The impact of Brexit on EU funding for UK CSOs

The future of EU funding for UK development and humanitarian CSOs

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List of acronyms

A4ID	Advocates for International Development
ACP	African Caribbean Pacific countries
CSO	Civil Society Organisation
CSO-LA	Civil Society Organisations-Local Authorities
DCI	Development Cooperation Instrument
DFID	Department for International Development (UK)
DG DEVCO	Directorate General Development Cooperation
DOCHAS	The Irish Association of Non-Governmental Development Organisations
ECHO	European Civil Protection and Humanitarian Aid Operations
EDF	European Development Fund
EEA	European Economic Area
EFTA	European Free Trade Area
EIDHR	European Instrument for Democracy and Human Rights
ENI	European Neighbourhood Instrument
EU	European Union
FPA	Framework Partnership Agreement
FTS	Financial Transparency System
HIPC	Highly Indebted Poor Country
IcSP	Instrument contributing to Security and Peace
ILO	International Labour Organisation
IPA	Instrument for Pre-Accession
LDC	Least Developed Country
MFF	Multi-Annual Financial Framework
MIC	Middle Income Country
NCVO	National Council for Voluntary Organisations
NIDOS	Network of Development Organisations in Scotland
ODI	Overseas Development Institute
OECD	Organisation for Economic Cooperation and Development
PHASE	Providing Humanitarian Assistance to Sahel Emergencies
PRAG	Procedures and Practical Guide (for EC development funding)

Executive Summary

On 23 June 2016, as a result of a nationwide referendum, the UK electorate chose to leave the European Union. Following the referendum, different paths to Brexit were envisaged, ranging from a "hard" Brexit, whereby the UK would no longer be a member of the single market or the customs union, to softer versions of Brexit, similar to those governing relationships between the European Union and Norway and the other European Economic Area (EEA) countries, or Switzerland which is part of the European Free Trade Area (EFTA). It is uncertain whether or how this general direction would impact the UK's involvement in EU aid instruments and policy, but intuitively, a softer Brexit would imply more continued cooperation. This study, commissioned by Bond at the end of 2016, focuses specifically on the impact of the UK's exit from the EU on UK Civil Society Organisations (CSOs) access to EU funding.

The UK is the second largest recipient of EU aid to CSOs (both grant and service (commercial) contracts combined), the largest being France. The UK is the largest recipient of EU grant aid to CSOs[1]. Between 2012-2016, EU development and humanitarian aid to UK CSOs amounted to an average of approximately €300m in fresh commitments each year[2]. In 2016, the value of new commitments to UK CSOs was €356.9m[3].

This study has examined specific vulnerabilities arising from the impact of Brexit on development and humanitarian instruments, with a particular focus on geographies, sectors and CSO size. Depending on possible Brexit scenarios, UK CSOs are likely to face an annual funding shortfall, which could but as high as the full amount they're currently receiving (€356.9m in 2016).

Vulnerabilities

- Once the UK leaves the EU, UK CSOs may still have restricted access to some EU funding by virtue of the UK's membership of the Organisation for Economic Cooperation and Development (OECD). However, even on this basis, UK CSOs will no longer be able to access EU funding for programmes in some key countries that are neither Least Developed Countries (LDCs) nor Highly Indebted Poor Countries (HIPCs), such as Sri Lanka.
- In terms of sectors, humanitarian funding is the most significant amount at risk, with around €211m under threat[4]. It is unclear whether UK CSOs relying on humanitarian funding from ECHO will still be eligible after Brexit based on current rules and technicalities, or how much leverage the UK sector might have in negotiating favourable access to the new ECHO framework partnership agreements for 2019-2021. The risk is significant as there is no automatic eligibility.
- The work CSOs undertake on civil society strengthening, human development, health, and agriculture is also at significant risk of seeing big shortfalls. As more organisations access these funding lines than humanitarian assistance, and the eligibility for this development cooperation is even less likely to be favourable to UK CSOs, the capacity of CSOs to undertake development programmes in the future will be affected.

[1] Financial Transparency System 2016
[2] New multi-annual commitments made each year on average between 2012 and 2015. This is drawn from the data that appears on the EC's financial transparency system, and represents the aid going to UK CSOs.
[3] Based on EC Financial Transparency System search of new grant contracts in 2015
[4] ECHO commitments to UK CSOs in 2016

- Using survey and interview data, the study found that small to medium sized CSOs are particularly vulnerable to potential changes, due to a higher dependence than their larger peers on EU funding and due to their reliance on development, rather than humanitarian, budget lines.

Overall, it is likely that most UK CSOs that currently access EU funds will thus face a significant funding shortfall once the UK leaves the EU and this is likely to have a strong impact on their programming in developing countries, at least in the short to medium term.

The fear is that the unique and distinctive contribution of UK CSOs to humanitarian and development cooperation will be impacted via their reduced access to EU funding and subsequent limited influence on EU policy and partnerships. UK CSOs demonstrate their remarkable competitive value by winning substantial numbers of EU grants; for example, in 2016 almost 25% of ECHO funding commitments were made to UK CSOs. Their track record, reach and expertise is high, and there is potential for this to be under-utilised or even lost if the Brexit deal negotiated by the UK government results in their ineligibility for EU funding.

The research shows there is a divergence between what might be technically and legally possible, and what might be politically possible in the UK and the EU. There is still much uncertainty about the future of the UK's relationship with the EU, and therefore UK CSOs' access to the EU development and humanitarian aid budget. This research will need to be updated once further clarity on the Brexit implications is available.

Next steps

In light of the findings of this research, UK CSOs should take the following recommendations into consideration:

Take on a monitoring role

1. Closely monitor new calls for proposals to assess whether there is any change in current EU eligibility rules or a negative bias towards UK CSOs.
2. Monitor any significant drop in EU funding to UK CSOs even before the UK's withdrawal from the EU.
3. Monitor and map the number and typologies of UK CSOs establishing a base in EU member states.
4. Monitor the status of existing grants after Brexit.

Continue to influence EU policy and practice on international development

5. While the UK is still a member of the EU, UK CSOs should continue to actively engage in key current policy processes setting the direction for future EU development cooperation and humanitarian policies. These include informing the new European Consensus on Development, influencing the future partnership between the EU and African, Caribbean and Pacific states, and contributing to the debate on the EU's next Multi-Annual Financial Framework, which sets out instruments and contributions for international development and humanitarian policies.
6. Support DFID's active engagement in EU joint programming initiatives in partner countries to pave the way for continued collaboration with UK CSOs post-Brexit.

Bond to secure a UK NGO voice in Brexit negotiations

7. Bond should work with European civil society organisations to convey the voice of UK CSOs (especially small and medium entities with no base in the EU) and highlight the value of

partnering with civil society in the dialogue on Brexit with the UK government and the EU institutions.

8. Within Bond, the EC Working Group should take on a lead role to allow for continued engagement and monitoring of the funding and operational implications of Brexit on Bond members.
9. Bond should continue representing the sector in discussions with DFID, the Treasury and other key stakeholders.

Possible further research exploring opportunities for continued EU funding to UK CSOs

10. Further explore legal ramifications of ECHO eligibility based on current rules (for example, the precedent of using Convention 124, which allows Swiss NGOs to access funding.)
11. Further clarify the legality and consequences of using the reciprocity clause to allow continued eligibility of UK CSOs for funding instruments under the EU Budget and the European Development Fund.
12. Further investigate the loss of funding around particular thematic issues and geographical areas, and investigate alternative funding sources.

Introduction and methodology

On 23 June 2016, as a result of a nationwide referendum, the UK electorate chose to leave the European Union. Following the referendum, different paths to Brexit were envisaged, ranging from a "hard" Brexit, whereby the UK would make a clean break from the single market, to softer versions of Brexit, similar to those governing relationships between the European Union and Norway and the other EEA countries, or Switzerland which is part of EFTA. It is uncertain whether or how this general direction would impact the UK's involvement in EU aid instruments and policy, except where EEA eligibility is at stake, but intuitively, a softer Brexit would imply more continued cooperation.

Brexit will inevitably have an impact on UK civil society. This study, commissioned by Bond at the end of 2016, focuses specifically on the impact of Brexit on access to EU funding by UK CSOs.

