

Strengthening EU fund management through effective civil society partnership (recommendations for European Commission)

To: European Commission Directorate-Generals and its representations in Member States

From: Project consortium "EU Fund Watchdogs," Latvia

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The EU's Partnership Principle often fails in practice. NGOs are frequently expected to provide expert oversight on a volunteer basis, invited late, and given insufficient resources, reducing partnership to box-ticking rather than genuine accountability.

Between 2023-2025, Latvia tested another model. Using NextGenerationEU recovery funds, a consortium of seven civil society organizations¹ tested a model where dedicated funding allowed them to professionalize their role in eleven Monitoring Committees. The results confirm that investing in civil society capacity transforms participation from a passive formality into an active, professional oversight function that yields significant returns.

Project impact

When resourced, NGO partners move beyond passive attendance to active intervention, directly improving fund implementation and preventing poor outcomes. By dedicating expert analysis to specific regulations, we achieved tangible improvements in program design. For example, after analyzing a key social inclusion measure under the Ministry of Culture, our detailed recommendations for strengthening regional communities were accepted, leading to substantive improvements in the final activity design. This proactive intervention also extended to expanding opportunities for the wider sector; we successfully advocated to the Ministry of Economics for associations and foundations to be included as eligible beneficiaries in digitalization support programs previously reserved primarily for businesses.

Beyond influencing specific funding calls, our project addressed deep-seated systemic issues. A critical factor in this success was the constructive engagement from many Latvian state institutions. Their willingness to educate partners in technical meetings, often fostering candid discussion under Chatham House Rule, allowed us to effectively tackle complex issues like conflicts of interest by developing practical guidelines in collaboration with

¹ The consortium was led by the Centre for Public Policy PROVIDUS and included the Latvian Rural Forum, Alliance for Cross-Sectoral Sustainable Development, Latvian Quality Association, Latvian Social Entrepreneurship Association, Latvian Society of the Blind, and Latvian German Union.

anti-corruption authorities and relevant ministries. Furthermore, we increased transparency by successfully demanding meaningful NGO participation in discussions on opaque fund reallocations ("flexibility funding"). To ensure this impact endures, we established lasting capacity tools for the entire sector: we developed an eight-part video training course on fund monitoring in cooperation with the State Chancellery and created regular information bulletins for hundreds of NGOs. These measures embed NGOs more firmly in Latvia's accountability system and prepare new actors to engage in oversight in future cycles, evolving our role into a proactive strategic partnership that contributes expert analysis to shape Latvia's national position for upcoming MFF negotiations.

Systemic barriers to effective partnership

Our work confirmed three primary barriers that hinder effective partnership, which we believe are common across many Member States:

First, **the partner capacity deficit** is the core obstacle. Meaningful participation requires significant expertise across diverse policy fields and a substantial time commitment. It is unrealistic to expect this level of professional engagement from unfunded volunteers. The complexity of EU regulations creates a high barrier to entry that prevents consistent, high-quality input from civil society.

Second, new trends in governance risk **reducing transparency**. While simplifying fund structures by merging them into large pots may seem efficient for administrators, it makes oversight more difficult for specialized NGOs. We observed deep concerns that vital social or environmental goals get lost when competing directly against large-scale infrastructure projects in a single fund. Furthermore, new instruments like the Recovery and Resilience Facility (RRF), which lack formal monitoring committees, create an accountability gap that must not become the standard for future funds.

Third, **consultation processes are often formalistic and occur too late**. NGOs are frequently invited to comment on fully formed drafts rather than being involved in co-designing priorities during the initial planning phase. This "last minute" engagement prevents meaningful contributions to strategic direction and relegates partners to a reactive role.

Recommendations for European Commission

To address these barriers and fully leverage civil society as an asset, we propose the following guidelines based on our project's findings.

The most critical recommendation is to **address the capacity deficit head-on by mandating that Member States earmark a specific percentage of Technical Assistance funds for**

building partner capacity. This is not a subsidy; it is a strategic investment in the integrity of the fund management system. It transitions partnership from a voluntary ideal to a professional function, providing the Commission with skilled local allies who can validate spending and outcomes.

Beyond funding, the Commission must **enforce a higher standard for the quality of partnership.** The focus should shift from verifying *if* consultations happened to assessing *how* feedback was actually used. We recommend requiring Member States to report on how substantive NGO proposals were integrated into final programs or provide detailed justification for their rejection. This commitment to quality must be paired with high standards for transparency. Mandating a common, high-quality data platform for all shared management funds empowers independent analysis and reduces the monitoring burden.

This high standard should extend beyond procedural consultations with NGOs to encompass the overall health and predictability of the implementation environment. A quality partnership also means ensuring that Member States manage systemic implementation risks that affect all stakeholders, including project implementers and contractors. The Commission should encourage Member States to demonstrate how they are ensuring a fair and predictable investment environment by, for example, promoting **balanced risk allocation in public procurement contracts** and conducting **realistic capacity assessments** of all involved authorities before launching major programmes. This approach ensures that EU funds not only meet their strategic objectives but also foster a healthy, competitive, and reliable market, ultimately delivering better value for European taxpayers.

Third, **engagement mechanisms must be future-proofed and strategically timed.** Meaningful partner consultation must become a prerequisite for approving key strategic documents like Partnership Agreements, not an afterthought. The accountability gaps identified in the RRF model must be closed in future instruments; crisis response funds must incorporate civil society oversight mechanisms from inception. Furthermore, **the Commission should actively leverage its Representations in Member States as facilitators for civil society engagement.** Based on our positive experience in Latvia, where the local EC office provided educational support, Representations should be instructed to serve as a bridge, providing direct access to expertise for local watchdogs and ensuring their concerns reach Brussels.