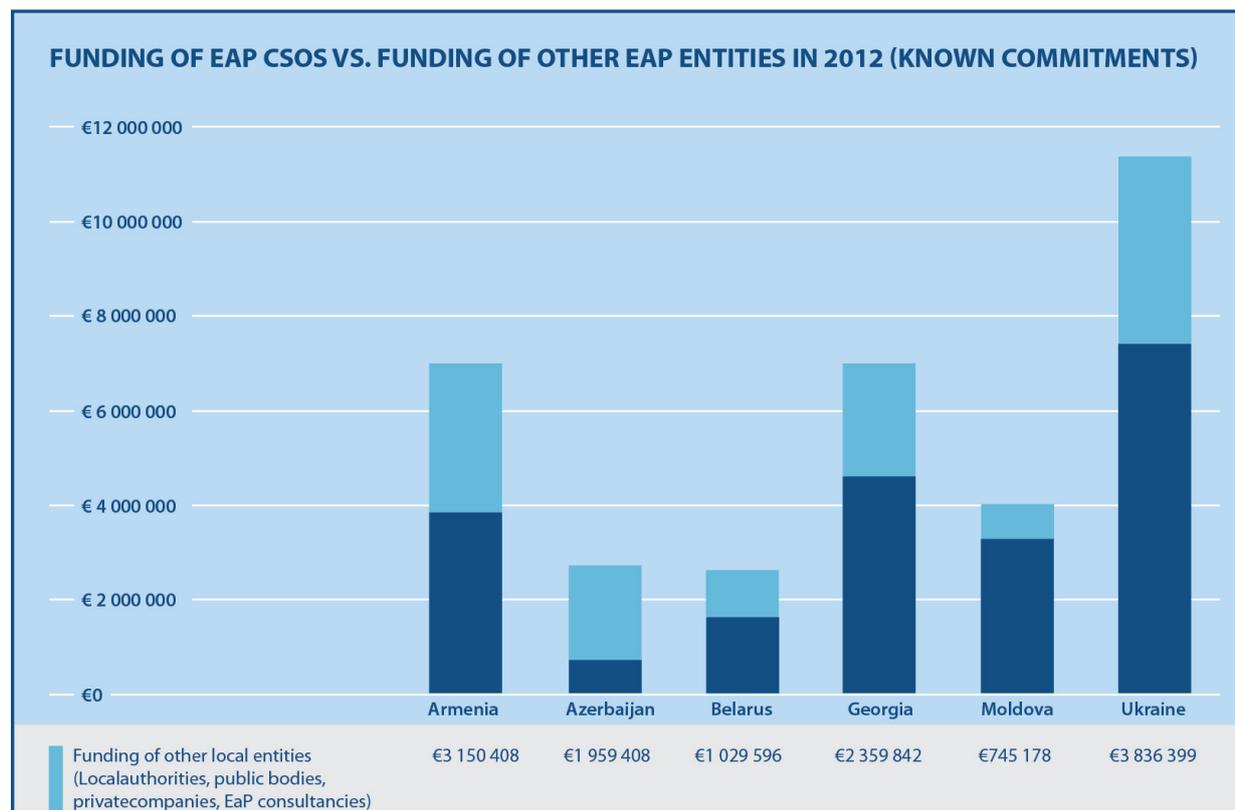
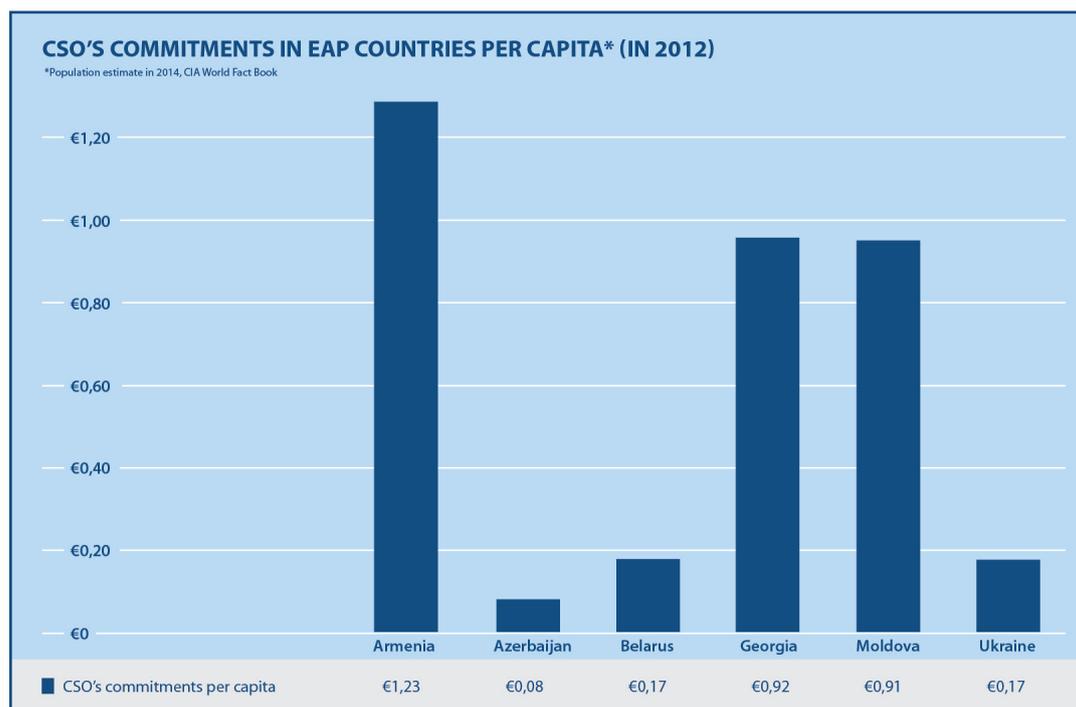