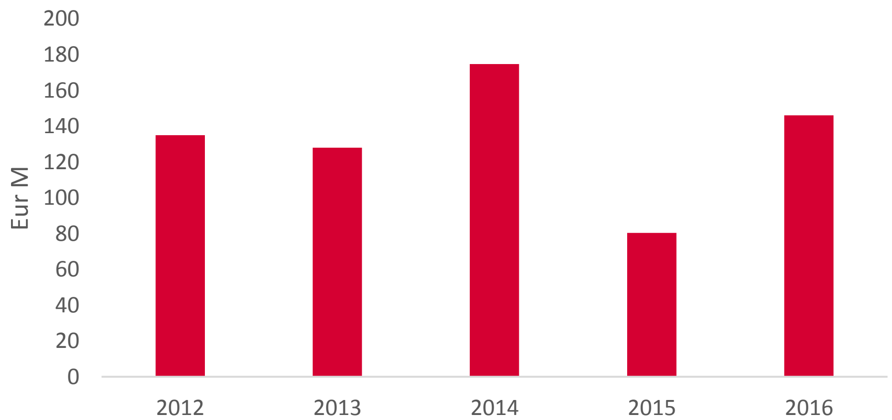
The study draws on a number of research sources:

- Data on existing EU grants was analysed from the EU's Financial Transparency System (FTS) (using the 2012-2016 figures), and from ECHO's lists of grants made;
- A survey of Bond members was conducted during January 2017, with around 60 responses (see list of respondents at Annex 1);
- Semi-structured interviews/focus groups were conducted with Bond's EC Funding Working Group (ECFG) members; with a number of other CSOs; with donor institutions (DFID, DG DevCo, and ECHO); and with key stakeholders including ODI, NCVO, CADA, NIDOS, DOCHAS, and A4ID (Please see list of interviewees at Annex 2).

Current funding situation

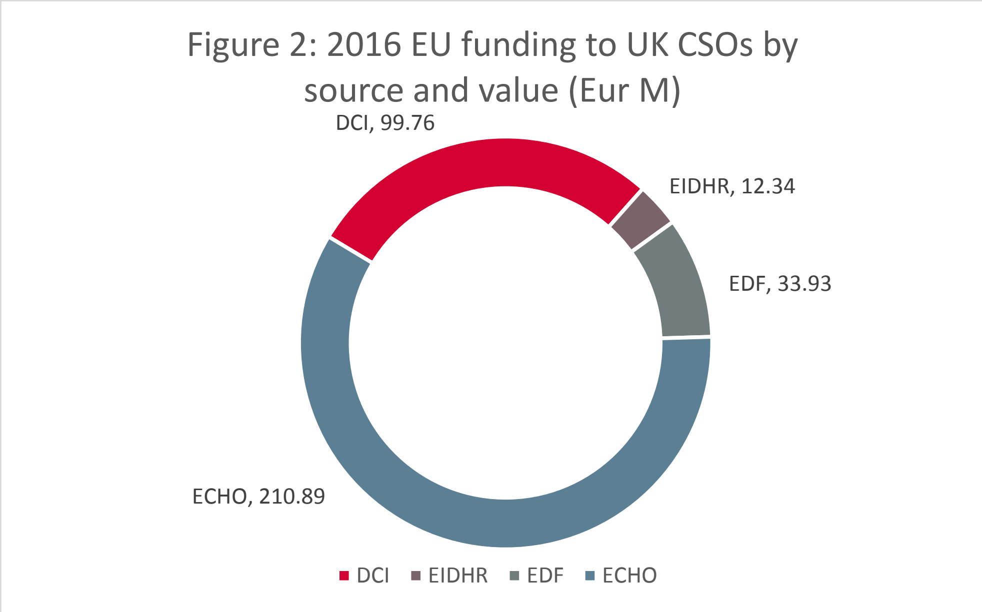
We used 2016 as our base year, therefore the following figures are based on new, multi-year, funding commitments agreed during 2016. As seen in Figure 1, 2015 saw a reduction in the total value of funding disbursed through DG DEVCO across all countries (including the UK). This is because this was the first year of the new budget for 2014-2020, and decision-making (and therefore spending) was low. Commitments in 2016 are more similar to previous levels.

Figure 1: Value of new grants to UK CSOs from DG Devco (Eur M)



EU funds to the UK CSOs in 2016

We brought together the data from the FTS with the lists of ECHO grants made to generate an overall picture of the flow of development and humanitarian funds to UK CSOs. The overall figure of new commitments to UK CSOs from EU development and humanitarian funding sources in 2016 is €356.9m. This is broken down in Figure 2.

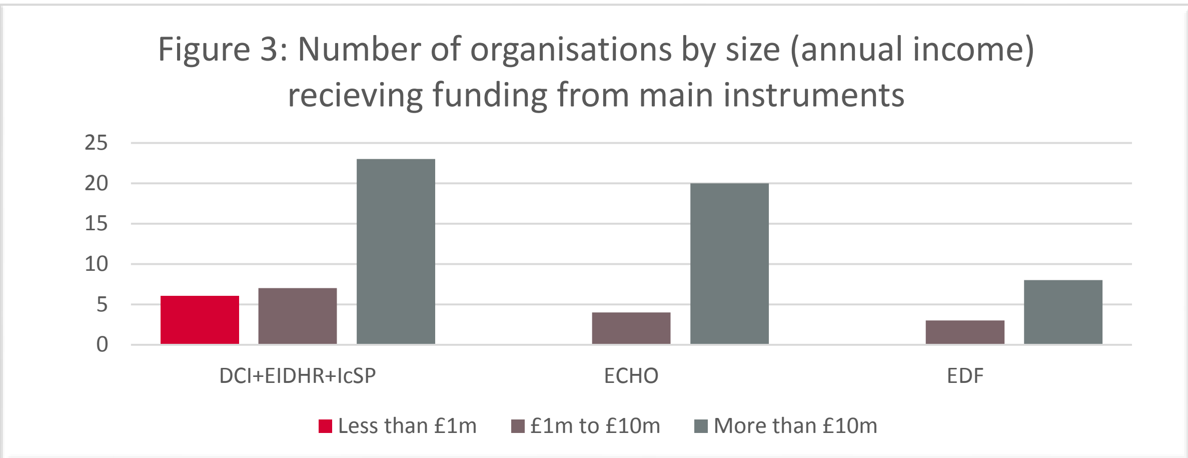


Analysis by CSO size

The survey of CSOs for this study received responses from 60 CSOs, and therefore is not necessarily reflective of all UK CSOs receiving funding from the EC. However, the survey is useful as an indicator of the types of organisations likely to be particularly affected by the impact of Brexit on their funding and programmes.

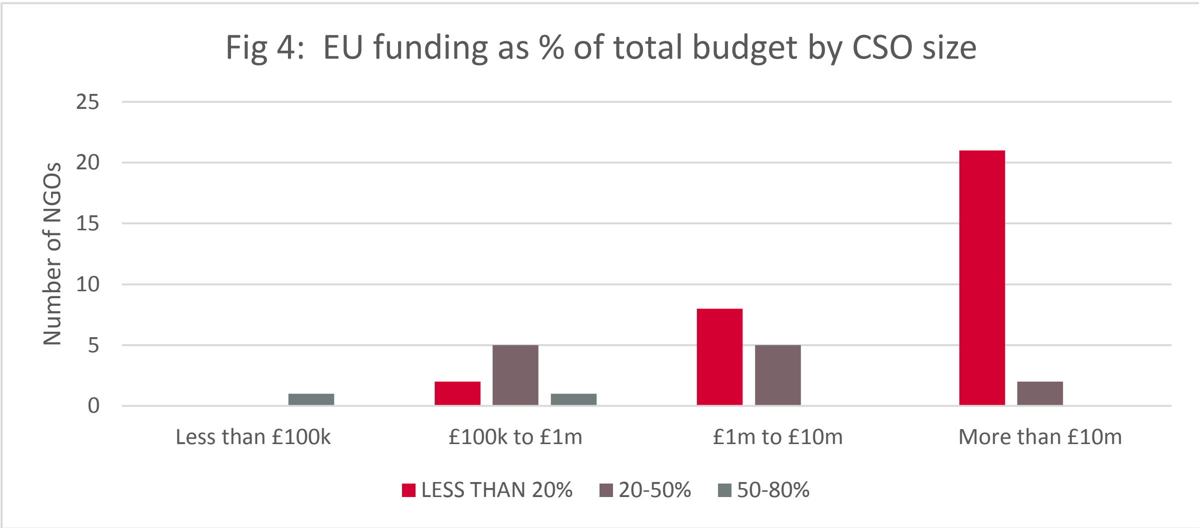
Analysis by CSO size (based on turnover) reveals that the majority of recipients of funding from the development funding instruments are medium to larger CSOs. Figure 3, which is based on FTS data, shows the number of organisations in each category of size (on the basis of annual turnover) that received new funding commitments in 2016, shown by instrument. This reveals that the smallest organisations (less than £1m turnover), access funding from DCI and EIDHR, but do not access funding from ECHO or the EDF.

