**Question:**

In view of Item 192, is it correct to assume, that MS’s scheme with beneficiaries local NGOs in public benefit and economic partners (Employers’ associations and labour unions) funding typical nonprofit activities such as advocacy, empowerment, civil monitoring and control over the actions of the public administration has no effect on trade between Member States, because entities from other Member States will have no interest in implementing the activities under the program, sincethey do not possess the necessary social commitment, social capital and solidarity which are inherent to civil society organizations local to the country?

In view of Item 192, and if the answer to the above question is negative, what is the ceiling of “very low turnover” per entity, so that the MS’s scheme with beneficiaries NGOs and economic partners has no effect on trade between Member States? NGOs and economic partners have the right to engage in limited economic activity.

**Reply:**

Prima facie, it seems that the mentioned activities would not be economic in nature (empowerment, civil monitoring etc). Even if one may argue that some activities could be economic in nature (e.g. advocacy, depending on what that actually entails), it would indeed seem that the effect on intra-EU trade of such small scale NGO operations that rely on a solidarity and local social capital  is very limited and unlikely to affect trade in the internal market to a significant extent.

Disclaimer: This reply does not represent a formal and definite position of the European Commission but is only an informal guidance provided by the services of DG Competition to facilitate the application of the GBER. It is therefore not binding and cannot create legal certainty or legitimate expectations.