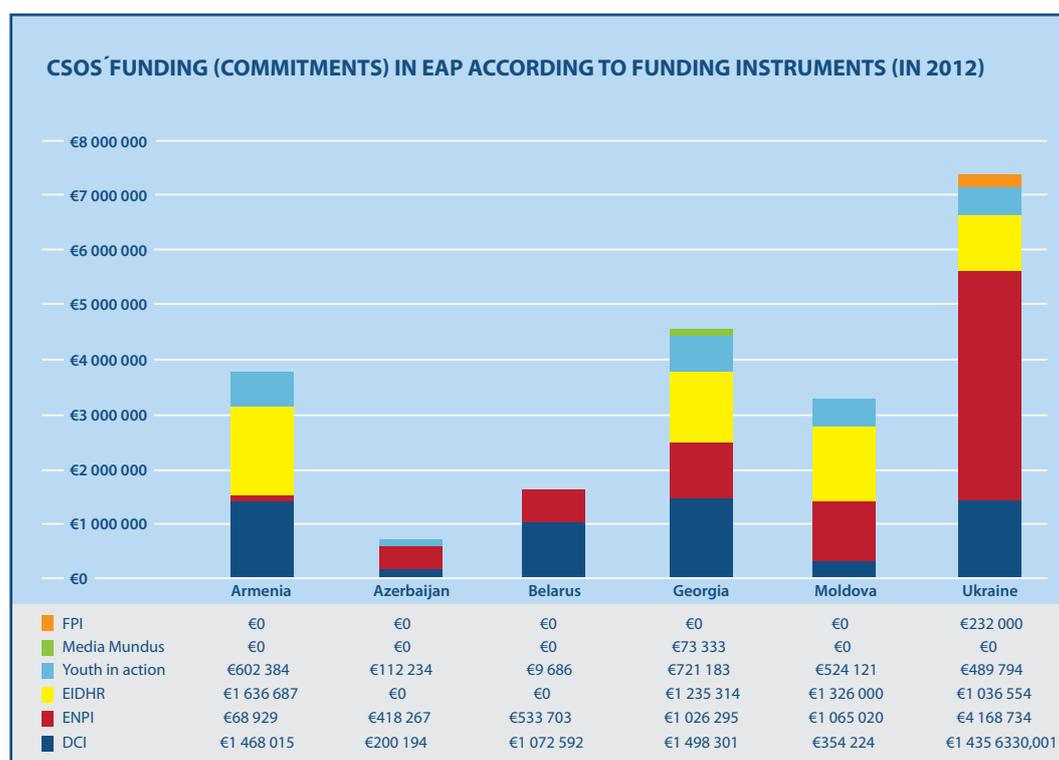
Chart 1.1 summarises EU funding commitments to EaP recipients in each of the countries as recorded in the *FTS*, excluding the direct budget support. The total for the funding of CSOs displayed excludes the portion of the NSA-LA thematic programme dedicated to projects implemented by local authorities. In real numbers, with the exception of Azerbaijan the local CSOs enjoy higher support from the EU instruments than other local actors. Out of the EaP countries Ukraine received the highest total amount of committed civil society funding; however, the figure per capita shows a different picture (chart 1.2).

Chart 1.2.



Out of the six EaP countries, in 2012 the largest portion of the local civil society funding per capita was committed to the CSOs in Armenia, followed by Georgia and Moldova with roughly the same allocations, and Belarus and Ukraine trailing behind. The lowest allocation per capita was committed in Azerbaijan. However, the numbers can be distorted due to application of confidentiality clauses on some funding recipients.

Chart 1.3.



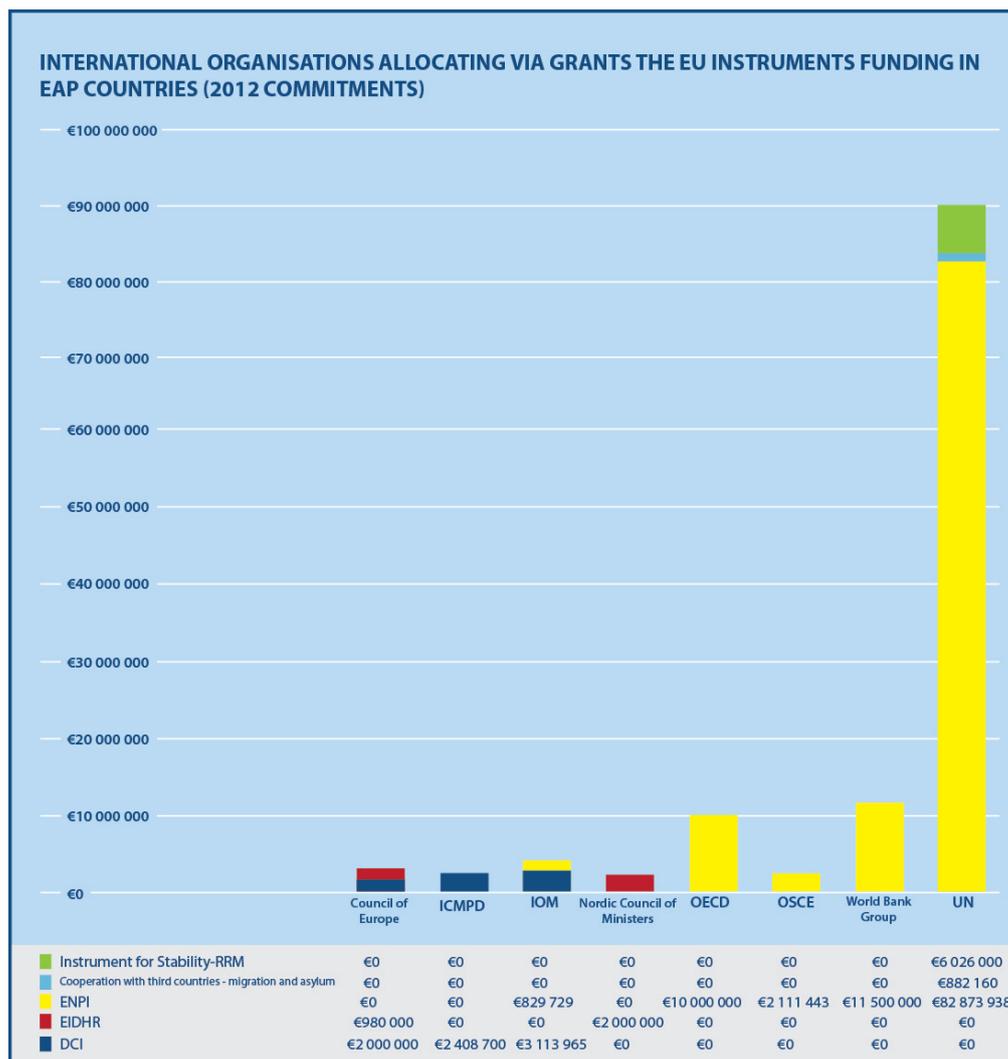
The division of funding commitments among the EU instruments is depicted in chart 1.3 and provides a slightly different structure for each of the EaP countries. A proportionally higher allocation of ENPI civil society funding was committed in Ukraine in comparison to other EaP countries. The Eastern Neighbourhood Civil Society Facility is not accounted for separately, as it is impossible to determine which projects fall under this initiative, as they are reported under the general budget line for European Neighbourhood and Partnership financial cooperation with Eastern Europe under ENPI. As one of the DG DEVCO officers puts it, “*sometimes even the beneficiaries didn’t know they were funded from the Facility*”, because some EU Delegations funded good quality proposals under EIDHR call from the Facility allocation if a joint call for the two programmes was implemented<sup>19</sup>.