For humanitarian funding, the data for ECHO reflect that it is the larger CSOs that have Framework Partnership Agreements (FPAs)[5] with ECHO, with the exception of one organisation which falls into the £1m to £10m category.



[5] A Framework Partnership Agreement sets the principles of partnership between ECHO and CSOs, defining roles, rights and obligations. Once CSOs have agreed an FPA with ECHO, they are then eligible to receive funding via individual grants that they apply for.

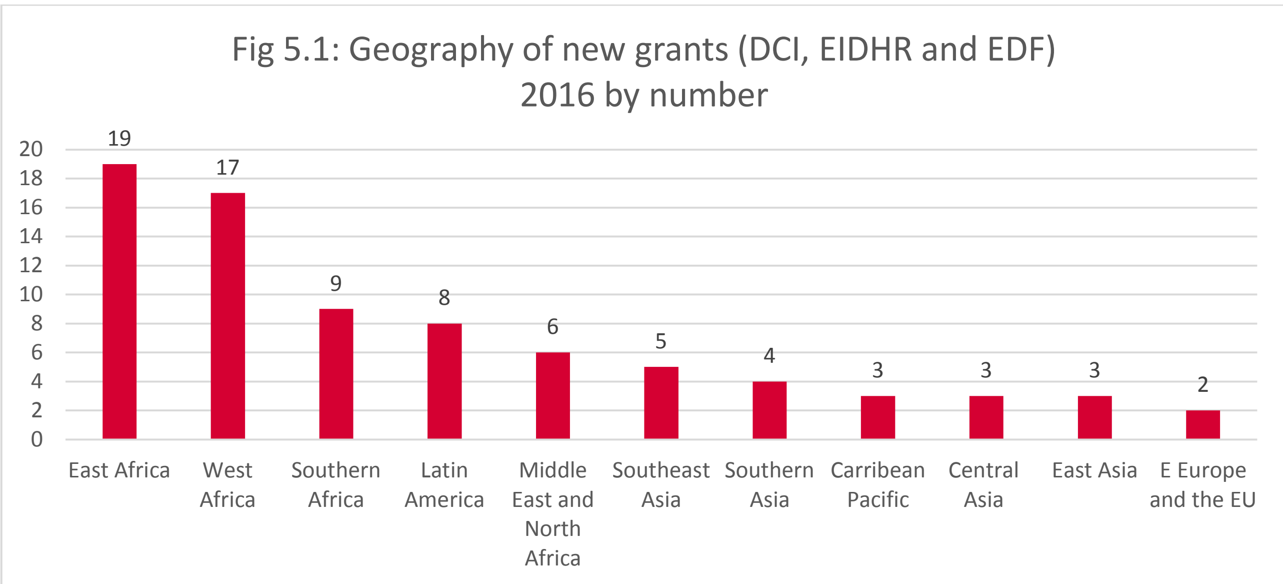
Using the survey responses, we analysed the level to which organisations are reliant on EU funding. Figure 4 suggests that the smaller the size of the CSO, the greater the percentage of that organisation's income comes from EU funding. 12 small to medium sized CSOs (less than £10m) reported that EU funding makes up more than 20% of their overall income. This suggests that, of those receiving EU

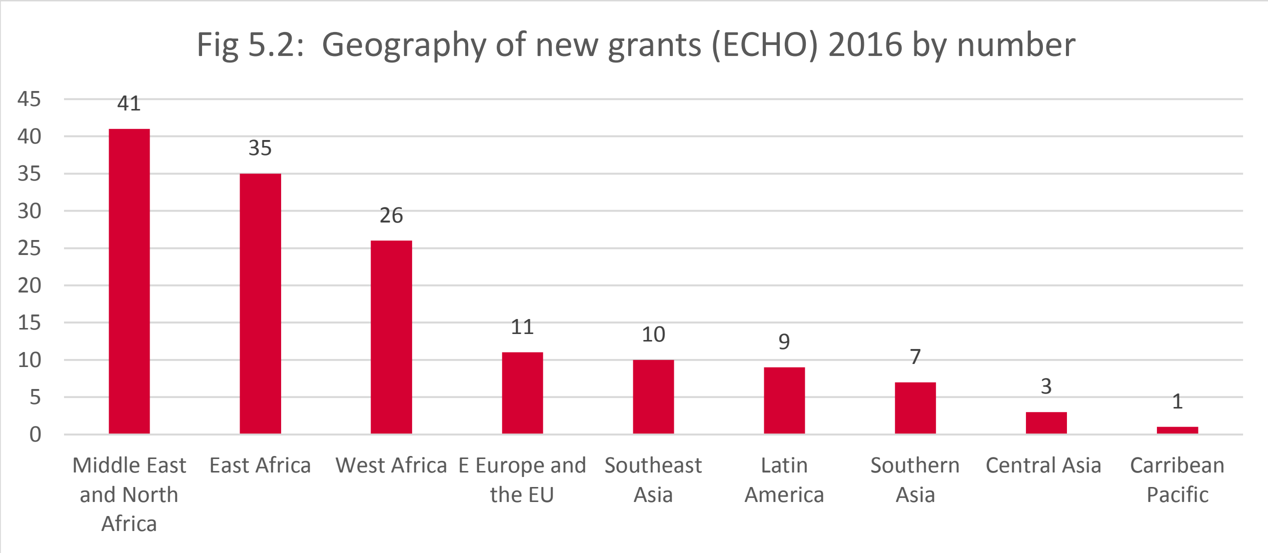


funding, smaller CSOs tend to be more dependent on EU funding within their overall income.

Analysis by geography

Figure 5.1 shows the breakdown of new grants in 2016 in terms of geography for the DCI, EIDHR and EDF instruments. This data shows a considerable concentration of funding in terms of number of grants in East Africa, and West Africa. Figure 5.2 shows the same data for ECHO humanitarian grants in 2016 – this shows again a concentration in East and West Africa, however the greatest number of new ECHO grants are for the Middle East and North Africa.



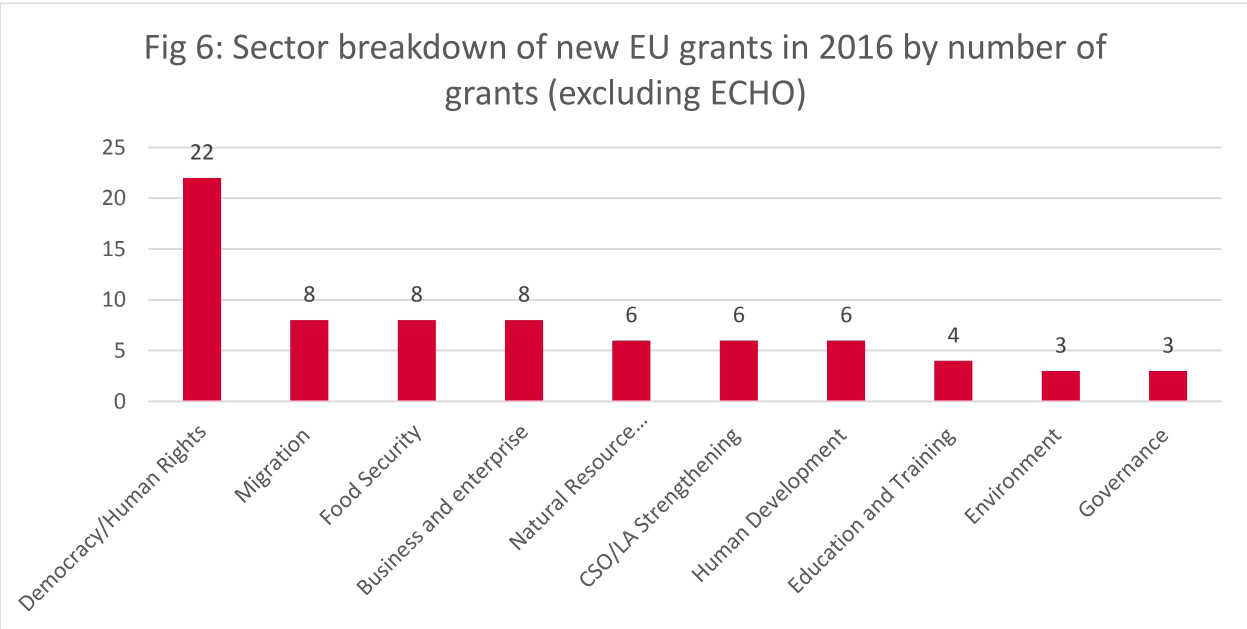


The survey responses also supported this pattern: of the 59 Bond members who responded to the survey, 27 have EU-funded programmes in East Africa, followed by 21 in West Africa, and 17 in the Middle East.

