

## **European Union New Member States: A New Source for NGO Funding?**

---

By: Ivana Drljo  
**December 2009**

Philantropia Inc, a consultant company specialized in international fundraising and philanthropy, advises and supports non-profit organizations around the world on how to more effectively raise funds so that they can dedicate more time to pursue their humanitarian mission. To accomplish this we provide strategic advice, organize trainings, improve organizational capacity, and ensure financial support for client programs.

## **European Union New Member States: A New Source for NGO Funding?**

By: Ivana Drljo

This article aims to define strategies for International Non Government Organizations (INGOs) in finding new channels for funding from the newer member of the European Union (EU). It's very important for INGOs to find new means of financial support, particularly in the current economical situation, where the established funding agencies are under strain. A great number of former communist European countries have joined the European Union in the period between 2004-2007, officially gaining membership status to the "developed" countries club, a thought that only 5-years prior seemed unattainable. The EU enlargement followed the achievement of common basic political and economical standards that were necessary for countries to attain before making this big leap.

Nonetheless the documented accomplishments of the former Soviet colonies has yet to be sanctioned in the cultural sense, since they are still not perceived as potential financial supporters of national and international NGOs. This is a common misconception stemming also from the reality of the 1990s when these countries were receiving foreign aid to help them face the challenges of newly democratic states. Still those times are gone and the new EU members upon accession have all agreed to fulfill the Monterey Consensus, which entails the allocation of 0.33% of Gross National Income (by 2015) to Official Development Assistance (ODA). If we look at the figures we see that in 2008 the total ODA streaming out of the new EU members profiled in this article amounted to over US\$1 billion.

This cultural lockdown is potentially harming the efforts of small and medium size INGOs that are on the lookout for funds to ensure the continuation of their development projects. For this reason, obtaining support from the new EU members is crucial. It is necessary to remember that the global downturn negatively affected new EU members' economies and consequently their ODA efforts. Still we foresee that these countries will bulk up their assistance programs to offer opportunities for INGOs. For every profiled country: the main source of funding, priority beneficiary countries, funding priorities, specific grant schemes for NGOs, and contact information is outlined where applicable.

# PHILANTROPIA

## CZECH REPUBLIC

The Czech Republic has had donor status since 2004. The main source of funding is the Ministry of Foreign Affairs (MFA) and Ministry of Interior within the Czech Republic Development cooperation framework. Official figures for 2008 ODA amounted to US\$213.38 million. According to the Organization for Economic Co-operation and Development (OECD) in 2008 the net ODA fell by 0.4% from 2007.

Priority countries: Angola, Sudan Burkina Faso, Ethiopia, Mali, Namibia, Yemen, Vietnam, Afghanistan and Iraq.

**Funding Priorities:** The Czech MFA states that their assistance is focused on developing countries and emerging economies. Also their aim is to support development projects, humanitarian aid and refugee assistance. The Czech MFA statements indicate that they want to strengthen the collaboration with INGOs in areas such as humanitarian assistance. **Funding for INGOs:** Also according to MFA officials the government is trying to pass several laws that would allow direct cooperation between the Ministry and foreign NGOs. Also in priority countries, local NGOs can apply to the Czech embassy, which will present the calls for proposals to the competent Ministry. The best way to approach the foreign ministry and take part in calls for proposals is through the FoRS -Czech Forum for development [www.fors.cz/en/about\\_us/mission](http://www.fors.cz/en/about_us/mission), which is a platform for non-governmental organizations (development cooperation, education, humanitarian assistance) and it can provide an initial dialogue with local NGOs.

### **Ministry of Foreign Affairs Grant Scheme for NGO's**

**Types of grants:** co -founding small projects regarding development education in the Czech Republic

**Grants sizes:** A maximum of US\$76,000. The overall budget for 2006 is US\$ 466,000.

**Application forms:** [http://www.rozvojevostredisko.cz/files/formulare\\_zrs.zip](http://www.rozvojevostredisko.cz/files/formulare_zrs.zip).