The Eastern Neighbourhood Civil Society Facility is a relatively new instrument that emerged partly thanks to the lobbying by the Eastern Partnership Civil Society Forum in 2011. From the ENPI, it allocated EUR 13,380,434 for projects in the EaP countries and for regional projects (EUR 3,400,000 out of the overall allocation) in 2012. Some EU Delegations conducted separate calls for the Facility (some did not and used it to fund projects on EIDHR or NSA-LA reserve lists); these separate calls focussed more on monitoring public spending and public policies. At least one of the EU Delegations in the EaP countries had a problem with implementing the Facility and allocating the funding due to lack of internal capacities in the Delegation. This problem was caused by the general red light given to hiring new employees as an effect of larger political intrigue related to the new EU budget and pressure of the EU Member States to cut expenses. Besides the NSA-LA programme, out of the DCI several rather large projects in the area of Gender Equality and Cooperation with the third countries in the area of Migration and Asylum were funded in Armenia, Georgia and Ukraine, and one smaller-scale project in Azerbaijan.

In addition to the contributions to their operational budgets, the international organisations can benefit from EU funding as grant recipients and implement projects in their missions’ relevant policy domains. In 2010, for example, the EU fully funded (EUR 4 million) the so-called *Council of Europe Facility* which aimed at enhancing the reform processes in all EaP countries through multilateral approach in four core areas, with one framework project implemented in each.

<sup>19</sup> It is therefore questionable how these projects were recorded in the FTS.

Chart 1.4.



The four areas were as follows: enhancing judicial reform, support to electoral standards, support measures against serious forms of cybercrime, and towards good governance and fighting corruption.<sup>20</sup> The multilateral approach with the direct involvement of the EaP countries governments and public administrative representatives provided a good opportunity for acting as an interlocutor for a government-civil society dialogue, which in some countries has either not yet been established or has not delivered significant results. Nonetheless, at the initial phase of the CoE Facility projects, the local civil society was rather considered a subject of the activities and not a relevant partner for co-designing the project framework. This is to indicate that although the IOs' work is beneficial, questions on cost-effectiveness, relevance of outputs and project delivery are being asked with growing intensity. In order to increase the credibility of this funding modality, the process of granting awards should be disclosed and open. Also the evaluation of the effectiveness of the projects implemented should be made publicly accessible. The EU (DG DEVCO) has already initiated negotiations on the Strategic

20 See <http://www.coe.int/t/dgap/eap-facility/>

framework for engagement with CoE that should echo some of the concerns, including the involvement of the local civil society in all project stages when possible. Chart 1.4 shows the committed EU project funding for relevant international organisations in 2012 as well as the EU instruments from which the allocation was provided. The UN system, with its larger system of IOs, by far benefits the most from the EU funding. The EU has recently started introducing the mandatory re-granting for the projects implemented by the IOs, as well as mandatory ceiling on administrative costs of the projects. These measures are definitely step in the right direction and should be enforced via amendments to the contract in case of running long-term projects, too.

The EaP CSOs represent only a part of EU civil society funding beneficiaries. To illustrate the division of the funding cake, the EU budget chapter 19 08 01 03 – *European Neighbourhood and Partnership Instrument on financial cooperation with Eastern Europe* (ENPI) was taken as an example, with relevant data drawn again from the FTS and relevant summarising reports and documents. In order to get a complete picture, the exercise would have to be conducted for all relevant instruments. As no detailed description of projects has been available to determine the border cases, the presented results are not 100% accurate. Yet a consistent approach was taken in order to divide the beneficiaries into presented categories while projects covering supplies of hardware were excluded, together with funding provided from this budget line to EU and EaP universities via various schemes mostly operated by the EACEA.

Chart 1.5.

