

EU Financial Framework Reform - role of Hungarian NGOs

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Representing ECNL and HAND



Presentation overview

- HAND project for the Hungarian Presidency
- ECNL's work on the reform of EU financial framework as part of HAND's contribution to the advocacy by European NGDOs (CONCORD)

“New Voices in Development Effectiveness”

- HAND Presidency Project aims to strengthen the policies and practices of development cooperation in Hungary, thereby contributing to more effective development cooperation in the European Union.



Approach

- Explore and demonstrate added value of CSOs,
- Make meaningful contributions to policy coherence and the current European debates on development effectiveness,
- From the unique perspective of transition experiences.

Thematic focus

- **More and better aid: overcoming challenges in new donor countries**
 - Improving aid effectiveness and CSO development effectiveness in Hungary and NMS.
- **Transition experiences: development through innovation and participation**
 - Sharing transition experiences with EP countries and channeling transition experiences from EP into the Structured Dialogue and other European processes.
- **Help where it's most needed**
 - Raising awareness on the importance of the MDGs, supporting the development of an LDC strategy for Hungary.

Hungarian Presidency Priorities

- Enlargement and Neighborhood Cooperation
 - *continued talks with Croatia and the Western Balkans*
 - enlargement of the Schengen zone
 - *strengthening the Eastern Partnership*
- Water and environment
 - *environment protection*
 - water management - Danube Strategy
- Active citizenship and cultural diversity
 - maintaining the *cultural diversity* of Europe
- Responding on new global challenges and managing crisis
 - *reflecting on the economic crisis*
 - evaluation of the Lisbon treaty
 - **developing stable, new financial frameworks and mechanism for setting budgets after 2013**
- Major events in cooperation with Presidency
 - Launch conference: January 25
 - **Structured Dialogue closing conference** (early May)
 - Eastern Partnership Conference (end of May)
 - Joint Parliamentary Assembly based on the follow-up on the Cotonou agreement (June)

ECNL's work in EU financial regulations reform

- For the past two years ECNL has been working to assist in the reform of the EU Financial Regulations:
- ECNL's own experience with EU financial procedures prompted it to explore the possibilities for reform;
- ECNL's mission is to create an enabling environment for civil society in Europe, including the funding environment.