**Eligibility:** Applicants must be registered according to Czech Law for non-profit non-government organizations

Deadline: 31 Oct every year

# PHILANTROPIA

## POLAND

The Polish Ministry of Foreign Affairs (MFA) along with the Department of Development Cooperation, controls the support for national and international NGOs. In 2008, ODA figures amounted to US\$386.13 million. Also, Poland was the second highest-ranking country in the top ten donors of gross ODA (2007) for Angola with US\$46 million after the EC as a whole and before the US (oecd.org/dac/stats).

Priority countries: Ukraine, Moldova, Belarus, Afghanistan, Iraq, Angola, Vietnam and Palestinian Authority.

**Funding for NGOs:** The Polish MFA finances Polish organizations and INGOs that have offices in the country. Every year, the MFA announces several calls for proposals directed to NGOs. In 2006, the amount of funds at the disposal of NGOs reached over US\$10 million.

**Grants sizes:** In 2008 grants to Polish and INGOs ranged from about US\$18,000 to US\$767,000.

Another noteworthy source of funding for grassroots NGOs is represented by the SMALL GRANTS FUNDS that offers subsidizing-up to US\$3,000 to small development projects which impact local communities. (Water supplies, health care posts, first aid posts).

Beneficiaries: To be eligible, organizations be local, community based, such as NGOs, Catholic Missions, schools and hospitals. The funds are allocated through Polish embassies several times a year. Also, in previous years small grants fund assistance was provided to African countries, including Cambodia and Mongolia. The MFA supports primarily NGOs that are members of the Zagranica group. This is a platform of 40 Polish Organizations working abroad in priorities countries. Another channel of communication to get funding is the Council for co-operation with the NGOs at the Ministry of Foreign Affairs whose members are among others Caritas Polska, the Center for International Relations, the Stefan Batory Foundation, and the Institute of Public Affairs.<sup>i</sup>

Contact: for the Development Co-operation team: link to page with all emails: assistance projects for Africa, South, East and South East Asia  
<http://www.polskapomoc.gov.pl/The,Development,Co-operation,Department,Team,205.html>.

# PHILANTROPIA

## BULGARIA

The main issue with Bulgarian financing of NGOs is that there are still no primary or secondary laws on development and humanitarian aid, institutional capacity building, nor is there adequate presence in EU bodies concerned with development. The official figures for 2008 indicate that US\$21.91 million were spent on ODA. The assistance for ODA and NGOs is overseen by the Interdepartmental Council for Bulgaria's Participation in the International Aid Department headed by the Foreign Affairs Ministry.<sup>ii</sup>

Priority countries: Angola, Serbia, Moldova, Macedonia Georgia.

**Contact:** Bulgaria Ministry of Foreign Affairs:

[http://www.mfa.bg/en/index.php?option=com\\_content&task=view&id=8688&Itemid=453](http://www.mfa.bg/en/index.php?option=com_content&task=view&id=8688&Itemid=453)

## SLOVAKIA

The Slovak Agency for International development Cooperation is in charge of working with NGOs for possible development projects. ODA figures for 2008 amounted to US\$91.85 million.

Priority Countries: Kenya, Mozambique Afghanistan.

**Funding Priorities:** Funding is provided for education and health care projects as well as economic and infrastructure development.

**Funding for NGOs:** INGOs might be interested in the Bilateral Development and Awareness Projects. These initiatives provide funding possibilities for Slovak NGOs, business enterprises and state organizations that are seeking to implement Slovakia's development projects.

Another program that might be of interest is the Development Cooperation Fund and the Micro grants which are awarded through Slovakia's diplomatic missions to selected organizations in priority countries. Last year US\$70,000 were awarded to projects in Serbia and US\$35,000 in Kenya. INGOs should be aware that when pursuing funds with the Slovak Government they should have already established a partnership with a national NGO. Also the Slovak government offers, through partnerships between the Foreign Ministry and the Ministry of Education, funds for capacity building in development education.<sup>iii</sup>

**Grant Sizes:** The sizes of these grants in some of the priority countries were over US\$138,673.

**Contact:** SlovakAid [www.slovakaid.mfa.sk](http://www.slovakaid.mfa.sk)

# PHILANTROPIA

## SLOVENIA

In 2008 Slovenian ODA was US\$68.83 million. Slovenia does not have a formal scheme of cooperation that funds the development assistance activities of NGOs. The Ministry of Foreign Affairs supports NGOs projects on an ad hoc basis. The Ministry selects and contacts the perspective partner without using a standard procedure. Also, NGOs are invited to bid for development project contracts set by the ministry. Still almost the total majority of assistance is mainly delivered through EU common initiatives.<sup>iv</sup>

## ESTONIA

In 2008, the official figures showed that US\$21.91 million were used for ODA purposes, 80 percent of these funds were used as contributions to the EU, United Nations, and other multilateral organizations. Only 14% of the ODA was directly allocated to priority countries, international organizations, and capacity building programs in Estonia.