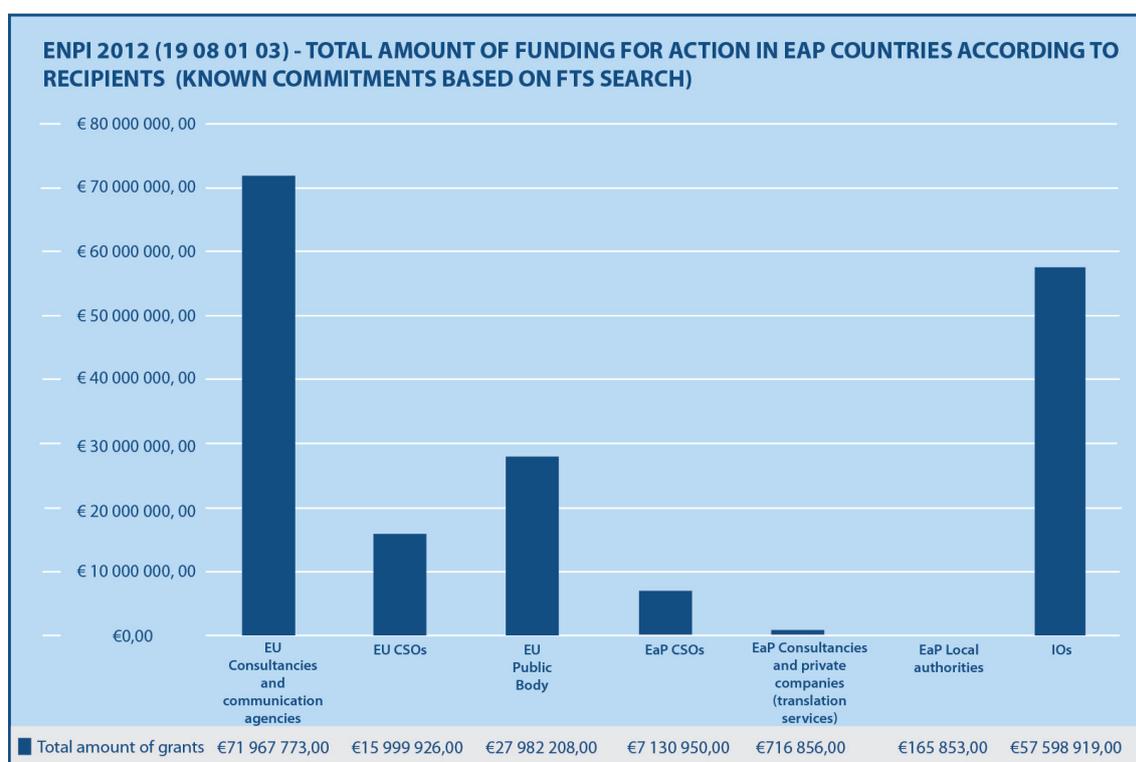
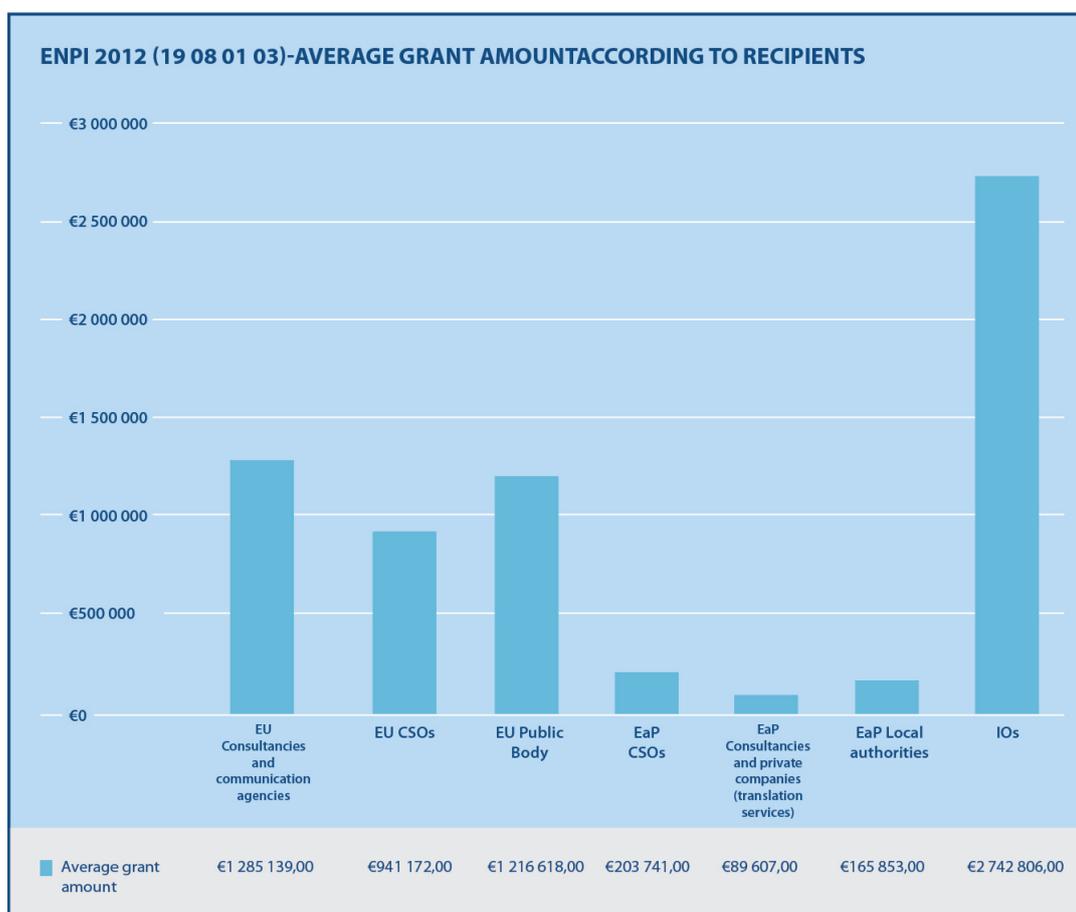


Chart 1.5 shows the total amount of funding counted out of the FTS records and supplemented by other documents summarising the commitments for IOs.<sup>21</sup> All public procurement contracts implemented by the consultancies and communication agencies are accounted for<sup>22</sup>. Naturally, not all projects implemented by the consultancies inherently involve civil society and they can be of very technical nature, but from the brief look at the chart it is obvious that the EU over-relies, for various reasons, on for-profit consultancies in delivering technical and capacity-building support to the EaP countries in most policy areas. The category EU public body involves organisations established and funded by the governments, and organisations composed of administrative bodies and governmental agencies but also grants allocated to the very EU Member States.<sup>23</sup>

Chart 1.6.