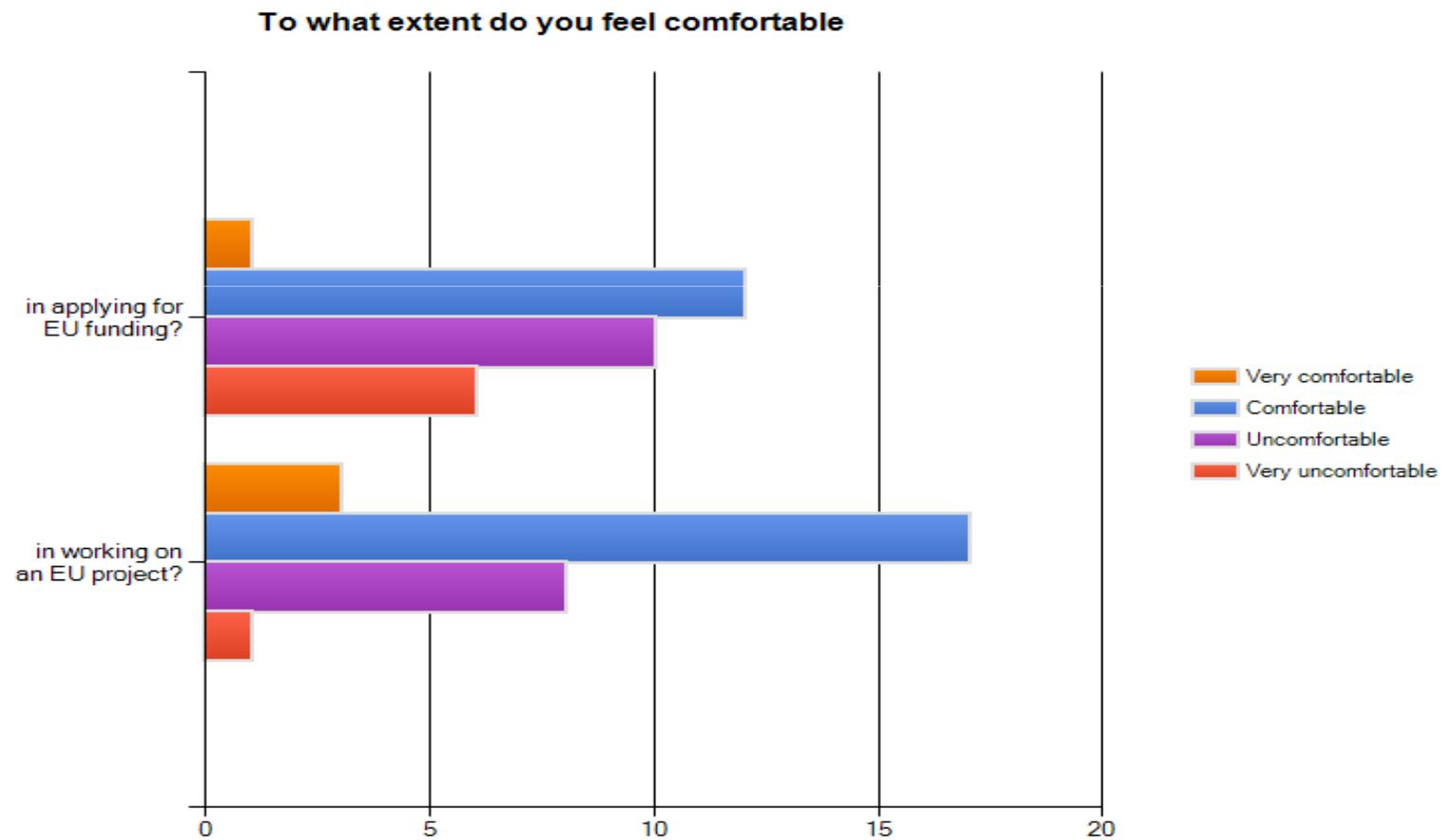
ECNL's work in EU financial regulations reform

- ECNL raised a small grant to start exploring the field, specifically in the issues relating to indirect costs (funded by CEE Trust);
- Under a project to assess and improve sustainability of human rights NGOs in the New Member States, ECNL has identified EU financial procedures as well as the allocation of financial instruments as a major obstacle for NGOs (funded by OSI);
- ECNL has conducted a survey among NGOs from the NMS and submitted a detailed answer to the public consultation of the EC on the FR:
<http://www.ecnl.org/index.php?part=14news&nwid=273>
- ECNL has worked with European NGO networks – EUCLID and CONCORD - in developing its submission.
- ECNL has been delegated as a member of HAND into the Finance for Development and Relief (FDR) Working Group of CONCORD.

