

Working Group 4

A NEW INITIATIVE: THE EUROPEAN CROSS-BORDER ASSOCIATION (ECBA)

Discussion paper

prepared for the Second Macro-Regional Citizen Agora

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A. WHAT IS THE ECBA?

The European Cross-Border Association (ECBA) refers to a European legislation addressed specifically to non-profit associations and organisations (e.g. foundations, mutual benefit societies, etc.) to facilitate their establishment within the EU and its internal market. Upon the initiative of European Parliament, this legislation takes the form of a European Directive proposed by the European Commission to the Council of the EU (“the Council”) that brings together all EU Member States. This Directive proposal for ECBAs is also part of the Commission’s [Social Economy Action Plan](#). The EP has already adopted its position on the Directive and the Council is now reviewing the proposal, since a directive carries indeed legal obligations for Member States.

The ECBA is a non-profit association made of at least two individuals or non-profit organisations (e.g. associations, foundations – excepting trade unions, political parties, religious organisations and illegal organisations) from at least two different Member States willing to carry out activities in these countries. This Directive defines common features to all ECBA as a new legal form to be established in each EU country: single procedure for all ECBAs in the EU, automatic recognition throughout the EU, possibility to exercise economic (commercial) activities with non-profit purposes across the whole EU, equal treatment and non-discrimination between ECBAs and comparable national non-profit associations, and freedom to receive and provide funding in the EU.

The ECBA Directive proposal is the first time ever EU recognition of the importance of non-profit associations and their distinctive features; including their non-profit purpose (“asset lock”) common to all Non-Profit Organisations (NPOs), their statutes, governance, membership and funding. Currently non-profit associations and their activities are regulated by specific legislation in 24 Member States.

B. WHY DOES IT MATTER TO MACRO-REGIONAL STRATEGIES AND CIVIL SOCIETY ORGANISATIONS?

The ECBA Directive proposal matters to macro-regional strategies (MRS) and civil society organisations (CSOs) because it can provide a legal tool to enable smoother and more effective cross-border collaboration. It would empower civil society to play a more active role in shaping and implementing MRS, enhance regional integration, and strengthen socio-economic and cultural cooperation across borders. The ECBA could ultimately contribute to the EU’s goal of fostering a more cohesive, integrated, and resilient Europe.

Concretely, the proposal for a directive on ECBA is crucial to the development of MRS with the potential to:

- **Improve cross-border cooperation between CSOs** as they play a significant role in the implementation of MRS aiming to address common challenges shared by neighbouring countries. Most of CSOs take the form of NPOs which are collaborating across (common) borders. These CSOs would be able to establish a joint ECBA in one of the countries to facilitate and strengthen this cross-border cooperation by broadening their membership and strengthening activities across borders.
- **Simplify legal structures:** one of the key challenges for cross-border cooperation is the complexity of navigating between multiple and different legal and administrative frameworks. This directive would provide a more straightforward legal basis for establishing and transferring ECBAs across national borders, making it easier for CSOs to engage in common territories and to contribute to MRS' objectives.
- **Empower CSOs** that are often the driving forces behind regional cooperation, including in areas like environmental sustainability, education, and cultural exchange. The ECBA would be a legal tool to work more effectively across borders by collaborating more efficiently, accessing to funding, and by participating in decision-making processes that affect their regions. This empowers CSOs to contribute to macro-regional priorities, such as fostering inclusive growth or enhancing environmental protection.
- **Improve the visibility and participation of CSOs and NPOs** by providing a legal framework for cross-border associations and organisations, civil society actors can gain greater visibility and recognition at the EU level, as well as their contribution as an economic actor. The ECBA Directive would ensure that the features of NPOs, the needs of CSOs and their concerns are better integrated into regional and national policies, thus enhancing democratic participation and governance.
- **Promote socio-economic and cultural integration:** ECBA can promote the regional development through economic development, social cohesion, and cultural exchange within macro-regions. This aligns with the EU's cohesion goals of reducing disparities between regions and ensuring more balanced development across Europe. The adoption of the directive could lead to more projects and initiatives that address regional challenges, from infrastructure development to cross-border education and training.
- **Support social inclusion:** CSOs are key actors in promoting social inclusion and the integration of marginalized groups. By simplifying the legal framework, the ECBA Directive would enable CSOs working on the ground to address issues related to migration, social cohesion, and local empowerment, all of which are critical to the success of MRS.
- **Facilitate policy synergy and funds leveraging:** MRS require coordinated actions between various sectors (e.g., environmental protection, transport, and energy) across borders. CSOs working cross-border play an essential role in implementing policies on the ground and ensuring that MRS priorities align with local needs. CSOs involved in cross-border work often face barriers in accessing EU funding and resources, particularly when those resources are linked to national systems. The establishment of an ECBA could simplify the funding process and access in support of MRS.