21 The grand total does not stand for the overall EU commitment under this budget heading, as the data for the support of higher education, budget support and projects delivering hardware are not accounted for.

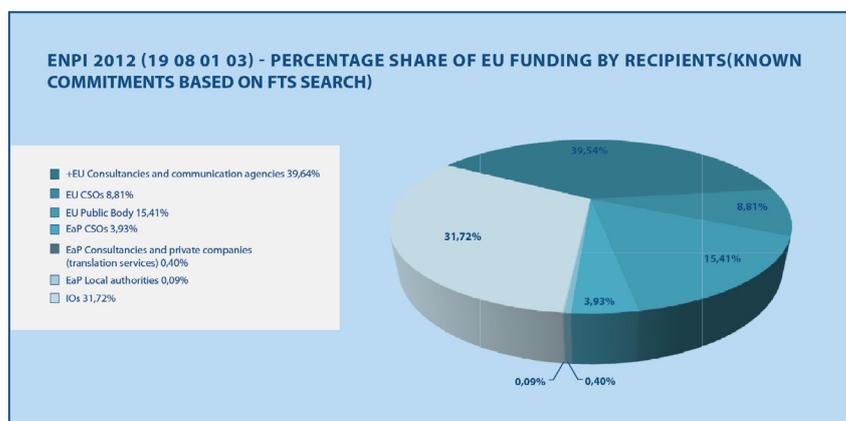
22 Unless providing for provision of hardware.

23 For example, grants to: France (EUR 800,000, Support to the Emergency Management Department in Development of Emergency Services in Georgia and EUR 1,550,000, Contribution to improvement of the system of public order protection by the Interior Troops of the Ministry of Internal Affairs of Ukraine), Denmark (EUR 1,400,000, Strengthening the Protection and Enforcement of Intellectual Property Rights in Ukraine), or Poland (EUR 999,950, Approximation of the legal and regulatory framework for the securities market of Azerbaijan according to the European Union acquis and capacity-building for the State). The other EU Member States receiving grants from given budget heading are Spain, Lithuania, the Netherlands, UK, and Germany.

The following chart (1.6) documents further disproportions in terms of the average size of grants or public procurement allocations to various groups of recipients, with the IOs leading by a large margin in terms of receiving on average the largest grants. It has been rather a rule that, due to lower administrative capacity, the local CSOs benefit from grants of smaller amounts in comparison to other beneficiaries, including the EU CSOs that enjoy similar average grant amounts to that of EU public bodies. However, there are some examples of larger grants being allocated to the EaP CSOs as well (REC Moldova, Internews Ukraine) but such cases are still rather rare.

Translated into percentages, out of the funding accounted for in this exercise, the EU consultancies consumed almost 40% of the relevant funding commitments.<sup>24</sup> Some of them have been in the field for a long time and implement several large projects at once, not only in the EaP region but also within the ENPI south. Some definitely bring specific expertise and know-how. But in many other instances, the involvement of local actors could be considered. By using consultancies, the EU also substitutes its administrative capacities. The EaP CSOs consume a little less than 4% of the overall commitments, which is not a very impressive number even when taken singled out of context of the full picture of the EU funding instruments. As far as the ENPI funding described here is concerned, the EU spends ten times more on its consultancies to deliver projects in the region than on the local civil society – though highlighted in all policy documents as a vehicle for speeding up reforms.

Chart 1.7.



In this context, the funding provided to the Eastern Partnership Civil Society Forum on a continuous basis has been generous but not unique in terms of the overall amount and yearly allocations. Similar yearly allocations are provided to the EU-Russia Civil Society Forum under a special EIDHR budget chapter. In 2012, the operating grant funding the Forum came from the ENPI Eastern Civil Society Facility (EUR 500,000) and was complemented by a corresponding part of the major project on strengthening national platforms implemented by REC Moldova in partnership with other organisations (approx.

<sup>24</sup> The 40% share presented here is considered doubtful by the DG DEVCO; no numbers challenging the conclusion were presented.