ECNL's Survey on Accessibility of EU Funding

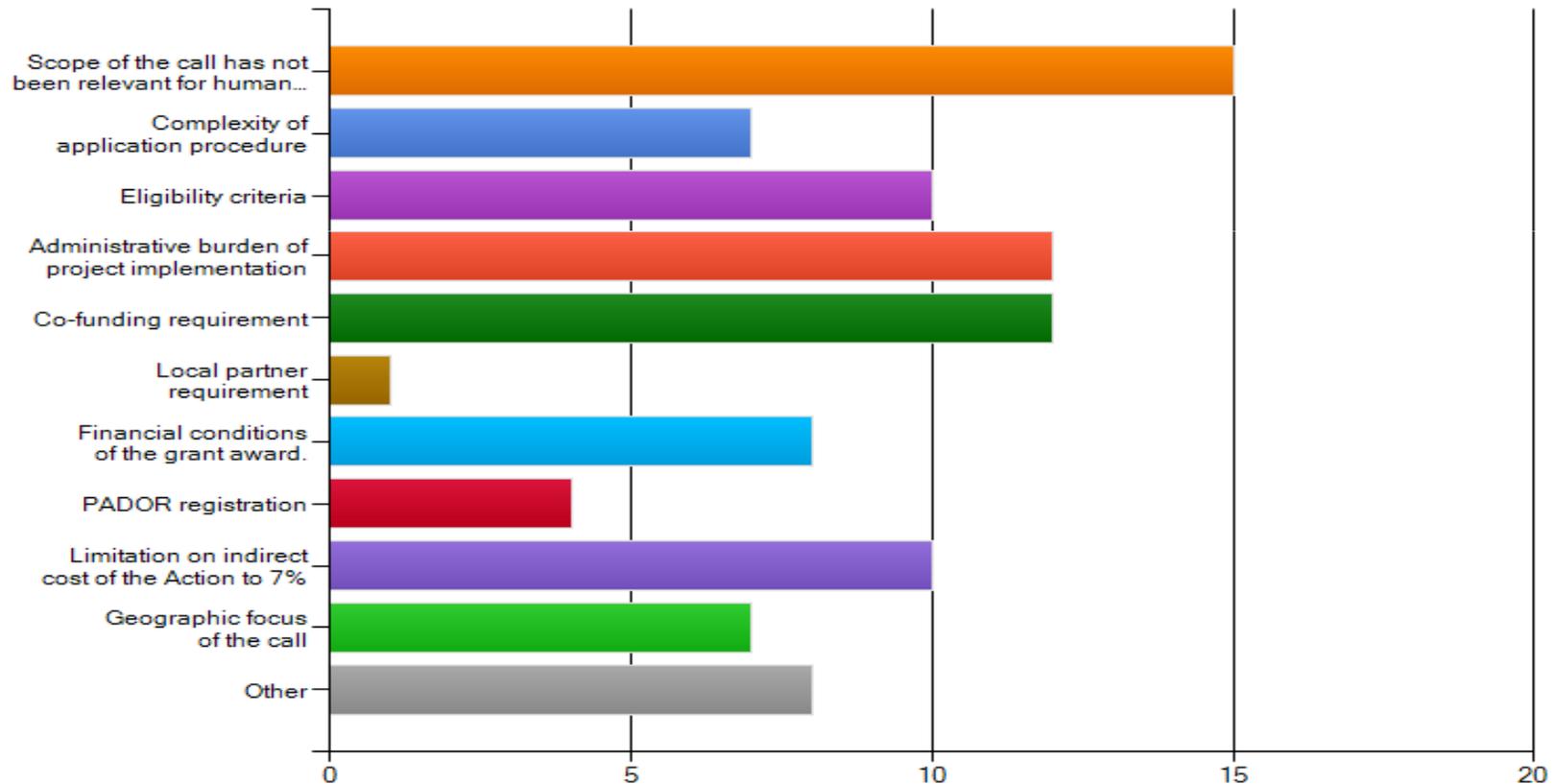
- Online survey and interviews: 50 respondents from 10 NMS countries.
- Major issues:
 - Indirect rate (Article 181 IR);
 - Co-financing and contributions in-kind;
 - Exchange rate losses;
 - Paperwork for applicants;
 - Lack of grant opportunities for HR NGOs.