Analysis by sectoral breakdown

By sectoral breakdown, **Emergency Response is the most funded category** with 151 new grants to 24 UK CSOs that hold Framework Partnership Agreements.

Using the FTS data, Figure 6 reflects the sectoral breakdown of the DCI and EDF instruments in 2016, which shows that after ECHO[6], the most funded sectors are democracy and human rights, migration and food security. This is a change from 2015, when democracy and human rights, civil society strengthening and human development were the top three categories.



[6] ECHO are not shown in Figure 6 as the number of new grants is so much larger than the other instruments (151)

Eligibility by Funding Stream

Current eligibility rules, which determine what type of organisation is eligible to access EU funding via a range of existing EU funding instruments, allow us to highlight which possible routes to funding might still be open to UK CSOs even after the UK leaves the EU. They also provide an indication of where the major vulnerabilities for UK CSOs may be.

While for each funding instrument specific rules of nationality and origin may apply, the overall rule for EU-budget funded programmes is broadly that the following organisations are eligible to receive funding: organisations in EU, EEA, Pre-Accession or OECD-DAC ODA recipient countries, or OECD members working in LDCs and HIPCs.

Figure 7 gives an overview of the eligibility rules relevant to UK CSOs by Instrument.

Figure 7: Eligibility of UK NGOs for EU funding by instrument

Budget Line	**Rule**
DCI	• EU[7] • EEA • Non-EU OECD for LDCs and Highly Indebted Poor Countries (HIPCs[8]) only
ENI	• EU • EEA (No LDCs/ HIPCs in ENI region)
EIDHR	No restrictions of nationality
IcSP	No restrictions of nationality
EDF	• EU • EEA • Non-EU OECD for LDCs and Highly Indebted Poor Countries (HIPCs) only
ECHO	• EU • EEA • Recognised in an EU Member State through Council of Europe Convention Article No. 124 • Main HQ in EU MS or third country in receipt of EU Aid

The following discussion focuses on some **specific instruments** where there might be technical loopholes and areas that will require further clarification. These may, in theory, offer UK CSOs possible avenues for continued access to EU funds post-Brexit depending on the nature and degree of partnership between the UK and the EU.

Development Cooperation Instrument (DCI)

The DCI covers all countries on the ODA list of the OECD DAC except those covered by other EU geographical instruments (e.g. ENI, EDF and IPA). DCI geographic calls are thus currently only for Asia,

[7] Eligibility for all funding instruments is wider than shown in the table. Only eligibility categories relevant to UK NGOs are included.
[8] HIPCs that are not also LDCs are: Bolivia, Cameroon, Republic of Congo, Ghana, Honduras, Ivory Coast and Nicaragua.

Central Asia, Latin America, Middle East (east of Jordan) and South Africa. The eligibility rules for this budget line, laid out in the Common Implementing Regulation, include EU countries, EEA countries, and non-EU OECD countries (but only for work to be implemented in LDCs and HIPCs – outlined in Figure 9).

This is a significant budget line for UK CSOs, accounting for 55% of new grants in 2016 (excluding ECHO). Following Brexit, UK CSOs will be eligible for funding as non-EU OECD members **only for programmes in LDCs and HIPC countries.**

- An area of clarification affecting DCI is around the rules of reciprocity. There is a provision for eligibility to include countries for which reciprocal access to external assistance is established. The EU could, in theory, grant continued access to EU funding post-Brexit for UK CSOs if all similar UK Aid instruments and programmes were equally accessible to entities from the EU.

European Development Fund (EDF)

The EDF is the largest instrument for funding EU development cooperation and was a source of almost €34m Euros of aid to UK CSOs in 2016. It is governed by the Cotonou Agreement, and its primary objective is poverty reduction in the African, Caribbean and Pacific Group of States (ACP), of which over half are members of the Commonwealth.

Unlike the EU's other funding instruments, the EDF is not part of its general budget and the European Parliament has no official scrutiny over the EDF's budget or priorities. Eligibility[9] for the EDF is similar to that for DCI, including EU and EEA states, as well as OECD countries for projects to be implemented in LDCs and HIPCs.

The 11th EDF, created by an intergovernmental agreement signed in June 2013 and entered into force on the 1 March 2015, covers the period 2014-2020. The UK has already made financial commitments to this fund. However, no funds pledged to the 11th EDF have been called for from member states yet. The first such call for contributions is expected in the middle of 2017 with other calls continuing until well after the deadline for commitments in December 2020.

Maintenance of the UK's commitment to the EDF will be the subject of early stage negotiations with the EU 27, which are expected to focus on a financial settlement with the UK.

- If the UK does contribute funds, this may result in UK CSOs remaining eligible for funding for the full period of the 11th EDF. Furthermore, as the EDF is currently not part of the general EU budget, there may be a case for the UK to continue to pay into the Fund even after it leaves the EU if the EDF remains "out-of-budget".
- The rules of reciprocity outlined above also apply to the EDF. Another possible avenue for securing longer-term eligibility for UK CSOs to funds under the EDF might be to grant access to both EU and ACP entities to UK development or humanitarian financing as part of a reciprocal access agreement along the lines of what has been discussed for the DCI.

European Civil Protection and Humanitarian Aid Operations (ECHO)

Eligibility for ECHO FPAs is restricted to CSOs registered in an EU member or EEA state, or recognised in an EU Member State through the Council of Europe Convention No. 124 of 24 April 1986. In practice, CSOs from only two countries have been recognised through Convention 124 - Switzerland and FYR Macedonia - and so this route is not well tested and likely to be subject to political negotiation. There is a further requirement that an FPA holder must have its main headquarters in an EU Member State or

[9] Eligibility is provided for in Article 20 of Annex IV of the Cotonou Agreement, as amended by Decision 1/2014 of the ACP-EU Council of Ministers (Doc 2014/428/EU).

a third country that is a recipient of EU Aid for more than three years before they are eligible.

The current ECHO FPAs run to 2018. There are inevitably concerns about what will happen with the negotiation of new FPAs. These discussions are starting now and UK CSOs, which are some of the largest recipients of ECHO funding, find themselves in an unclear position resulting from the uncertainties of Brexit. There are possibilities for UK CSOs to receive continued funding from ECHO:

- The untying of ECHO funding to allow for non-EU donors to "pitch in" is one possibility to ensure continued eligibility of UK CSOs.
- A further area of enquiry in relation to ECHO relates to Assigned Revenues. Over the period 2015-2017 DFID has committed funding of up to £139m for the Providing Humanitarian Assistance to Sahel Emergencies (PHASE) programme[10]. The majority of this funding is being deployed through a Contribution Agreement with ECHO, with implementation having commenced in January 2015. The UK's assigned contributions to the PHASE programme could provide a model for future, post-Brexit, areas of cooperation.
- The potential to test the Convention 124 route may also be an option, depending on political negotiations. One point to consider is that if the UK were to eventually opt out of the European Convention on Human Rights and leave the Council of Europe, the Convention 124 avenue for eligibility would also be inexorably closed.

Trust Funds

The channelling of EU development aid through Trust Funds is an increasing trend. During 2014-15 three Trust Funds were launched[11]. They now account for a total €2.3 billion from the EDF and EU budgets, in addition to EU member-state contributions.

Eligibility for these Trust Funds is variable, and in general terms much wider than for other instruments. For example, eligibility for the Bekou Fund is open without restriction[12]. Trust Funds have the potential to be a significant source of funding post-Brexit.