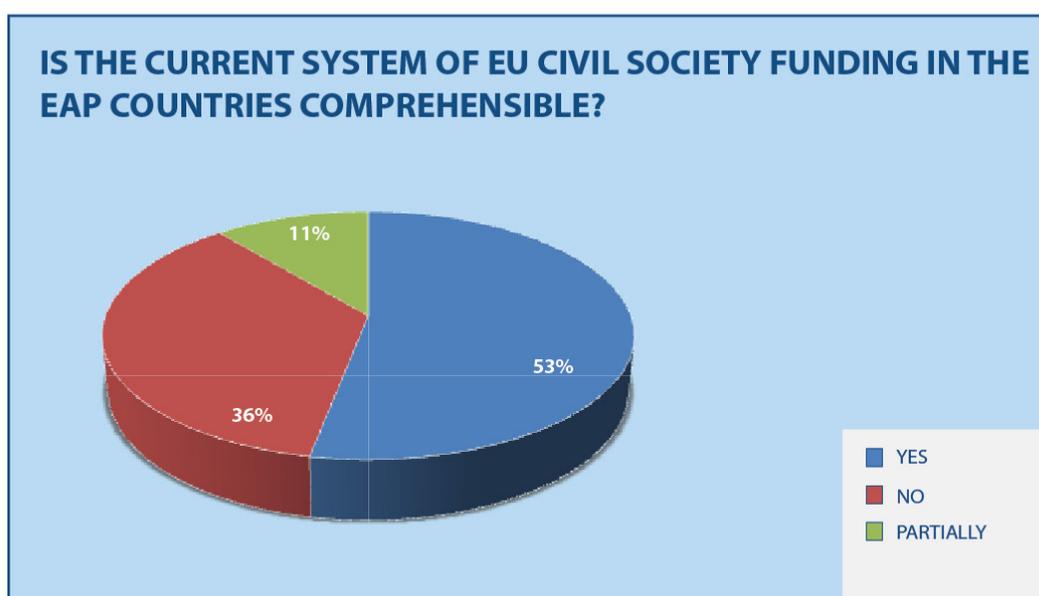
EUR 300,000), and by two projects strengthening the Georgian National Platform (total EUR 249,000). In total, the EaP CSF reached a level of funding corresponding to one average project implemented by an EU consultancy in the region.

## 2. VIEWS FROM THE EAP COUNTRIES

The findings in this part are based on a survey of members of the National Platforms of the *Eastern Partnership Civil Society Forum*<sup>25</sup> and refer to their individual statements. The statistical accuracy based on the input of the 28 respondents is inconclusive; however, some of the data were processed into charts so that the major opinions and perceptions of the EU funding modalities can be depicted.

Chart 2.1 shows quite a surprising result. Civil society groups often complain that EU funding is opaque, complicated and cumbersome, but most survey respondents think otherwise. It seems that at least part of the EaP civil society has a good overview of the existing instruments and knows where to access the EU funding.

Chart 2.1.



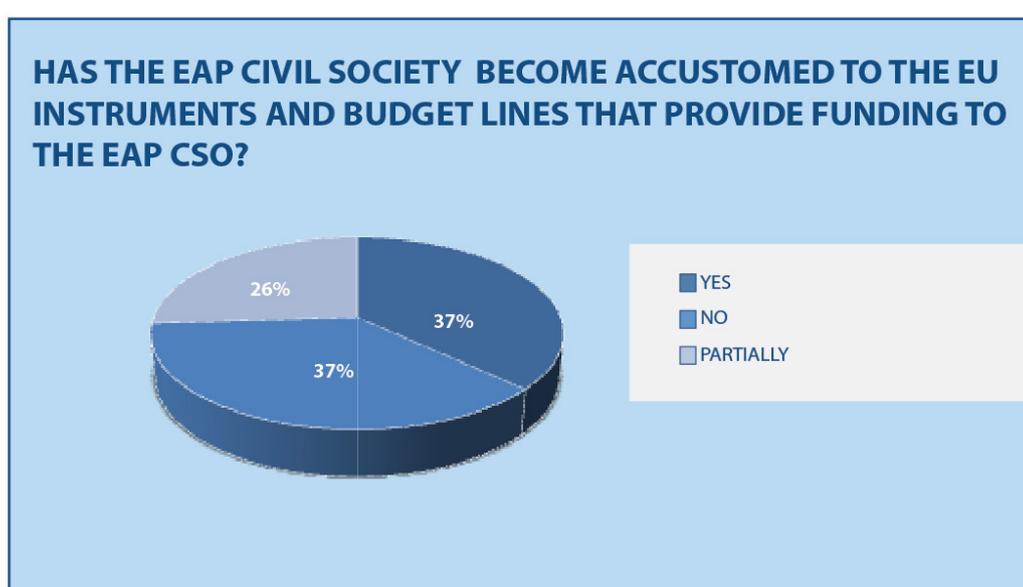
Whereas the system itself can be quite comprehensible, at the level of actual processes of application and implementation reservations remain<sup>26</sup>, and the picture is

<sup>25</sup> The survey ran 1–10 March 2014, in English and Russian, with 28 respondents in total.

<sup>26</sup> Several respondents suggested the language barrier as a problem, especially in the regions outside the capitals, a recurring problem depicted in many previous studies, e.g. (Shapovalova, Youngs, 2012), (Rihackova, 2010).

rather mixed. The following chart (2.2) illustrates that many organisations despite having a good notion of the EU funding process still have problems complying with the obligations and processes leading to benefiting from the EU funding. As some suggest, *“if the EU wants to really, not just verbally, support the civil society, it should fundamentally revisit and change the procedures and priorities of giving financial assistance”*. The respondents often stress more flexibility is needed as well as understanding and support for innovative projects: *“The EU is ‘closed’ for innovative projects, especially at the level of local EU Delegations. Global calls for proposals are more supportive of innovation, but generally more conventional projects are selected at the end”*. Some organisations suggest they are better prepared to work with funding provided by the EED, for example, outside of the framework of heavy EU financial procedures and conclude that more funding should be allocated to the flexible tools rather than replicating less flexible instruments and programmes.

Chart 2.2.



In terms of competition within the local calls, the EU-based CSOs are rather considered as competitors, with the exception of Belarus, where many local CSOs are officially registered in an EU country. Some point to the nexus between the size and scale of the call for proposals and the competition; the EU CSOs are usually not interested in calls for smaller-scale grants, which are, on the other hand, not very frequently used due to insufficient capacities of the EU Delegations. The EU-based CSOs are mostly allowed to apply only in partnership with local CSOs; besides the positive effects of such partnership, some mention the problem of corruption among EU CSOs without giving further specifications<sup>27</sup>. The capacities of the EU Delegations are often stretched to their limits and mostly viewed by the respondents as inadequate, both in terms of

<sup>27</sup> The survey was conducted under Chatham House Rules, thus the issue cannot be reported further. The EU Delegations should brief the local CSOs how to proceed in case such behaviour is pursued by the EU CSOs.

the number of staff and, to a lesser extent, the focus of the work; some suggest more coherency in the funding is desirable along with a more forward-looking attitude and wider context when designing the calls. Some suggest the EU funding provided by the EU Delegations does not reach the provinces and smaller or troubled regions.