General Information



EU Funding: Accessibility

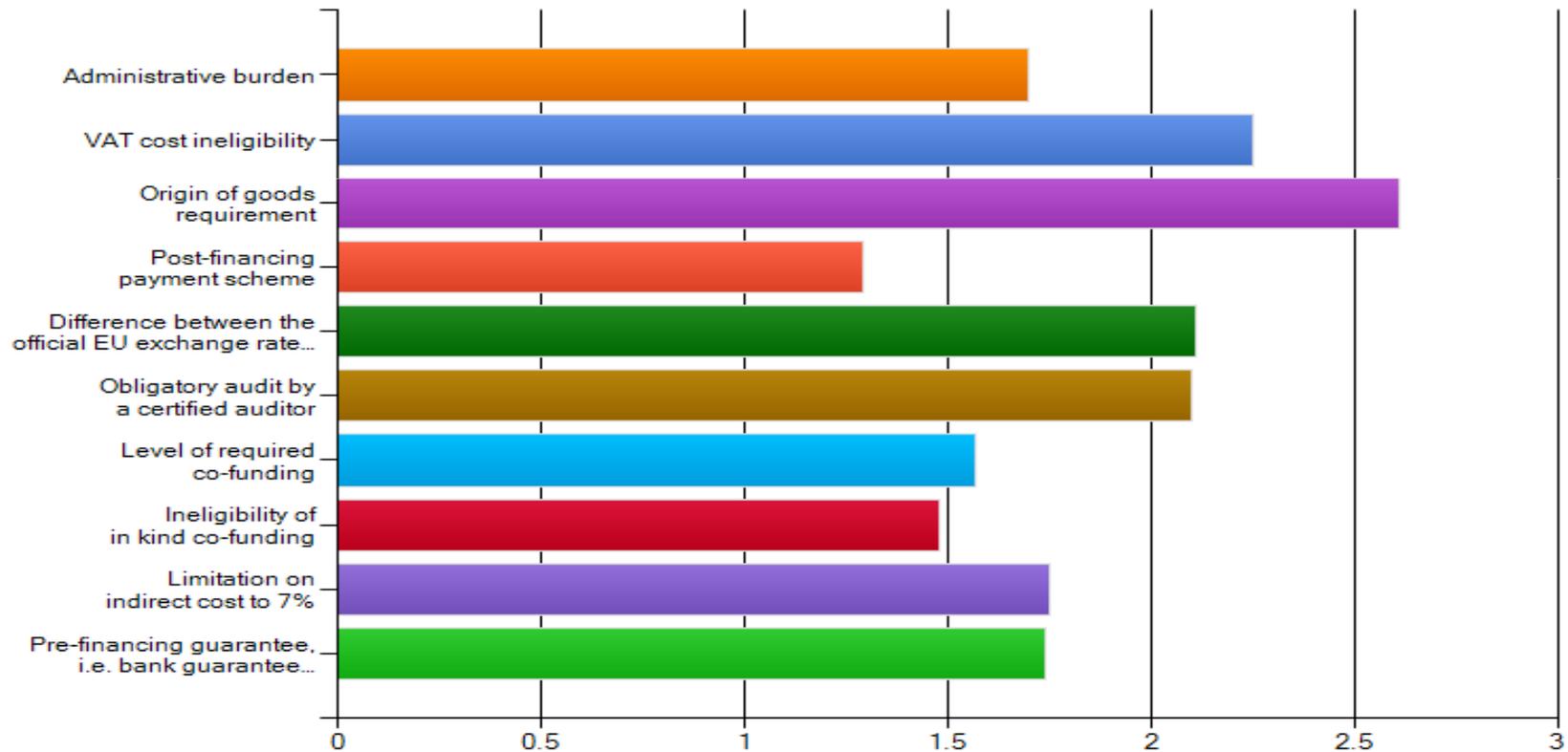
In case you choose NOT to apply for an EU funding opportunity, what are your main reasons?



EU Funding: Implementation

If you have implemented an EU project, please rate the following EU requirements in terms of how much challenge they presented for your organization.

If you have never implemented an EU project, please indicate it in the text box below.



ECNL Recommendations

- EC to bear its fair share of project funding, including full recovery of the indirect costs properly allocated to EC funded projects.
- To allow a greater inclusion of in-kind contributions as a part of co-financing, develop guidance and criteria.
- To recognize exchange rate losses as eligible expenses for the action.
- To launch one well-structured portal which contains consolidated information from all DGs and financial instruments; to ensure equal access when requiring the use of e-tools; to ensure two-stage applications; to introduce label system based on eligibility criteria.
- Other issues were addressed in detail by EUCLID and CONCORD

Conclusion

- ECNL continues to engage with European actors to push forward reform.
- ECNL is keen to ensure that the problems and interests of Hungarian NGOs are properly represented in the process.

THANK YOU!

