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# TOWARDS A MORE OPEN EUROPE

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Recommendations for the  
European elections  
22 May 2014

NCVO members will be questioning MEP candidates in  
Birmingham on 7 March 2014, and in London on 9 May 2014.

More information can be found on our  
website: [www.europeanfundingnetwork.eu](http://www.europeanfundingnetwork.eu)



# Europe: where are we now?

## A foreword by Sir Stuart Etherington

The European Union (EU) elections on 22 May 2014 present an opportunity to reshape Europe for the better, making it closer and more responsive to those it is intended to serve: its citizens.

European countries are now emerging from a major economic crisis; the financial crash of 2008 and the subsequent challenges in the Eurozone have led to a major re-appraisal of the role of the EU and its key institutions. Alongside the economic situation, major environmental and demographic changes require cross-border solutions. Furthermore, the EU's bureaucracy is legendary and its decision-making and inclusion mechanisms are still stuck in the past. Meanwhile, the UK government is reviewing its Balance of Competences with the EU and a referendum has been proposed on the UK's membership.

We believe that volunteers, voluntary organisations and wider civil society have the answers to many of the problems that face the UK and countries in the rest of Europe. Our organisations work towards improving people's lives: from the smallest community organisation to the largest household name charity, we are able to mobilise passionate volunteers as well as resources that are targeted to support the most vulnerable citizens.

The EU's rules directly influence our activities and our ability to respond to these challenges, so it's crucial that they provide a supportive environment, not a barrier to getting things done. Our sector can deliver on some of these tough challenges and can provide a collaborative partner to the public and private sectors. We can deliver meaningful opportunities for employment and inclusion, in particular for young people, and we believe it is more important than ever that the EU lives up to its promise to deliver sustainable and inclusive growth.

I am in no doubt that membership of the European Union is in the best interests of the UK. But the need for reform is now both urgent and compelling.

As Europe emerges from the recent economic crisis, it now has the opportunity to re-build in a more sustainable, equitable and socially responsible way.

In this manifesto we present an agenda for Europe and the EU's relationships with the voluntary sector and wider civil society.

We want to see **renewal** of EU spending to effectively focus resources on inclusive growth that addresses the most urgent social and environmental goals; simplified EU **regulation** to ensure that EU rules benefit and don't hinder voluntary organisations; and **reform** of the EU's institutions to improve dialogue and accountability.

We want the voluntary sector in England to play a part in addressing these challenges; I hope we will have your support in these aims.

**Sir Stuart Etherington**  
Chief Executive, NCVO

Member of European Economic  
& Social Committee, Group III

*"I am in no doubt that membership of the European Union is in the best interests of the UK. But the need for reform is now both urgent and compelling."*

## National Council for Voluntary Organisations

The National Council for Voluntary Organisations (NCVO) champions and strengthens volunteering and the voluntary sector in England, with over 10,000 members, from the biggest household name charities to the smallest community groups.

NCVO works in partnership with wider civil society partners on the EU Structural and Investment Funds and coordinates an England-wide network to share knowledge and expertise in this area. The European Funding Network promotes the sector's voice and interests at national and EU level, supports organisations to access EU funds, and provides strategic feedback on the delivery of the funds.

The voluntary sector contributes significantly to sustainable and inclusive growth in the UK. In 2010/11, there were 162,000 charities, employing 762,000 people in the UK, with a combined income of £38.3bn and expenditure of £36.8bn.<sup>1</sup> At the same time there are over 60,000 social enterprises in the UK and 5,950 co-operatives employing 230,000 people. Their contribution to the UK economy is far more significant than simply their existence as employers, important though this is. Volunteering can build social capital, bring communities together and enable voices of young people to be heard.

Voluntary organisations deliver a wide range of services, including stimulating the growth of local businesses, addressing barriers to employment (particularly amongst young people), training and education, environmental management, low carbon solutions, and improving the overall population's health and wellbeing.

NCVO is a key member of the European Network of National Associations (ENNA) and is active in sharing good practice for civil society across Europe. In the past year NCVO participated through ENNA in the Alliance for the European Year of Citizens, and many of the priorities in this manifesto are shared with partners across Europe.