Priority Countries: Afghanistan, Palestinian territories.

Funding Priorities: Proposed projects need to be in accordance with the strategy of Estonian development cooperation and humanitarian aid 2006-2010. All prospective projects must fulfill the requirements for the call for proposals.<sup>v</sup>

Grant Sizes: The average grants range from US\$22,300 to US\$27,900.

**Funding for NGOs:** There is not much information pertaining to the decisions process in allocating the grants. One example of NGO funding is the educational project (US\$34,046) sponsored by the MFA, and promoted by the Estonian NGO MONDO.

Procedures and Requirements can be found at: <http://web-static.vm.ee/static/failid/377/Procedure.pdf>

# PHILANTROPIA

## HUNGARY

Hungary just recently became an emerging donor country, marking the shift from being a recipient of financial aid, to one providing funding.

The Department for International Development Co-operation of the Ministry of Foreign Affairs- the Hungarian International Development Agency (HUN-IDA), a non-profit institution, has been the implementing agency for development cooperation programmes. The Hungarian missions abroad, non-government organizations (NGOs), the private sector and various organs of public administration participate in carrying out development projects in partner countries. The figures for the 2008 ODA show that US\$106.08 million was spent on development projects.

**Priority countries:** Cambodia, Ethiopia, Macedonia, Laos, Serbia, Vietnam, Yemen, Afghanistan, Iraq

**Funding priorities:** Priorities include governance, civil society, education, health, and environment

**Grant making criteria:** Only Hungarian NGO's are eligible.<sup>vi</sup>

**Contact:** Hungary Ministry of Foreign Affairs <http://www.mfa.gov.hu/kum/en/bal/>

## LITHUANIA

Lithuania's ODA in 2008 was US\$34.5 million. Still there is no available information on the procedures for aid allocation. According to 2005 official figures from the Ministry of Foreign Affairs, almost 90% of the ODA was allocated as multilateral aid through the UN and the EU.

**Priority countries:** Afghanistan, Iraq

**Funding priorities:** The main priority is the promotion of democracy and institutional building in neighboring countries and infrastructural projects in Iraq and Afghanistan.

**Grant making criteria:** Applicants should have a project partner (natural or legal identity) registered in Lithuania. Non-Lithuanian applicants are encouraged to apply for developmental projects for Afghanistan (Ghor Province).<sup>vii</sup>

**Grant Sizes:** Macro projects budget: US\$60,000 to US\$120,000. Small projects budget: US\$40,000.

**Contact:** Head Development assistance Division: Vainius Kuzmickas:  
Vainius.KUZMICKAS@urm.it

**Link to call proposal page:** <http://www.urm.lt/index.php?-2041734786>

# PHILANTROPIA

## ROMANIA

In 2009 the total ODA was US\$118 million. Due to limited capacity, the majority of Romanian aid is delivered through multilateral channels. According to Concorde, which is the main European NGO platform, there are real concerns regarding the survival of the Romanian national policy for developmental cooperation as a whole, considering the lack of strategies and policies for the implementation of Romanian aid. In 2008 there still was no bill for the allocation of bilateral aid. Cooperation with NGO's is also virtually inexistent: there are no official figures available from the Ministry on the way it spends its funds.<sup>viii</sup>

**Priority Countries:** Moldova, Serbia, and Georgia

CONTACT INFO: Public relations office- [relatii\\_cu\\_publicul@mae.ro](mailto:relatii_cu_publicul@mae.ro)

## LATVIA

The Ministry of Foreign Affairs suspended ODA in 2009 (budget for bilateral development cooperation) with the exception of mandatory contributions and multilateral aid payments to international funds. ODA figures from 2008 indicate that the total expenditure was of US\$21.85 million.

