

**Parliament's scrutiny activity on NGO financing -
Establishing a CONT Scrutiny Working Group**
Draft proposal by the EPP Group

The **Committee on Budgetary Control (CONT)** is responsible for scrutinising how the EU budget is implemented through the annual discharge procedure. As part of its scrutiny activity, the CONT Committee managed to shed light on the issue of EU financing of NGOs and other entities that engaged in advocacy activities towards the EU institutions to influence the decision-making process. Initial findings emerged through the examination by CONT Members of grant agreements that the Commission has signed with NGOs and private entities that foresee such activity. The European Commission has admitted to the reputational risks that this financing entailed, while the European Court of Auditors recently issued a Special Report on the Transparency of EU Funding granted to NGOs.

The **EPP Group believes that the CONT Committee represents the right platform** for this scrutiny activity to continue and intensify, in the light of recent revelations and developments. The limited number of grant agreements that the CONT Committee has scrutinised does not allow for a complete overview of the situation and questions remain regarding the EU programmes that have financed such grant agreements and the type of entities concerned. A further assessment of the impact of such arrangements on the EU policy making, Institutional setting, the principle of separation of powers and the principle of sincere cooperation is also required.

In this context, the **EPP Group proposes the following initiative** to reinforce the activity of the CONT Committee on this matter:

- A dedicated Scrutiny Working Group (SWG) should be established within the CONT Committee with the aim of examining all aspects relating to financing advocacy activities and allowing for the scrutiny activity to be extended to all EU financing programmes and beneficiaries.
- The SWG should be composed of 13 Members of the CONT Committee (based on d'Hondt) and chaired by the CONT Chair. It will conduct its activity within a period of six months.
- The mandate of the SWG should be to review grant agreements across all EU programmes that the Commission has signed with NGOs and other entities, in order to determine whether they include provisions relating to advocacy activities towards the EU institutions. The SWG will assess the extent to which such grant agreements comply with the relevant rules and regulation in place, as well as their potential impact on the decision-making process in the EU institutions. It will further aim to quantify the amounts granted for such advocacy activities and the type of entities concerned.
- The SWG will present its findings and recommendations to the CONT Committee in the form of a report to be drafted under the responsibility of designated Members ("co-rapporteurs"). This report should be approved by the CONT coordinators and presented to the Conference of Presidents.
- The CONT secretariat will support the activity of the Working Group, while additional staff will need to be allocated for this purpose (at least 2 legal experts).
- Subject to a decision by CONT Coordinators, the CONT Committee may pursue further this work with the elaboration of a new INI report and the designation of a "standing rapporteur" on this matter.