- **Foster trust between regions and promote EU solidarity:** CSOs are essential in fostering dialogue and mutual understanding. By forming ECBAs, the directive can help strengthen the social fabric and cooperation between neighbouring countries in macro-regions. The Directive would also contribute to foster greater solidarity and integration within its borders, as well as potentially between EU and non-EU countries involved in MRS.

C. HOW CAN YOU SUPPORT THE ADOPTION OF THE ECBA DIRECTIVE PROPOSAL?

While the EP already approved it, the ECBA Directive proposal is currently at risks of being rejected by Member States in the Council. Many EU countries are questioning its usefulness and fearing that ECBAs can be used for illegal activities.

You can support the ECBA Directive proposal by sensitising other civil society actors and government representatives on its relevance and added-value. A Q&A document on the ECBA Directive is available to address the key questions raised by some Member States, and a Handbook for national NPOs provides them with guidance on the ECBA's implications and impacts on their activities.

You can also write a letter to your relevant Ministry and the Permanent Representation of your country to the EU. A template letter and a list of relevant contacts is available upon request. Please note that the Directive is discussed in the [Council Working Party on Company Law](#).

D. THE IMPORTANCE OF NON-PROFIT ORGANISATION IN THE EU

Non-profit associations and foundations represent respectively 3.8 million and 143 000 entities, i.e. altogether 92 % of social economy entities in the EU. These NPOs provide nearly 7,2 million jobs (62 % of social economy jobs) and bring together at least 135 million members throughout the EU.

Among non-profit associations, 310 000 are active in more than one Member States, while potentially another 185 000 could theoretically engage in cross-border activities, if barriers were removed. NPOs are driven by the key principles of the social economy: the primacy of people as well as social and environmental purpose over profit, the reinvestment of most of the profits and surpluses to carry out activities in the interest of members/users ("collective interest") or society at large ("general interest") and democratic or participatory governance.

Non-profit associations are active in sectors with a societal impact such as healthcare, social services, social inclusion, culture, sports, research and development, education and training, contributing 2.9% to EU GDP.

Resources

- [Proposal for a Directive on European cross-border associations](#)
- [CEDAG contribution to the European Commission public consultation on the Proposal for a Directive ECBA](#)s
- [European House contribution to the European Commission public consultation on the Proposal for a Directive ECBA](#)s
- [Philea contribution to the European Commission public consultation on the Proposal for a Directive ECBA](#)s
- [Study on benchmarking the socio-economic performance of the EU social economy](#)

About CEDAG

Since 1989, CEDAG, the European council for associations of general interest (*Comité européen des associations d'intérêt général*) is a European network that provides a voice for the non-profit sector at the European level and to European institutions, on specific issues which are common to all non-profit organizations and associations.

CEDAG aims to defend and represent non-profit associations in Europe as providers of services of general interest and actors of the civil society. CEDAG offers a bridge to national associations with EU institutions on topics such as social economy, social services, EU fundings, the recognition of non-profit organisations, the role of associations in civil dialogue and in civil society.

CEDAG is a founding Board member of [Social Economy Europe \(SEE\)](#) and of [Social Services Europe \(SSE\)](#) and a longstanding committed member of the [Social Platform](#). CEDAG is looking to strengthen its membership by offering to national non-profit associations advocating support through its expertise and mandate, and potential funding opportunities through European project.

For more information on CEDAG activities, check out [CEDAG LinkedIn page](#) and get in touch with Mathieu de Poorter, President of CEDAG (mathieu.depoorter@unipso.be).

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