Chart 2.3.

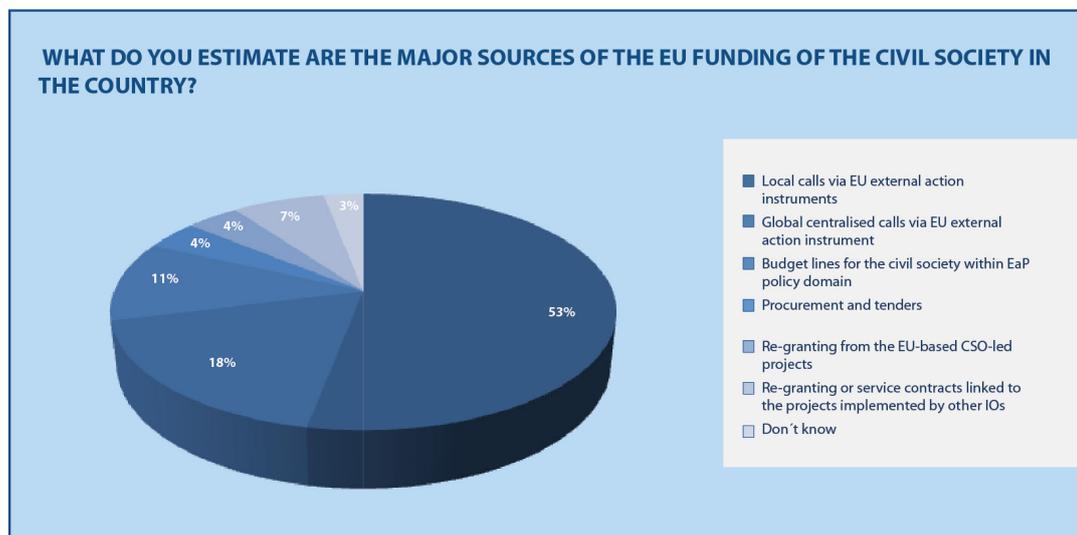


Chart 2.3 is both about visibility and accessibility of the EU funding instruments for the local civil society. Apparently, most CSOs are aware of local calls (all instruments – EIDHR, NSA-LA, ENPI-Civil Society Facility) in their countries arranged by the EU Delegations and estimate that those provide the most substantive amount of the EU funding flowing into their countries. On the other hand, centralised calls seem to be less visible. Although some of the strong EaP CSOs have succeeded in the centralised calls, the overall image is likely that of inaccessible funding, mostly due to structural and financial weakness of the local CSOs as well as their perceived lack of access to the stakeholders of the funding process.

The chart confirms the assumption that re-granting has not been playing a major role so far in distributing the EU funding and raising its visibility. Re-granting has been promoted by the European Commission and the EU Delegations as a mean to deliver EU funding to the small organisations that could not access it via standard calls due to their lack of administrative capacity. At the same time, it should have shifted the burden of implementing the grants of small amounts to the bigger CSOs benefiting from the EU funding due to lack of staff and capacities of the EU Delegations. As such, re-granting remains a good idea. Whilst there is a commendable trend towards raising the re-granting thresholds, the majority of respondents say it is not widely used (or not widely enough) and the re-granted funding usually does not reach local small organisations or those in specific regions (e.g. Transnistria). However, it seems a longer period of time is necessary to assess properly the impact of re-granting on the distribution of the EU funding, as its wider use both in the calls and in the implementation phase of the

projects started only in 2010–2011.

Chart 2.4.

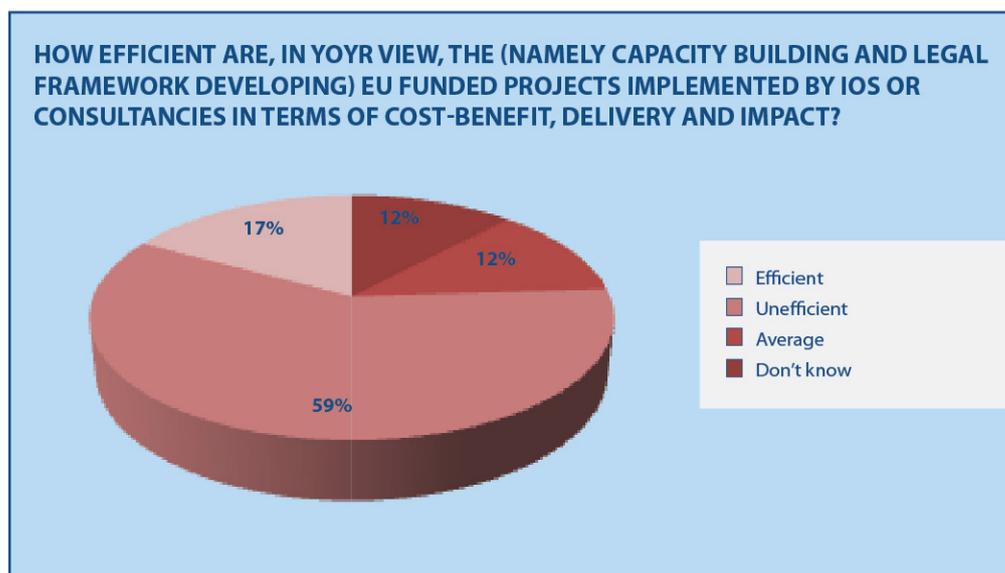


Chart 2.4 is about one of the most relevant issues in the area of the EU civil society funding in the neighbouring countries. Usually larger projects funded by the EU – but implemented either by the IOs (Council of Europe, OSCE, etc.) or by consultancies, mostly based in one EU Member State, with a long track record in given fields (mostly capacity-building, development of legal frameworks, etc.) and good links to the EU institutions and decision-making processes – are questioned in terms of delivering both effectively and efficiently: “...regrettably, these EU-funded projects do not view problems holistically; instead they deal with some elements in line with their organisation’s mandate and solve or develop them, while a comprehensible approach is needed”. It is also suggested that some of those projects lack transparency in terms of their implementation and results.

