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# NGO 2.0

Platform & Automation Software

## Artificial Intelligence in the Digital Transformation of Civil Society Organisations

A Study on Entrepreneurship, Enterprise Software Integration, AI Agents, and Ethical Use

PROJECT OUTPUT

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**Project No.: 2022-3-TR01-KA210-YOU-000098175**

Erasmus+ KA210-YOU · Small-scale Partnerships in Youth · Istanbul, 2024

## Imprint

<b>Publication Title</b>	Artificial Intelligence in the Digital Transformation of Civil Society Organisations — A Study on Entrepreneurship, Enterprise Software Integration, AI Agents, and Ethical Use
<b>Publication Type</b>	Project output / intellectual output – a study and guidance publication
<b>Project Title</b>	NGO 2.0 Platform & Automation Software (STK Otomasyon)
<b>Project Acronym</b>	NGO 2.0
<b>Project Number</b>	2022-3-TR01-KA210-YOU-000098175
<b>Programme / Action</b>	Erasmus+ Programme · KA210-YOU — Small-scale partnerships in youth
<b>Funding Authority</b>	European Union (European Commission) and the Turkish National Agency
<b>Coordinating Organisation</b>	Yeni Dünya Foundation (Türkiye)
<b>Partner Organisations</b>	Üsküdar Municipality (Türkiye) · ANKA Association (Türkiye) · TTB (Norway)
<b>Prepared by</b>	Gülşen Nişli — Expert Researcher, on behalf of ANKA Association
<b>Place and Year</b>	Istanbul, 2024
<b>Project Website</b>	<a href="http://stkotomasyon.com">http://stkotomasyon.com</a>
<b>Language</b>	English (Turkish edition available separately)

### Suggested Citation (APA 7)

Nişli, G. (2024). *Artificial Intelligence in the Digital Transformation of Civil Society Organisations: A Study on Entrepreneurship, Enterprise Software Integration, AI Agents, and Ethical Use* [Project output]. NGO 2.0 Platform & Automation Software (Erasmus+ Project No. 2022-3-TR01-KA210-YOU-000098175). ANKA Association.

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The NGO 2.0 Platform & Automation Software project (No. 2022-3-TR01-KA210-YOU-000098175) is co-funded by the European Commission and the Turkish National Agency under the Erasmus+ Programme. The content of this publication reflects the views only of the author, and the European Commission and the Turkish National Agency cannot be held responsible for any use which may be made of the information contained therein.

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## Foreword

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Civil society organisations (CSOs) are volunteer-based structures that seek to generate broad social impact with limited human and financial resources. A significant share of their daily workload is devoted to repetitive administrative tasks: maintaining member and volunteer records, planning events, tracking donations and grants, reporting, and communication. The NGO 2.0 Platform & Automation Software project starts precisely from this point, aiming to organise and automate the workflows of CSOs intelligently, thereby shifting their energy away from administrative burden and towards their core mission.

Implemented under the small-scale partnerships in youth (KA210-YOU) action of the Erasmus+ Programme, the project is coordinated by the Yeni Dünya Foundation, in partnership with Üsküdar Municipality, ANKA Association, and TTB from Norway. This action is designed to help less experienced organisations strengthen their institutional capacity through international cooperation.

This publication has been prepared as a project output by **Gülşen Nişli, Expert Researcher on behalf of ANKA Association**, with the aim of placing the project's foundations on an innovative footing. It addresses what artificial intelligence means for CSOs, its relationship with entrepreneurship, its integration into enterprise software, the building of AI agents, and—above all—the efficient, ethical, and responsible use of this technology, drawing on current and verifiable sources. Our aim is to offer a conceptual foundation that can guide the future development of the NGO 2.0 platform and to leave CSO practitioners an applicable road map.

## Executive Summary

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Artificial intelligence (AI) has recently begun to move from an experimental technology to a core part of organisational infrastructure. According to McKinsey & Company's global survey conducted in early 2024, the share of organisations using AI in at least one business function rose to 72 percent after hovering around 50 percent for years, while the share of those regularly using generative AI nearly doubled within roughly ten months—from about one-third to 65 percent (McKinsey & Company, 2024). Stanford University's Artificial Intelligence Index Report 2024 likewise shows that AI is increasingly being driven by industry and that investment in generative AI has risen markedly (Stanford HAI, 2024).

This publication examines that transformation along five axes: (1) the foundations and current landscape of AI; (2) the relationship between AI and entrepreneurship; (3) the integration of AI into enterprise software; (4) the building of AI agents; and (5) the efficient, ethical, and responsible use of AI. Each axis is translated into the context of CSOs and youth organisations—the target audience of the NGO 2.0 project.