Priority Countries: Belarus, Moldova, Georgia, and Ukraine.

**Funding Priorities:** Latvia contributes as an EU member to development projects aimed at fulfilling the Millennium Developmental Goals. (Example: 2008- Afghanistan- Latvia granted US\$140,000 for an EU supported project to build courthouses and training for judges ).<sup>ix</sup>

# PHILANTROPIA

## CONCLUSION AND RECOMENDATIONS

This article clearly details how the newer EU members have nascent potential for funding small and medium NGOs. In striving to fulfill EU parameters in development assistance, new EU members are motivated, and want to be considered reliable partners that deserve to be members of the “developed countries” club. However, challenges remain. Most importantly, the lack of transparency in the allocation of funds, and in some cases, such as Bulgaria and Lithuania, there is no official strategy on development and humanitarian aid. This failure to implement effective plans negatively affects the capacity building and further development of NGOs. Nonetheless, there is a clear sense that the new EU members are displaying potential for the development of fruitful relationships with national and international NGOs.

International NGOs should, from their part, ensure several steps to create synergies - by establishing positive and trustworthy relationships and obtaining institutional funding.

1. **DO THE RESEARCH:** For every potential country donor, an INGO should analyze if it is a good fit in terms of priority countries, fund allocation criteria and funding priorities. Also, since these countries have only recently acquired donor status, the internal legislation is still under way, and regular monitoring of the appropriate government agencies to track new developments in funding is highly recommended.
2. **GET IN TOUCH:** Approaching government officials with a detailed and clear program will start a dialogue that could develop into a purposeful relationship for both parties.
3. **INVEST TIME:** Building relationships with institutions that display strong potential is a vital part of the funding process. Example: Czech Foreign Ministry has publicly declared that it aims to strengthen links with NGOs. This kind of statement indicates a motivation to create positive and possibly long lasting working relationships. Moreover, national officials are well equipped to advocate for specific causes in the relevant EU offices.
4. **CREATE PARTNERSHIPS:** Often a prerequisite for obtaining funding from state institutions, is a partnership with a national NGO. Partnerships can be mutually beneficial, since they frequently lead to the development of joint programming projects, involve sharing of knowledge and capacity building from the NGO side, and allow the INGO to acquire first-hand knowledge of the real possibilities and limitations within the country’s context.

# PHILANTROPIA

- 
- <sup>i</sup> Polish Aid site: [www.polishaid.gov.pl](http://www.polishaid.gov.pl) viewed June 5, other site used for every country EURORESOURCES(your getaway to European Development Funding)  
[http://www.euroresources.org/fileadmin/user\\_upload/Euromapping/Euromapping\\_2009/Country\\_Profiles/Euromapping2009\\_Poland.pdf](http://www.euroresources.org/fileadmin/user_upload/Euromapping/Euromapping_2009/Country_Profiles/Euromapping2009_Poland.pdf) viewed Nov 18, 2009
- <sup>ii</sup> Ministry of Foreign Affairs, Development Cooperation, [www.mfa.bg](http://www.mfa.bg) viewed Jun 10, 2009
- <sup>iii</sup> Slovak Aid site : [www.slovakaid.mfa.sk/](http://www.slovakaid.mfa.sk/) viewed June 20, 2009
- <sup>iv</sup> Slovenian Ministry of Foreign Affairs: [www.mzz.gov.si](http://www.mzz.gov.si) viewed June 20, 2009
- <sup>v</sup> Estonian Ministry of Foreign Affairs- [www.vm.ee](http://www.vm.ee) viewed June 20, 2009
- <sup>vi</sup> Hungarian Ministry of Foreign Affairs, [www.mfa.gov.hu](http://www.mfa.gov.hu) viewed Jun 25, 2009
- <sup>vii</sup> Lithuanian Ministry of Foreign Affairs, [www.urm.lt](http://www.urm.lt) viewed Jun 25, 2009
- <sup>viii</sup> concord Europe: [concordeurope.org/.../reports/2008/Romania.pdf](http://concordeurope.org/.../reports/2008/Romania.pdf)
- <sup>ix</sup> Latvian Ministry of Foreign Affairs, [www.am.gov.lv](http://www.am.gov.lv) viewed July 3, 2009