The respondents also freely commented on the content and technical issues related to the EU funding, namely the local calls. Besides the recurring issues (heavy administrative requirements and focus on technicalities, pressure on the CSOs to restructure internally in order to shore up their administrations when applying and implementing the EU projects, the preference of the capital-based CSOs and a lack of funding in the remote or troubled regions – a suggestion a call for proposal for rural CSOs only should be developed, or need for enhanced transparency of the EU funding, etc.), there were references to exceeding focus on visibility, “Instead of considering effectiveness of a project activity, the donor looks at the PR component...[of a project]”, and repeated calls for giving priority to the empowerment of women leaders, both in general and more concretely to the women entrepreneurs.

## CONCLUSION

---

The compiled data indicate the EU funding to the EaP civil society is significant but in comparison to other recipient groups somehow unsatisfactory. Within the budget chapter 19 08 01 03 - *European Neighbourhood and Partnership Instrument financial cooperation with Eastern Europe* (ENPI) and relevant data available through the FTS, the EU committed ten times more funding only to the EU-based consultancies to deliver projects in the region than to the local civil society, which is, however, highlighted in all policy documents as indispensable actor for delivering desired reforms in these countries. The so-called enabling environment for the work of the EaP CSOs has been deteriorating also in many countries in the region, somehow in the shadow of the unfortunate developments in Ukraine. The EU should enhance its support committed to the local CSOs, if necessary at the expenses of other groups of beneficiaries, in order to reach out to a wider spectrum of organisations, namely outside the capitals, and make use of the new Common Implementing Regulation when aiming for more flexibility. Tools like the EED are widely appreciated but command limited resources in comparison to the regular external funding instruments.

## DATA SOURCES

---

European Commission, Budget on-line line by line, 2012, <http://eur-lex.europa.eu/budget/data/LBL2012/EN/SEC03.pdf>

European Commission, Financial Contributions of EuropeAid to Other International Organisations from May 2007 till end 2012, [http://ec.europa.eu/europeaid/work/funding/documents/intl-organisations-2011/liste\\_par\\_organisation\\_hyperlien\\_2011\\_en.pdf](http://ec.europa.eu/europeaid/work/funding/documents/intl-organisations-2011/liste_par_organisation_hyperlien_2011_en.pdf)

European Commission, Beneficiaries United Nations, [http://ec.europa.eu/europeaid/work/funding/documents/2013/beneficiaries\\_united\\_nations\\_2013\\_en.pdf](http://ec.europa.eu/europeaid/work/funding/documents/2013/beneficiaries_united_nations_2013_en.pdf)

European Commission, Beneficiaries World Bank, [http://ec.europa.eu/europeaid/work/funding/documents/2013/beneficiaries\\_world\\_bank\\_2013\\_en.pdf](http://ec.europa.eu/europeaid/work/funding/documents/2013/beneficiaries_world_bank_2013_en.pdf)

Financial Transparency System of the European Union, [http://ec.europa.eu/budget/fts/index\\_en.htm](http://ec.europa.eu/budget/fts/index_en.htm), accessed multiple times between February-April 2014

Population data – The World Factbook, CIA, <https://www.cia.gov/library/publications/the-world-factbook/fields/2119.html>

## REFERENCES

---

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions, *The roots of democracy and sustainable development: Europe's engagement with Civil Society in external relations, October 2012*, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0492:FIN:EN:PDF>

Kaca, Elzbieta (ed.) (2014), *Learning from Past Experiences: Ways to Improve EU Aid on Reforms in the Eastern Partnership*, The Polish Institute of International Affairs, April 2014, Warsaw, [http://www.pism.pl/files/?id\\_plik=17080](http://www.pism.pl/files/?id_plik=17080)

Rihackova, Vera (2010), *Walking the tightrope of democracy aid, the long and winding road towards 'flexible', well-targeted EU funding for democracy and human rights*, Policy Brief No.3 2010, PASOS, Prague, <http://pasos.org/135/walking-the-tightrope-of-democracy-aid-a-long-and-winding-road-towards-flexible-well-targeted-eu-funding-for-democracy-and-human-rights>

Rihackova, Vera, (2013) *Great Expectations, The launch of the European Endowment for Democracy should mark the beginning of new era of EU democracy assistance*, PASOS Policy Brief No.3 2013, PASOS, <http://pasos.org/9532/launch-of-european-endowment-for-democracy-should-mark-the-beginning-of-a-new-era-of-eu-democracy-assistance-pasos-policy-brief/>

Shapovalova, Natalia, Youngs, Richard (2012), *EU Democracy Promotion in the Eastern Neighbourhood, A turn to civil society?*, FRIDE, Working Paper no. 115,

[http://www.fride.org/download/WP\\_115\\_EU\\_democracy\\_promotion\\_in\\_the\\_Eastern\\_neighbourhood.pdf](http://www.fride.org/download/WP_115_EU_democracy_promotion_in_the_Eastern_neighbourhood.pdf)

Troszczyńska-Van Genderen, Wanda (2014), *The EU's 2014-2020 external financial instruments: An opportunity for the European Parliament to play a greater role*, European Parliament, Policy briefing, DG EXPO/B/PolDep/Note/2014\_08