## How MEP candidates can support charities and community groups in their regions

We call on MEP candidates to use their power and influence to do the following:

### *Renew EU priorities to focus on the most urgent goals of its citizens*

1. Ensure implementation of the priorities for employment, social inclusion, social investment and community-led local delivery in the new European Structural and Investment Funds.
2. Set targets for simpler EU funding arrangements to enable better access for smaller organisations.
3. Ensure sufficient funds are directed to green-led growth.

### *Improve regulation*

4. Continue to review and simplify EU regulation for public service delivery.
5. Smarter use of State Aid rules.
6. More flexible public procurement rules.

### *Reform the institutions*

7. Open up decision making in the key institutions.
8. Support reform of the European Economic and Social Committee.
9. End the European Parliament's second seat in Strasbourg and invest the savings in engaging citizens instead.
10. Support a European Parliament Intergroup on Civil Society and Volunteering.

## Renew EU priorities to focus on the most urgent goals of its citizens

The EU has ambitious targets for growth and jobs, set by the Europe 2020 strategy; but it will be crucial that any investment in this area is delivered in a way that is financially sound, environmentally sustainable and socially inclusive.

The overall budget has been trimmed for the first time in the coming cycle, however it remains a significant budget. We believe the new budget is beginning to move in the direction of better support for long-term social and environmental goals as a key part of economic growth. As the EU enters a new phase, it is time to accelerate moves towards a renewed focus on jobs for those who have been left behind in recent years, in particular young people.

Any new investment should deliver against disadvantage and provide a more inclusive model of growth.

### *1. Ensure implementation of the priorities for social inclusion, social innovation and community-led local delivery in the new European Structural and Investment Funds*

The EU structural funds provide an opportunity for innovative civil society projects to address social, economic and environmental priorities to support their beneficiaries and ensure inclusive growth.

These funds are allocated on a long-term basis and can therefore provide a stable grounding for sustainable projects. In the UK, for example, they fund youth skills and employment, as well as direct support to families with complex needs.

However, there remains a need to ensure local people are able to understand and deliver projects according to their needs. In order to support this, there is a need to ensure support for core priority areas and easier access to bidding for funding. There is also a real opportunity to engage volunteers in developing innovative solutions for employability.

#### **We recommend the following:**

- Small grants to target support for social inclusion, social innovation and community-led local development.
- A guarantee that the commitment of 20% of the European Social Fund to social inclusion activities will be implemented.
- Development of the capability of civil society organisations to ensure they have the skills and governance to effectively deliver the new programme.
- Use of the option of volunteer time as match funding for EU Structural & Investment Fund (SIF) programmes.
- Full implementation of the Code of Conduct on Partnership: a legally binding regulation that strengthens the partnership requirement of the structural funds, so that all stakeholders including the voluntary sector are involved in the planning and delivery of EU funds.
- Make innovative use of the Youth Employment Initiative to ensure that employment opportunities are developed for young people – this additional funding will be available in 2014–15 for areas in the UK with a youth unemployment rate above 25% in 2012.

### *2. Set targets for simpler EU funding, to enable better access for smaller organisations*

EU funding can often seem impenetrable to many voluntary organisations. The reporting requirements are often byzantine, with rules to maintain records of bus tickets for up to 20 years. Furthermore, the size of contracts has often limited the opportunity for smaller organisations to engage with these funds.

However, they can still play a useful part in a diverse funding mix. Many of the objectives of EU funds match the needs of community organisations and can ensure complementary delivery to domestic funds. It's essential that these funds are presented in a more accessible and less bureaucratic format, with smaller grant sizes.

#### **We recommend the following:**

- A commitment to simplify the approach to audit and reporting on EU funds.
- Increased use of smaller grants with fixed-cost (lump-sum) reporting, as well as flat-rate indirect costs.
- Clearer objectives for social inclusion, including use of social value as a requirement in EU projects.

### *3. Ensure sufficient funds are directed to green-led growth*

The EU structural funds provide an opportunity for integrating and linking environmental protection with the development of economic growth. Significant job and business growth has

been forecast from the development and roll out of energy efficiency and renewable energy technologies. It is important to ensure that this benefits all sections of the community.