However, Trust Funds have come under heavy criticism[13] for lack of transparency and openness; direct implementation by EU directorates which by-passes local government and civil society; and diverting long-term development funds to humanitarian emergencies.

Nonetheless, Trust Funds do represent a more flexible model, allowing countries to choose to pool funds to address a particular crisis or situation. Some of the larger, or humanitarian focussed, CSOs interviewed explained that they have been an important source of funding. These funds have so far mostly benefited the largest CSOs. In summary:

- Trust Funds could offer a valuable avenue for the UK to contribute to shared global and European challenges and crises once it leaves the EU. Pushing for further untying of EU aid and reaching out to non-EU donors (e.g. Norway and Switzerland) are actions currently being prioritised by the Commission's Director General for Development Cooperation. Bringing more donors to the table would open it up to being broader than solely EU donors investing in EU trust funds.

[10] https://devtracker.dfid.gov.uk/projects/GB-1-204439/documents

[11] The Emergency Trust Fund for Africa (EU Africa Trust Fund); the EU Bekou Trust Fund for the Central African Republic (EU CAR or Bekou Trust Fund – 2014); and the EU Regional Trust Fund for Syria (Madad Fund – 2014).

[12] Bêkou was the first multi-donor EU Trust Fund, established on 15 July 2014 by the EU and three Member States (France, Germany and the Netherlands). It aims to promote the stabilisation and reconstruction of the Central African Republic. It has been established for a maximum duration of 60 months in order to provide a medium-term response. https://ec.europa.eu/europeaid/bekou-trust-fund-introduction_en

[13] For example, see Concord's 2016 AidWatch report: https://concordeurope.org/wp-content/uploads/2016/10/CONCORD_AidWatch_Report_2016_web.pdf?de2aba

Overview of vulnerabilities

Given the eligibility and access issues covered in this section and in section 2, Figure 8 summarises the main areas of vulnerability identified by the survey data, and supplemented by the interviews and focus groups conducted.

Fig 8: Main areas of vulnerability under each instrument/budget line

FUNDING INSTRUMENTS	Current Eligibility rules	Most vulnerable types of CSOs	Most vulnerable sectors	Geographies at risk	Funding at risk
EU Budget *(no annual contributions foreseen under any scenarios)*					
CSO-LA, Geographical, ENI, GPGC	EU, EEA Non-EU OECD *(LDCs & HIPCs only)*	Small & medium CSOs	CSO-LA strengthening, Human Development, Agriculture, Health	29 Middle Income countries, including OPT, Pakistan, Sri Lanka, Thailand	**Approx. €100m new grants per annum (2016 data)**
EIDHR, IcSP	No restrictions				
ECHO	EU + signatories Council of Europe Convention 124	Large CSOs	Humanitarian	Middle East, E and W Africa, E Europe, Sn Asia, Sn and Central Africa, Latin America	**Approx. €211m new grants per annum (2016 data)**
	Contribution agreements	Large CSOs	Humanitarian & emergency response	Current arrangement is Sahel crisis (PHASE)	**£139m[14] (2015-17)**
Non-EU budget					
EDF	EU, EEA	Medium to large CSOs	Human Development, Democracy and Human Rights	32 mid-low Income ACP countries (Sub-Saharan Africa, Caribbean and Pacific) including Kenya, Nigeria, Zimbabwe	**Approx. €34m new grants per annum (2016 data)**
Trust Funds	Investment based	Large CSOs	Humanitarian crises	Current Trust Funds are Syria, Central Africa	**Data not available.**

[14] Note that this is in GBP as the source was DFID's annual accounts.

Options for UK CSOs by size of organisation

From the survey and interviews we identified that UK small and medium CSOs are more vulnerable to changes in eligibility, as EU funding is likely to represent a higher proportion of their overall income than it is for larger NGOs.

These same small and medium CSOs rarely have "families" in EU member states to rely on for potential continued access to EU funding.[15] Moreover, the mitigation alternative of setting up an office in Europe is expensive and complex for small and medium CSOs. Organisations would also need to have at least three years' experience and a track record to meet the eligibility requirements before they are allowed to apply for EU funding.

No longer being eligible for ECHO funding would affect many of the largest CSOs, who are in receipt of significant funding through ECHO FPAs. In 2016, ECHO funding commitments amounted to €210.9m, through 151 commitments. However, EU funding represents a smaller percentage of the income of these larger UK CSOs, and furthermore some are part of big federations that, while not a guarantee to accessing funding, may open up further funding options to mitigate the impact of Brexit.

While access to EU funding via EU members of an NGO federation is a possible alternative, this cannot be assumed. UK CSO entities often lead in geographical or sectoral specialisms, and track-record in these specialisms can't simply be transferred to sister agencies. It may be challenging for other federation members to take these responsibilities over before the UK leaves the EU.

In any case, the UK entity will lose out financially as these eligibility rules also apply to co-applicants and associates, and so there would be no mechanism whereby the UK entity could be part of these proposals and still recover its costs.

Reduced Geographical Reach

Although still eligible for Development Cooperation grants (as the UK would still be an OECD member post-Brexit), UK CSOs would experience a drop-in funding for work that does not take place in LDCs and HIPCs, and in particular for work around civil society strengthening and human development.

Taking into account the eligibility issues outlined above, CSOs would see less funding for the Middle East and North Africa, and it would be harder to get funding for middle income countries (MICs) in Latin America, SE Asia, Southern Africa, and the Caucuses. Examples of excluded MICs with pockets of high poverty would be Kenya, Nigeria, Thailand, Philippines, and Zimbabwe.

Restricted access to DCI funding instruments and no access to EDF funding for UK CSOs would mean:

- UK CSOs would lose development funding for work in 61 countries currently funded through EU aid [16]
- This includes 28 countries on DFID's high or moderate fragility list
- In 2016 alone this would have been the equivalent of €63m of grants

Restricted access to DCI funding instruments but continuing access to EDF funding would mean:

- 29 countries would still be excluded from development funding through UK CSOs
- In 2016 this would have been the equivalent of €30m of grant

[15] It should be noted that UK CSOs that currently have a strong track record in managing EU funding cannot simply transfer that track record to a sister organisation in the federation, which may impact on the competitiveness of their bids.

[16] See Annex 6 for Geographical Analysis tables.

Figure 9 - The impact of Brexit on EU funding for UK CSOs

- ● Eligible
- ○ Ineligible (red)
- ● Potentially eligible (orange)
- ○ DFID fragile country that would be ineligible

