

(English version)

**Priority question for written answer P-002754/25
to the Commission
Elisabeth Dieringer (P/E)
(7 July 2025)**

Subject: Dubious EU funding of NGOs such as the ‘Club of Ossiach’

The European Court of Auditors’ special report 11/2025 on the transparency of EU funding granted to NGOs demonstrates that between 2021 and 2023, around EUR 7.4 billion was disbursed to NGOs from various EU funds. Nonetheless, there is still no reliable overall overview of the beneficiaries, projects and how the funds were used. One particularly astounding example is the EUR 128 751 in funding granted to the largely unknown association ‘Club of Ossiach’. Upon further research, it seems that locals are unfamiliar with the association, which also fails to make any form of meaningful activity clear from the outside. Its online presence is unprofessional, somewhat misleading and even includes links to escort websites. There is no publicly available information on the actual work of the association and the website lacks a legal notice. The chairman refuses to provide any information.

1. On what basis and using what quality criteria was EU funding totalling EUR 128 751 approved for the Club of Ossiach?
2. As regards the award of EU funds to NGOs, what control mechanisms has the Commission put in place to make sure that beneficiary organisations genuinely are charitable, have operational capacity and are relevant in terms of their subject matter, and how does it assess their effectiveness in a specific case?
3. What steps is the Commission taking in order to verify the Club of Ossiach’s use of funds and, if necessary, to initiate recoveries or legal consequences in the event of inappropriate use or misuse of EU funds?

Submitted: 7.7.2025

**Answer given by Mr Serafin on behalf of the European Commission
(7 August 2025)**

The Club of Ossiach received funding from Horizon 2020, the previous EU Framework programme for research and innovation ⁽¹⁾ as participant in the Polirural project ⁽²⁾.

Projects are selected for possible funding based upon an evaluation by independent experts following selection and award criteria in the relevant work programmes.

The Commission refers to its replies to the European Court of Auditors’ Special Report 11/2025 ⁽³⁾ where it mentioned that carrying out an economic activity is compatible with the nature of a non-governmental organisation (NGO), for as long as any profits it generates from its activities are not distributed to its members.

Thus, engaging in commercial transactions or the salary level of employees of an entity do not prevent a ‘non-profit’ status of an entity.

However, the Commission agreed to explore whether pursuing its members’ commercial interests should factor into the NGO status of an entity ⁽⁴⁾, as this aspect was not part of the NGO definition agreed by the co-legislators in the Financial Regulation (FR) recast ⁽⁵⁾.

The need to indicate in the grant applicant’s information whether the entity is an NGO only came into effect with the FR recast in September 2024.

When it comes to EU funding, NGOs are no different from other applicants. They are subject to fulfilling the necessary eligibility requirements, and the fulfilment of the NGO status does not entail any preferential treatment, nor is it an eligibility criterion, aside from a few, very specific cases. Therefore, having or not the status of an NGO is in principle not relevant for receiving EU funding.

⁽¹⁾ https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-2020_en.

⁽²⁾ <https://polirural.eu/about/>.

⁽³⁾ <https://www.eca.europa.eu/en/publications?ref=SR-2025-11>.

⁽⁴⁾ Replies of the European Commission to the European Court of Auditors’ special report.

⁽⁵⁾ <https://eur-lex.europa.eu/eli/reg/2024/2509/oj/eng>.

The Commission closely monitors the implementation of projects. In case of misconduct such as serious breach of obligations, the Commission may suspend or terminate the grant agreement, in line with the contractual provisions ⁽⁶⁾ and the FR ⁽⁷⁾.

⁽⁶⁾ See for example the Justice programme Model Grant Agreement: https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/just-agr-contr/general-mga_just_en.pdf.
⁽⁷⁾ https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202402509.