The natural environment has a far greater role to play than just as a host to sustainable energy production. It can be the inspiration and spark for creative industries, the reason for inward investment and tourism expansion, the platform for health-benefiting activities and the raw material for the development of new pharmaceutical discoveries to benefit us all.

Underpinning the environment's capacity to deliver these wide-ranging economic and community benefits is its ability to respond to climate change. Adaptation and mitigation measures are vital to protect businesses, communities and indeed life itself. Such measures can produce societal 'win-wins' through encouraging social and technological innovation.

EU funds are vital to enabling the environment to play a positive and harmonious role in economic growth and societal benefits.

#### **We recommend the following:**

- A guaranteed minimum commitment of 10% of EU SIF funds allocation for Climate Change Adaptation (Thematic Objective 5) and for the Protection of the Environment (Thematic Objective 6).

## Improve regulation

### 4. Continue to review and simplify EU regulation to enable community-led public service delivery

EU regulation has a direct impact on voluntary organisations in England but it is often overly complex and poorly understood. Many of these EU rules should be enabling and beneficial to the voluntary sector in a changing landscape of public service delivery. Further steps are necessary to ensure that the economic, social and environmental goals are fully met and implemented.

In recent years there has been a shift in the European Union and an attempt to simplify State Aid and procurement rules. These are now passed to member states for implementation.

#### **We recommend the following:**

- The Social Investment Package and Social Business Initiative should be fully implemented and the European institutions should build on the Strasbourg Declaration for social entrepreneurs.
- The EU should continue to support the European Foundation Statute to complete the single market, bringing additional voluntary sector funding to the UK while keeping taxation issues at national levels.
- The tax systems across the EU should encourage effective delivery of social value. The VAT system should continue to respond flexibly to national needs and circumstances at the domestic level.

### 5. Smarter use of State Aid rules

State Aid rules are rightly aimed at monitoring the fair allocation of public funds, including many public service contracts. However, these rules are complex and time consuming and can be a particular barrier to new forms of social service delivery. The new State Aid rules should enable greater clarity for social services.

It is clear that many activities of organisations engaged in local social services do not have an impact on the overall functioning of the EU single market, and there should therefore be proportionality with regards to State Aid.

Furthermore, the UK has an emerging social investment market which may be stifled by disproportionate use of State Aid rules. This is still a fledgling market with limited impact on the overall EU single market, and therefore state aid rules should allow for exemptions to enable it to develop.

The new rules include specific exemptions for Services of General Economic Interest (SGEI). These would enable organisations that deliver services to the person, such as disability care, to be exempt from state aid rules. Likewise, organisations that deliver environmental public benefits such as efforts to reverse the decline of or to enhance biodiversity and/or to promote culture and heritage, should be clearly designated as SGEI.

#### **In particular, we call for the following:**

- Clear guidance and simpler tools for understanding the new state aid rules, including definition of Services of General Economic Interest (SGEI).
- Support for swift state aid clearance for the UK's Social Investment Tax Relief to support the UK's growing social investment market.

### 6. More flexible public procurement rules

Procurement rules have significant implications on organisations as they play an increasing role in public service delivery. It is essential that procurement is structured in a way that supports the social value of investments and guarantees that social objectives are included in key criteria for the allocation of resources.

NCVO welcomes the new Procurement Directive introduced by the European Commission, which aims to reform the current procurement environment by making it simpler and more effective.

We believe that there are a number of improvements, in terms of simplified approaches, including the new 'Light Touch Regime' for procurement of social services up to a higher threshold of €750,000, which will help to ensure better value for money, alongside social value and improved quality of public services.

#### **We recommend the following:**

- Member State governments, including the UK, accurately implement the new EU procurement rules and the European Commission should monitor implementation.
- Implementation should include prohibiting the use of price or cost alone in public procurement; alongside the splitting up of large contracts into smaller lots; to help charities and SMEs assume a greater role in service delivery.
- Member State governments, including the UK, provide adequate training and guidance for procurement professionals on the new procurement rules alongside research and improved use of 'mystery-shopper' evaluation.