	LDCs (eligible for EDF and DCI under OECD rules)	HIPCs (eligible for EDF and DCI under OECD rules)	ACP states (eligible if UK can still access EDF post-Brexit)	**DFID fragile countries post-Brexit eligibility** (if UK can no longer access EDF)
Afghanistan	Eligible	Eligible	Ineligible	Eligible
Algeria	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Angola	Eligible	Ineligible	Potentially eligible	Eligible
Antigua and Barbuda	Ineligible	Ineligible	Potentially eligible	Ineligible
Armenia	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Azerbaijan	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Bahamas	Ineligible	Ineligible	Potentially eligible	Ineligible
Barbados	Ineligible	Ineligible	Potentially eligible	Ineligible
Bangladesh	Eligible	Ineligible	Ineligible	Eligible
Belarus	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Belize	Ineligible	Ineligible	Potentially eligible	Ineligible
Benin	Eligible	Eligible	Potentially eligible	Ineligible
Bhutan	Eligible	Ineligible	Ineligible	Ineligible
Bolivia	Ineligible	Eligible	Ineligible	Ineligible
Bosnia Herzegovina	Ineligible	Ineligible	Ineligible	Ineligible
Botswana	Ineligible	Ineligible	Potentially eligible	Ineligible
Burkina Faso	Eligible	Eligible	Potentially eligible	Ineligible
Burma	Eligible	Ineligible	Ineligible	Eligible
Burundi	Eligible	Eligible	Eligible	Eligible
Cabo Verde	Ineligible	Ineligible	Potentially eligible	Ineligible
Cambodia	Eligible	Ineligible	Ineligible	Eligible
Cameroon	Ineligible	Eligible	Potentially eligible	Eligible
CAR	Eligible	Eligible	Potentially eligible	Eligible
Chad	Eligible	Eligible	Potentially eligible	Eligible
Colombia	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Comoros	Eligible	Eligible	Potentially eligible	Ineligible
Congo DR	Eligible	Ineligible	Potentially eligible	Eligible
Congo Rep of	Ineligible	Eligible	Potentially eligible	Ineligible
Cook Islands	Ineligible	Ineligible	Potentially eligible	Ineligible
Cote d'Ivoire	Ineligible	Eligible	Potentially eligible	Eligible
Djibouti	Eligible	Ineligible	Potentially eligible	Eligible
Dominica	Ineligible	Eligible	Potentially eligible	Ineligible
Egypt	Ineligible	Ineligible	Ineligible	Eligible
Equatorial Guinea	Eligible	Ineligible	Potentially eligible	Ineligible
Eritrea	Eligible	Eligible	Potentially eligible	Eligible
Ethiopia	Eligible	Eligible	Potentially eligible	Eligible
Fiji	Ineligible	Ineligible	Potentially eligible	Ineligible
Gabon	Ineligible	Ineligible	Potentially eligible	Ineligible
Gambia	Eligible	Eligible	Potentially eligible	Ineligible
Ghana	Ineligible	Eligible	Ineligible	Ineligible
Grenada	Ineligible	Ineligible	Potentially eligible	Ineligible
Guinea	Eligible	Eligible	Potentially eligible	Eligible
Guinea Bissau	Eligible	Eligible	Potentially eligible	Eligible
Guyana	Ineligible	Eligible	Potentially eligible	Ineligible
Haiti	Eligible	Eligible	Potentially eligible	Eligible
Honduras	Ineligible	Eligible	Ineligible	Eligible
Iran	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Iraq	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Jamaica	Ineligible	Ineligible	Potentially eligible	Ineligible
Jordan	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Kenya	Ineligible	Ineligible	Potentially eligible	DFID fragile country that would be ineligible
Kiribati	Eligible	Ineligible	Potentially eligible	Ineligible
Korea Dem	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Kosovo	Ineligible	Ineligible	Ineligible	Ineligible
Kyrgyzstan	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Laos	Eligible	Ineligible	Ineligible	Eligible
Lebanon	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Lesotho	Eligible	Ineligible	Potentially eligible	Ineligible
Liberia	Eligible	Eligible	Eligible	Eligible
Lybia	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Madagascar	Eligible	Eligible	Potentially eligible	Eligible
Malawi	Eligible	Eligible	Potentially eligible	Ineligible
Mali	Eligible	Eligible	Potentially eligible	Eligible
Marshall Islands	Ineligible	Ineligible	Potentially eligible	Ineligible
Mauritania	Eligible	Eligible	Potentially eligible	Eligible
Mauritius	Ineligible	Ineligible	Potentially eligible	Ineligible
Micronesia	Ineligible	Ineligible	Potentially eligible	Ineligible
Mozambique	Eligible	Eligible	Potentially eligible	Ineligible
Namibia	Ineligible	Ineligible	Potentially eligible	Ineligible
Nauru	Ineligible	Ineligible	Potentially eligible	Ineligible
Nepal	Eligible	Ineligible	Ineligible	Eligible
Nicaragua	Ineligible	Eligible	Ineligible	Ineligible
Niger	Eligible	Eligible	Potentially eligible	Eligible
Nigeria	Ineligible	Ineligible	Potentially eligible	DFID fragile country that would be ineligible
Niue	Ineligible	Ineligible	Potentially eligible	Ineligible
North Korea	Ineligible	Ineligible	Ineligible	Ineligible
OPT	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Pakistan	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Palau	Ineligible	Ineligible	Potentially eligible	Ineligible
Papua New Guinea	Ineligible	Ineligible	Potentially eligible	Ineligible
Paraguay	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Rwanda	Eligible	Eligible	Potentially eligible	Eligible
St Kitts and Nevis	Ineligible	Ineligible	Potentially eligible	Ineligible
St Lucia	Ineligible	Ineligible	Potentially eligible	Ineligible
St Vincent & Grenadines	Ineligible	Ineligible	Potentially eligible	Ineligible
Samoa	Ineligible	Ineligible	Potentially eligible	Ineligible
Sao Tome Principe	Eligible	Eligible	Potentially eligible	Ineligible
Senegal	Eligible	Eligible	Potentially eligible	Ineligible
Seychelles	Ineligible	Ineligible	Potentially eligible	Ineligible
Sierra Leone	Eligible	Eligible	Potentially eligible	Eligible
Solomon Islands	Eligible	Ineligible	Potentially eligible	Ineligible
Somalia	Eligible	Eligible	Potentially eligible	Eligible
South Africa	Ineligible	Ineligible	Potentially eligible	Ineligible
South Sudan	Eligible	Ineligible	Ineligible	Eligible
Sri Lanka	Ineligible	Ineligible	Ineligible	Ineligible
Sudan	Eligible	Eligible	Potentially eligible	Ineligible
Suriname	Ineligible	Ineligible	Potentially eligible	Ineligible
Swaziland	Ineligible	Ineligible	Potentially eligible	Ineligible
Syria	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Tajikistan	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Tanzania	Eligible	Eligible	Potentially eligible	Eligible
Thailand	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Timor-Leste	Eligible	Ineligible	Ineligible	Eligible
Togo	Eligible	Eligible	Potentially eligible	Ineligible
Tonga	Ineligible	Ineligible	Potentially eligible	Ineligible
Trinidad and Tobago	Ineligible	Ineligible	Potentially eligible	Ineligible
Tunisia	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Turkey	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Turkmenistan	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Tuvalu	Eligible	Ineligible	Potentially eligible	Ineligible
Uganda	Eligible	Eligible	Potentially eligible	Eligible
Ukraine	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Uzbekistan	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Vanauatu	Eligible	Ineligible	Potentially eligible	Ineligible
Venezuela	Ineligible	Ineligible	Ineligible	DFID fragile country that would be ineligible
Yemen	Eligible	Ineligible	Ineligible	Eligible
Zambia	Eligible	Eligible	Potentially eligible	Eligible
Zimbabwe	Ineligible	Ineligible	Potentially eligible	DFID fragile country that would be ineligible

Eligibility of UK NGOs for EU funding (see appendix 4)

Budget Line	Rule	Status post-Brexit
DCI	EU	Pending
	EEA	Pending
	Non-EU OECD for LDCs and Highly Indebted Poor Countries (HIPCs) only	Eligible
EDF	EU	Pending
	EEA	Pending
	Non-EU OECD for LDCs and Highly Indebted Poor Countries (HIPCs) only	Eligible

Key concerns and mitigation strategies

In the survey and interviews with UK CSOs, a number of immediate, medium, and longer-term concerns were raised in relation to the implications of Brexit. As well as those relating to access to funding, CSOs spoke about wider concerns that have their own cost implications and an impact on the delivery and effectiveness of development programming and humanitarian assistance.

Immediate term

Immediate term concerns include those impacts already felt by UK CSOs at the time of writing the report. Although we have categorised these as immediate term, they will continue to be live issues in the medium and longer term.

Devaluation and exchange rates/currency problems: The majority of survey respondents highlighted this as having an immediate impact on UK CSOs operations. Some organisations are having to renegotiate the delivery of results in their programmes, and others have taken short-term steps to adjust salaries to ensure they can retain staff.

> *"Work with current partners has been disrupted due to the falling value of the pound - this has resulted in partners losing approx. 20% of their grant income and having to pare down activities. Although the UK government has reconfirmed its commitment to the 0.7% GNI allocation to overseas aid, in effect this has decreased in value due to the fall in the value of sterling."*

Ineligibility of existing grants post-Brexit: At the time of research there was no clear plan for how existing grants may be dealt with. Perceptions of uncertainty around post-Brexit funding could have implications for UK CSOs and those interested in partnering with them, who may see UK organisations as a risky prospect. One call released in July mentions UK CSOs ineligibility post-Brexit directly, stating that post-Brexit funding for UK INGOs will cease even in the case of existing grants. *"For British applicants: Please be aware that eligibility criteria must be complied with for the entire duration of the grant. If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to receive EU funding (while continuing, where possible, to participate) or be required to leave the project on the basis of Article 12.2 e) of the General Conditions of the grant agreement."*[17]

However, of the 20 new calls checked at the beginning of July 2017, none of them included this type of clause, suggesting that this development is unusual and not widespread.

