



YOUNG
EUROPEAN
FEDERALISTS

BEST PRACTICE GUIDE ON FUNDING



“Money makes the
world go round”

INTRODUCTION

Non-governmental organisations are most often born out of a will to make an impact on the surrounding environment, be it physical, social or political; idealistically you might even call it a will to change the world and make it a better place. Few NGOs make it their primary concern to handle money and gather funding. Yet, when an organisation becomes well-established and grows out of its youth, funding becomes of prime importance. Such is the case for pan-European youth organisations, too.

This segment of this guide concerns funding for pan-European youth organisations: where to get it, how to increase your chances of getting your application approved and what to make of the changing nature of European-level funding. It also explores some trends in funding for the NGO sector in Europe. The farther we venture into the future the less certain the predictions of this segment get, but nonetheless I hope that this segment offers some seed for thought for all readers interested in funding.

CHANGING LANDSCAPE OF EUROPEAN FUNDING

It seems that few things stand still in the world, and funding on the European level is no exception. Some of the main funding sources have been under pressure during recent years to scale back on the amount of funding made available to NGOs. Faced with a struggling European economy, it hardly comes as a surprise that governments should seek to reduce public spending. What may come as a surprise is that they should do so also regarding funding programmes targeting the very people and organisations that seek to build a stronger, more inclusive and more democratic Europe for all.

The two main funding programmes for youth work, the European Youth Foundation of the Council of Europe and the new EU funding programme Erasmus+, have been under financial pressures, too. Perhaps the largest change of recent years was in the beginning of

2014 as the Erasmus+ programme began, replacing the previous programme designed for youth, Youth in Action. When designing the new programme in 2013, the sentiment was that by combining the numerous programmes into one, resources could be used more efficiently and consequently more support could be given to NGOs. However, no insight was given as to the allocation of funds inside the programme the scale of which was to become quite large, nor any guarantees as to the actual means of funding. The reassurance of the continuation of the wide-scale support for youth work was given only at



the very last stages of drafting and just before the final adoption of the programme. This resulted in a point of discontinuity in funding for European-level youth organisations: the closing down of this funding avenue would have spelt doom for many pan-European youth organisations which do not always have the option to raise necessary funding for general expenditure through membership fees or private funding.

The European Youth Foundation (EYF) has provided much more stable a base for pan-European youth organisations. Although its budget (roughly 30 million euros per year) is significantly more modest than the Erasmus+ programme's



Erasmus+

youth component (153 million euros for 2014), the way in which it funds projects and also provides administrative support for European-level organisations make the EYF an opportunity that ought to be looked into as a viable funding source. In general, the Council of Europe provides a whole array of support means for youth work: the EYF deals with providing monetary support for youth organisations but other forms of support by the Council of Europe include study sessions, a trainers' pool and training for trainers.

Other public programmes of available funding include the various EU programmes, such as the Europe for Citizens and the European Instrument for Democracy and Human Rights programmes and the European Social Fund. National and local levels of funding are often also available and ought to be utilised which admittedly is difficult to achieve from a European-level organisation alone.

As the ability of public funding programmes to provide support for youth work in a steady manner is under threat, private funding has emerged as a possible and often appealing source of funding. Examples of organisations supplying support for European-level youth work include the Open Society Institute of the Soros Foundation and the Robert Bosch Stiftung. Yet even with private sources of funding for youth work, we may not be well and truly on solid ground: the changing landscape of European-level funding has some short-term and long-term implications for pan-European youth organisations.

SHORT-TERM IMPLICATIONS

The pressures exerted on public funding programmes for youth work have two wide-ranging effects. First, the competition between applications might be harder because applying organisations now need to compete for a limited set of available funds with each other. One particular change may make the situation direr: in the Erasmus+ programme the Education, Audiovisual and Culture Executive Agency (EACEA) will no longer manage the applications from European-level organisations. Instead, it is the national agencies that will administer the programme. This will result with competition not just with other European-level organisations but also with local, regional and national organisations as well.

Second, given the variety of funding programmes available on different levels and localities, the European funding scheme becomes more difficult than ever to manage from a viewpoint of a single person in a single organisation. It makes little sense to allocate a lot of human and other resources to manage all funding avenues centrally, given their large number and the fact that they have the tendency to change as time progresses and policies evolve. Thus, applications from European-level organisations are far less likely to be approved in future if projects continue to be designed in the same format as before without taking into account the changes taking place not just in the programmes but also in the particular ways the funding programmes are implemented. The method of applying centrally in one place and organising the actions in a multitude of locations may not work in the future. The way project applications are written may need to be adjusted and the design and planning of actions revamped. This second outcome is in no way remedied by the previous observation, that is to say pressures on the budgets of the funding programmes.