## Reform the Institutions

The EU institutions are seen as distant from the everyday lives of many people and its decision-making processes are often perceived as opaque and slow moving. There is a pressing need to increase transparency and ensure more accountable decision making.

### *7. Open up decision making in the key institutions*

We encourage all MEPs to listen to the needs of volunteers and voluntary organisations in their regions and take their views on board when working through EU decision making.

The Commission should ensure that those likely to have a view and that are affected by any proposed legislation are involved from an early stage. To facilitate better engagement, the Commission should remove as many barriers as possible that may prevent individuals or organisations from contributing. It should also ensure that views are collated from the voluntary sector across all Member States affected by proposed legislation.

In many European countries including the UK, Sweden, Estonia and Slovenia a 'Compact' establishes a framework for better partnership working between government and the voluntary sector. A similar EU framework with a set of guidelines is needed to support the partnership between civil society and the European institutions, to enable meaningful engagement on key priorities of the EU institutions. This should include the use of plain language in communication, simplified guidance on EU competences and shared principles on consultation.

### **We recommend the following:**

- The current 'Minimum Standards of Consultation' the Commission follows should be reviewed and improved to include clearer methods to engage with citizens and civil society, improved consultation, use of plain language, accessible data and transparent feed-back to citizens.

### *8. Support reform of the European Economic and Social Committee*

The EESC is an institutional advisory body of 353 members from businesses, trade unions, voluntary organisations and professionals from across the EU. It should play a major part in involving the voices of civil society in European Union decision making. It gives non-binding opinions to the Council, European Commission and European Parliament and therefore plays a part in the decision making process. However, major reform is needed for it to operate efficiently and be an effective vehicle in representing the views of civil society from all member states. Currently, it is inefficient and inward looking, at times cut off from the citizens it serves, and its decisions are often too slow moving to have a meaningful impact on policy making. The institution should be more streamlined in its composition and open in its ways of working.

### **We recommend the following:**

- A review of the membership number, group structure, term limits and maximum delegates per country, including the diversity of members and the individuals and civil society organisations with whom they engage. The Committee could be run more efficiently by cutting its numbers from 350+ to around 100.
- An open and fair selection process whereby the members are proposed and elected from the interested groups.
- A review of activities and travel policy to ensure more efficient allocation of resources.
- Fewer opinions on more targeted issues, and ensure that they are provided in a reasonable timeframe to facilitate the Parliament's work.
- This could save at least €10m per year. These savings could be invested in mechanisms to engage wider civil society organisations and citizens directly; such as through online sessions and crowdsourcing of reports that anyone can join.

### *9. End the European Parliament's second seat in Strasbourg and invest the savings in engaging citizens instead*

We believe that, as part of a wider reform, it is time to cease the use of two seats for the European Parliament. The costs of two seats have become indefensible in the tighter economic environment. The regular move to Strasbourg of the whole Parliament costs more than €100m a year. This is no longer sustainable and adds to the impression of European institutions being distant and 'out of touch' with citizens' lives.

The money saved here could also be directed to enabling better engagement with citizens, improved online consultations, live feeds of meetings and more flexible platforms for sharing priorities.

### *10. Support a European Parliament Intergroup on Civil Society and Volunteering*

The European Parliament should recognise the increased importance of civil society and volunteering to the economic, social and environmental goals of the EU. There are numerous regular stakeholder engagement mechanisms with different parts of the European Commission, including successful engagement in the 2011 European Year of Volunteering and the 2013 European Year of Citizens, but there is currently no overall oversight body for this engagement.

In the UK, MPs have an All Party Parliamentary Group to bring together key parliamentarians to share views and raise key concerns on behalf of the voluntary sector. This ensures a regular dialogue within the institutions and enables mutual support in Parliamentary processes. An Intergroup would provide a much-needed forum.

### **We recommend the following:**

- The establishment of an Intergroup to include MEPs from the major parties as a step towards recognition of the importance of our activity to millions of individuals around Europe.

Endnotes: 1. data.ncvo.org.uk