Negative bias: We heard fears from some respondents about potential negative bias in terms of the way EC delegations have assessed and will assess funding applications in the immediate term. However, others were reassured by statements from delegations that it would be "business as usual" for the time being.

> *"It's difficult to know if delegations will understand (and apply) their own rules. We are encouraging staff in-country to forge links with delegations in order to understand what their thinking is. Perhaps the EC should develop guidelines for delegations once the Brexit deal is done and dusted."*

[17] From a call for proposals for work in Montenegro: https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?ADSSChck=1499758088180&do=publi.detPUB&searchtype=AS&aoet=36538,36539&ccnt=7573876,7573877&debpub=03/07/2017&orderby=tit&orderbyad=Asc&nbPubliList=50&page=1&aoref=156798

There are specific examples of bias against UK CSOs by co-applicants in consortia and partner arrangements, with some UK CSOs stepping down as the lead agencies following the referendum.

> *"In a previous role last year, we were asked to move from the lead in a consortium bid to a small partner as a result of the Brexit vote. This 'ask' came from the other consortium partners themselves."*

Loss of policy influence: UK CSOs have historically taken a strong lead in policy and practice within European fora. The loss of influence in European development and humanitarian policy is of real and immediate concern to many CSOs, and also to the European Commission itself. Many organisations are already divesting EU capacity, and therefore have reduced capacity to meaningfully contribute to key policy debates and negotiations, such as preparing for the 2020-27 MFF. CSOs also spoke of their concerns that, in the longer term, reduced access to EU funding will also affect their ability and capacity to inform policy. In light of this, a significant number of Bond members surveyed said they were looking to Bond to convey the voice of the sector in the Brexit negotiations.

> *"Our relationships with EU bodies will be dramatically different on exit. The UK will no longer have influence over the EU humanitarian agenda, reducing our capacity to influence how the largest aid budget is spent through our relationship with DFID."*

UK federation members are concerned that, as well as losing out on funding, they will potentially lose their "voice" *within* their families, as the UK sector disengages from discussions in Europe.

Medium term

Need to establish a base in the EU: Many CSOs are actively considering, and others have already set out to, establish offices in other European countries, with Ireland as a favourite[18]. The requirement for three years' track record for grants and FPAs means that CSOs are hoping to build that track record either with new or existing European affiliates. However, this will not be a solution to the potential for declining (core) income to UK entities, who will not be eligible as applicants, co-applicants or associates on any grants, and therefore will not benefit from project funds.

> *"We have a Brussels organisation, but are a very loose affiliation. Because there are no clear legal links, we have no clear solutions to that - things are still very tentative. Our key challenge is that even if we work through other EU partners – any costs that [the UK entity] incurs are not eligible."*

Human Resource Implications: Many UK CSOs rely on European nationals as an important part of their talent pool. Concerns raised through the survey centred around the uncertainty for those staff, and CSOs' ability to reassure staff. There are also cost implications for future work permit arrangements, both in terms of time and potential fees.

"We are monitoring the situation with regards to EU passport holders and their right to work in the UK. We are ensuring those staff have a direct line through to our People team to reassure them but are unable to offer much more concrete action until the situation becomes clearer."

Longer term

Access to funding: In the longer term, access to funding is a concern expressed by the majority of CSOs, with specific geographies highlighted as being more vulnerable. Reduced access will lead to increasing levels of competition between CSOs for dwindling resources, and many organisations are reviewing their fundraising strategies.

[18] A4ID have produced a comprehensive briefing note on the detail of registration in a number of European countries, including Ireland, Belgium, Germany, Spain.

Concerns were also raised about the possible early termination of grants that have been signed pre-Brexit, if they were still "live" post-Brexit. Our research could not confirm the legality of this eventuality, given the high level of uncertainty.

> *"We are seeking greater donor diversity through non-traditional donors, and have been reviewing the limits (ceiling) of DFID funding."*

Knock-on effect on broader fundraising: The EU referendum result has strengthened anti-development rhetoric in the UK, threatening the funding base more widely. Reduced operational and administrative capacity because of decreases in EU funding and influence may reduce the attractiveness of working with CSOs to institutional, corporate and individual donors more generally.

Figure 10: Main concerns and mitigation strategies

Type of concern	Mitigation Strategies	Cost and operational considerations
Immediate term		
Devaluation and currency	Currency management Close financial management Negotiations with donors over timing of payments Negotiation with donors over project deliverables/outcomes Budgetary reviews Open dollar/euro bank account	Strong finance/accounting skills required Potential gains need to be offset against potential risks
Negative Bias	Reviewing partnership strategies Relationship building with potential partners, EU Delegations and other donors	Requires strategic approach, strong networking/negotiation skills, and time to nurture relationships, at a time when capacity is compromised and savings needed
Loss of policy influence	Increasing levels of engagement with EU Delegations, with Brussels and with UK government Collective engagement and lobbying through Bond and Concord Strengthening policy engagement activities of EU affiliates, federated entities	Requires strengthened EU policy capacity in Bond and within CSOs at a time when cutbacks are being made Concord's Brexit taskforce to engage wider range of CSOs (not just those in Brussels)
Medium term		
Establishing base in the EU	Reviewing options and strategies Strengthening existing EU entities Building track record of EU entities	Costs of setting up a new office (physical, governance infrastructure, and fees where applicable) Potential loss of core funding stream for UK

	Reviewing options for “income crediting” for UK CSOs to work with European partners	entities
Human Resource Implications	Keeping staff informed and updated Supporting residency applications for EU staff Considering reallocating staff grants to other European bases	Potential work permit fees Cost of replacing talent and skills where staff are lost
Longer term		
Access to funding	Diversifying funding base Building relationships with other donors Reviewing strategies and programming Considering closure of programmes highly dependent on EU funding	Additional fundraising capacity required Costs of offices closures
Knock on effects on fundraising more generally	Reviewing income generation strategy Building credibility with a wider range of donors Keeping abreast of changes to data protection laws	Threat to income levels and ability to continue to run programmes benefiting the poorest

Conclusions

The UK is the second largest recipient of EU aid to CSOs (both grant and service (commercial) contracts combined), and the largest recipient of EU grant aid to CSOs[19]. Between 2012-2016, EU development and humanitarian aid to UK CSOs amounted to an average of approximately €300m in fresh commitments each year[20]. In 2016, the value of new commitments to UK CSOs was €356.9m[21].

Depending on possible Brexit scenarios, UK CSOs are likely to face an annual funding shortfall, which could be as high as the full amount they’re currently receiving (€356.9m in 2016). This amount is dependent on the degree of future cooperation on development and humanitarian aid policy the UK and the EU 27 may agree on. Agencies operating in countries and regions currently prioritised by EU funding will be particularly affected, as once the UK leaves the EU, UK CSOs will no longer be able to access EU funding for interventions in some key countries that are neither LDCs nor HIPCs.

Humanitarian funding is a particular concern, as spending to UK CSOs in 2016 through ECHO was €211m. It is unclear whether UK CSOs relying on humanitarian funding from ECHO will still be eligible after Brexit based on current rules and technicalities, or how much leverage the sector might have in negotiating favourable access to the new ECHO framework partnership agreements for 2019-2021.

The withdrawal of a member state from the EU is unprecedented. This uncertainty is already having an impact on the sector, notably through currency devaluation and fluctuations. Brexit will leave most UK

[19] Financial Transparency System 2016
[20] New multi-annual commitments made each year on average between 2012 and 2015. This is drawn from the data that appears on the EC’s financial transparency system, and represents the aid going to UK CSOs.
[21] Based on EC Financial Transparency System search of new grant contracts in 2015

CSOs that currently access EU funds facing a significant funding shortfall and this will have an impact on the work they do in developing countries, at least in the short to medium term.

This study found that smaller and medium UK CSOs, with higher rates of dependence on EU grants, are more at financial risk. Although most large UK CSOs receive significant amounts of EU funds, these constitute a smaller share of their overall income. Moreover, as most are part of large federations with subsidiaries and sister organisations in other EU member states, there is a hope that their programmes in EU priority countries could continue to receive support. However, as UK subsidiaries are often the strongest members with the widest geographical reach, this could thwart some federations' ability to maintain their current level of EU funding in the short term, while also leading to UK subsidiaries potentially losing their "status" within their own "families".