What to do? In order to sustainably continue daily operations, European-level organisations need to decentralise and diversify. Pan-European youth organisations would do well to rethink and refocus their operations not just on the European level but across their entire organisation: what do we do and what would we ought to do, and similarly what do our member organisations do and what would they ought to do? This calls for an internal reflection process which will be most likely neither quick nor particularly effortless to do – a sorts of strategy-formulation exercise if you will.

The first step is to communicate how changes in the funding programmes affect the whole organisation. Many pan-European youth organisations have a multitude of member organisations which differ from each other in various ways, which makes communicating the changes in the funding programmes challenging. But by not involving everyone in the organisation, pan-European youth organisations run the risk of setting up strategies and action plans but ending with naught in the end. The required changes may be communicated from the top but need to happen from the bottom if they are to reach their aim.

The second step is to both, encourage and empower the member organisations to apply for funding themselves. Of course, it has not been just the European-level organisations that have been doing all the work this far; crucial and invaluable work has been and continues to be done in all kinds of local, regional and national member organisations of international youth NGOs. Rest assured, however, that in the future it is even more the local, regional and national organisations that must bear the brunt of applying for funding.

European-level organisations need to make sure that their member organisations in different countries have the capacity to be partners in projects, to write professional applications for funding and to be able to competently organise actions. Project applications need to contain more emphasis on involvement of organisations: various local, regional and national member organisations of pan-European youth organisations or cross-organisation platforms need to be included in project preparation, application, and management and reporting. With the involvement of diverse organisations, it might become even more challenging to run a project effectively and efficiently with member organisations that operate on such different scales. The organisational culture might also be quite different, which can cause friction in day-to-day operations. The involvement of member organisations of various levels in projects offers benefits as well: it will foster dialogue and exchange of best practices and tie links for future cooperation between the organisations. The called-for changes do not step here, though.

LONG-TERM IMPLICATIONS

The long-term outlook of available funding for pan-European youth organisations is divided into two: threats and possibilities. Let's start with the former. In the future, it is hardly prudent to rely on the continuation of the current funding programmes. The confusion and uncertainty experienced when moving from the Youth in Action programme to the Erasmus+ programme disrupted the normal operations of many European-level organisations, which is not at all conducive to fostering a well-functioning and vibrant civil society on the European level.

More than just the one funding programme in question in the previous example, the fate of the whole public funding scheme is uncertain. The ability of the public programmes to provide continuous and stable support for European youth work is seriously challenged. The challenge is made more critical by the stagnating European economy and the pressures on public finances as a result. If the overall budgets of the public bodies providing support for youth work are severely constricted, the amount of funding available to youth organisations through those budgets can hardly be expected to increase. Even though public funding has formed the backbone of European-level youth organisations in the past, it can no longer be relied upon in the same way in the future.



If more funding cannot be obtained from public sources, then where to turn to? Let's turn to the possibilities. In the coming decade or two the role of private funding will most likely increase. This can be a mixed blessing. Private money comes with more strings attached than public money but can sometimes be used more efficiently and creatively without the need to conform to strict funding and reporting rules. Obtaining private funding is a hurdle to be sure but by forming partnerships on projects in which interests meet private funding might be arranged.

Pan-European youth organisations might also need to rely more on own resources, be it membership fees or the development of own actions and services for others to use. By bolstering their local, regional and national member organisations and seeking methods to empower them to run projects professionally, organisations can also seek to increase their spread and clout and consequently their membership. This would provide more stable a base for funding which would also be entirely own resources.

European-level NGOs often have an incredible amount of expertise and knowledge invested in them through years of organising projects, applying for funding and conducting public relations; could this be used not only for the benefit of the cause but also as a means of producing additional income for the organisation? Another interesting option is to develop cross-border networks and seek funding opportunities through them. The European funding programmes, Erasmus+ included, allow cross-border activities in multinational projects although they are not explicitly designed to facilitate cross-border networks. Perhaps in the future we will see a renewed emphasis on the Europe of regions in the form of cross-border funding programmes.

One thing is for sure: in the future, pan-European youth organisations need to ensure high credibility, transparency and accountability. The need comes not only from the increasing competition for public and private funding but also from a society which is becoming more and more cognisant of the need to monitor that funds are spent according to rules and regulations and which now has the tools at its disposal to make sure to so really happens. Mere perceptions can have a huge impact: one need only look at politics to see how public perceptions can topple even the mightiest. This translates into a need to develop or buy professional financial management, keep track of expenses by using a professional accountant and place special emphasis on strenuous internal and external auditing.



CLOSING WORDS

Pan-European youth organisations are important actors in the European societal and political life and meaningfully contribute to the development of our common Europe. The continuing sustainability of the organisations does not depend solely on funding but funding does enable the organisations to thrive. Be it money or not that makes the world go around, it is the people in it that give purpose to its revolutions. With these thoughts, I hope that you have found new ways to make a revolution of your own sort in the funding of your organisation.



YOUNG
EUROPEAN
FEDERALISTS

Henrik Manner
Treasurer
Young European Federalists

Layout: Espen Berg-Larsen