Our research has shown that there appears to be a fundamental divergence between what might be technically and legally possible under current eligibility rules, and what there might be an appetite for within the current political climate. To this end, the UK should separately negotiate terms and contribution rates to stay in those EU development cooperation programmes that score highly in terms of effectiveness, that add value to UK aid and that promote a truly global Britain.

Finally, it should not be forgotten that while we remain members of the EU, we still have the opportunity to influence current policy debates and processes setting the direction for the EU's future development cooperation and humanitarian aid policies and financial frameworks. These should allow for longer-term partnership with the EU, leaving some options open for UK CSOs to continue as valued implementers of the EU aid programme.

Recommendations

In light of the findings of this research, UK CSOs should take the following recommendations into consideration:

Take on a monitoring role

1. Closely monitor new calls for proposals to assess whether there is any change in current EU eligibility rules or a negative bias towards UK CSOs.
2. Monitor any significant drop in EU funding to UK CSOs even before the UK's withdrawal from the EU.
3. Monitor and map the number and typologies of UK CSOs establishing a base in EU member states.
4. Monitor the status of existing grants after Brexit.

Continue to influence EU policy and practice on international development

5. While the UK is still a member of the EU, UK CSOs should continue to actively engage in key current policy processes setting the direction for future EU development cooperation and humanitarian policies. These include informing the new European Consensus on Development, influencing the future partnership between the EU and African, Caribbean and Pacific states, and contributing to the debate on the EU's next Multi-Annual Financial Framework, which sets out instruments and contributions for international development and humanitarian policies.

6. Support DFID's active engagement in EU joint programming initiatives in partner countries to pave the way for continued collaboration with UK CSOs post-Brexit.

Bond to secure a UK NGO voice in Brexit negotiations

7. Bond should work with European civil society organisations to convey the voice of UK CSOs (especially small and medium entities with no base in the EU) and highlight the value of partnering with civil society in the dialogue on Brexit with the UK government and the EU institutions.
8. Within Bond, the EC Funding Working Group should take on a lead role to allow for continued engagement and monitoring of the funding and operational implications of Brexit on Bond members.
9. Bond should continue representing the sector in discussions with DFID, the Treasury and other key stakeholders.

Possible further research exploring opportunities for continued EU funding to UK CSOs

10. Further explore legal ramifications of ECHO eligibility based on current rules (for example, the precedent of using Convention 124, which allows Swiss NGOs to access funding.)
11. Further clarify the legality and consequences of using the reciprocity clause to allow continued eligibility of UK CSOs for funding instruments under the EU Budget and the European Development Fund.
12. Further investigate the loss of funding around particular thematic issues and geographical areas, and investigate alternative funding sources.

Case Studies: Comparing countries

Using FTS data, we compared the amount of multilateral ODA paid into the EU aid budget and EDF each year by a selection of countries. We then compared these against the total money that agencies in those countries receive, for example in the form of grants, service contracts.

This reveals that the total support received in this form from the EU is not necessarily proportionate to the funds the country has put in. For example, in the years 2012-15, UK agencies received more funding than German agencies, despite Germany contributing more to the EU's aid budget.

Furthermore the data shows that, despite continuing to win some contracts, those agencies from countries that do not contribute to the EU budget, and are not part of the EU, benefit much less substantially from EU funding as those who do - this includes both Norway and Switzerland.

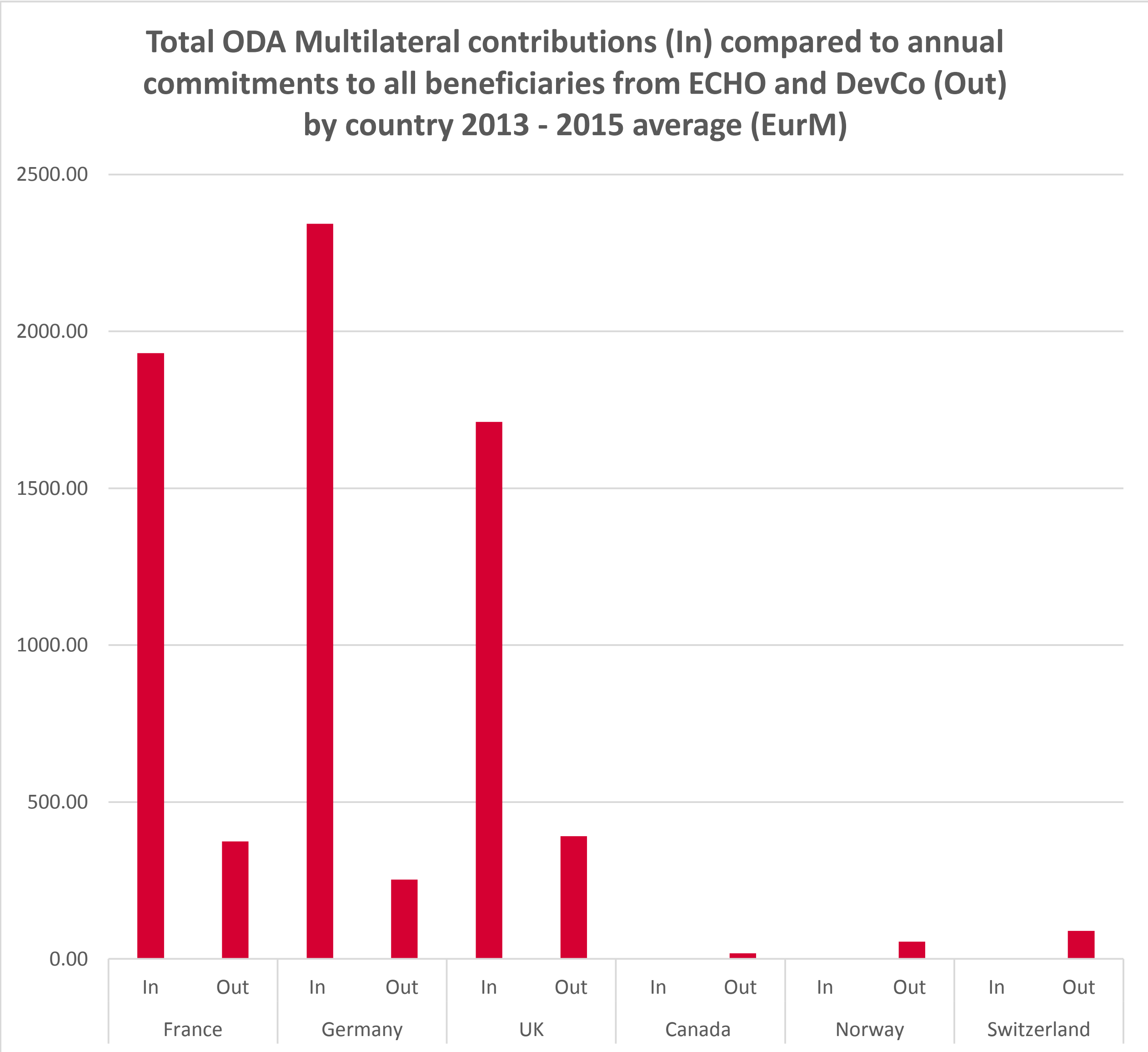
Money In and Out comparison: Euros in millions by country, by year

		2013	**2014**	**2015**
France	In	2003.76	2073.98	1714.35
	Out	363.33	444.41	315.14
Germany	In	2312.94	2539.87	2176.29
	Out	201.73	319.17	238.67
UK	In	1683.14	1661.86	1789.67
	Out	426.24	453.60	294.45
Canada	In	0.00	0.00	0.00
	Out	17.06	16.16	20.30
Norway	In	0.00	0.00	0.00
	Out	57.51	49.73	58.42
Switzerland	In	0.00	0.00	0.00
	Out	77.49	81.42	108.54

In = Multilateral ODA paid into the EU Aid Budget and European Development Fund, combined by year. These figures were obtained from OECD QWIDS Query Wizard for International Development Statistics.

Out = Commitments (grants, procurement, prizes etc.) paid to all beneficiaries (for profit, not for profit and NGOs) from EDF and DG for International Cooperation and Development (DevCo) combined. These figures are from the Financial Transparency System.

Please note: the FTS does not provide information on funding implemented by both the Commission and Member States ('shared management'), or implemented indirectly by other international organisations or non-EU countries ('indirect management'). Up to 80% of the EU budget expenditure is managed by Member States under shared management in areas such as agriculture, cohesion policy, growth and employment.



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