The central conclusion is this: for CSOs, the value of AI lies not merely in acquiring tools, but in redesigning workflows. The ethical and legal framework, in turn, is not an optional add-on but an integral part of an organisation's trustworthiness. UNESCO's Recommendation on the Ethics of Artificial Intelligence (2021) and the European Union Artificial Intelligence Act (Regulation (EU) 2024/1689) place principles such as human oversight, transparency, data protection, and non-discrimination on a binding footing.

# 1. Introduction: Why Artificial Intelligence for Civil Society?

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Digital transformation was long perceived as a concern only for large corporations and public institutions. Today, however, small and medium-sized CSOs operating on limited budgets are part of the same technological wave. The starting point of the NGO 2.0 project is to digitise and automate the daily workflows of these organisations so that they can redirect scarce resources from administrative tasks to social impact. This introduction sets out the conceptual framework of the publication and its significance for CSOs.

## 1.1. Conceptual Framework and Aim

This publication addresses the potential contributions of AI to the CSO ecosystem through both a descriptive and a normative (ethical-guidance) lens. The descriptive dimension presents the pace of AI's diffusion and its impact on work, drawing on current data from international institutions. The normative dimension discusses the principles that should govern the use of this technology. Treating the two dimensions together is essential for a CSO-oriented automation platform such as NGO 2.0 to develop in a manner that is both functional and trustworthy.

## 1.2. Target Audience

The publication primarily addresses three groups: CSO managers and project coordinators; volunteers and young staff; and technology providers offering software and consultancy services to CSOs. Because youth organisations tend to adopt digital tools quickly, they have the potential to be pioneers of AI-driven transformation—an alignment that also reflects the youth-focused nature of the Erasmus+ KA210-YOU action.

## 1.3. Method and Sources

All figures and frameworks in this publication are grounded in primary and institutional sources. Principal sources include the Artificial Intelligence Index Report 2024 of Stanford University's Institute for Human-Centered Artificial Intelligence (HAI), McKinsey & Company's global AI survey of early 2024, the World Economic Forum's (WEF) Future of Jobs Report 2023, UNESCO's Recommendation on the Ethics of Artificial Intelligence (2021), the Organisation for Economic Co-operation and Development's (OECD) AI Principles (2019), and the European Union Artificial Intelligence Act (Regulation (EU) 2024/1689). In-text citations and the reference list follow the APA 7 style.

## 2. Foundations and Current Landscape of Artificial Intelligence

In its simplest definition, artificial intelligence refers to machine-based systems capable of performing tasks that would normally require human intelligence (pattern recognition, language understanding, decision-making, generation). The European Union Artificial Intelligence Act defines an AI system as a machine-based system designed to operate with varying levels of autonomy that, from the inputs it receives, generates outputs such as predictions, content, recommendations, or decisions (European Commission, 2024).

### 2.1. Core Concepts

- **Machine learning:** A system improving its performance by learning patterns from data rather than being explicitly programmed.
- **Generative AI:** Systems that can produce new content such as text, images, audio, or code, built on foundation models such as large language models (LLMs).
- **Foundation models:** Large-scale models trained on broad datasets and adaptable to many different tasks.
- **AI agent:** A foundation-model-based system that, towards a goal, can plan and execute multiple steps within a workflow, use tools, and act with a degree of autonomy.

### 2.2. Adoption: From Threshold to Infrastructure

AI has recently begun to cross a decisive threshold in the corporate world. According to McKinsey & Company's global survey of 1,363 participants conducted between 22 February and 5 March 2024, organisations' overall AI adoption rose to 72 percent after hovering around 50 percent for years. The share of respondents reporting that they regularly use generative AI in at least one business function nearly doubled compared with the survey of roughly ten months earlier, rising from about one-third the previous year to 65 percent (McKinsey & Company, 2024).

Stanford HAI's Artificial Intelligence Index Report 2024 complements this picture: industry is increasingly taking the lead in developing AI models, investment in generative AI is rising, and the number of AI-related regulations worldwide is climbing rapidly (Stanford HAI, 2024). These trends show that AI is now on the agenda of organisations of every size, not just large technology companies.

#### Implication for CSOs

The rapid rise in adoption shows that AI has become a tool accessible to organisations of every scale, not only large technology companies. For CSOs, the critical question is no longer “should we use AI?” but “in which processes, under what oversight, and within which ethical framework should we use it?”

## 3. Artificial Intelligence and Entrepreneurship

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AI not only increases the efficiency of existing organisations; it has also become a driving force behind new ventures, business models, and areas of employment. This holds true for social entrepreneurship as much as for commercial entrepreneurship; CSOs increasingly operate with a “social enterprise” mindset, pursuing sustainable revenue models and scalable impact.

### 3.1. Investment and a New Wave of Start-ups

Stanford HAI's Artificial Intelligence Index Report 2024 shows that private investment in generative AI has risen markedly; although overall corporate AI investment had declined somewhat since 2021, generative AI has reversed this trend (Stanford HAI, 2024). This resurgence represents both a new window of opportunity for technology entrepreneurs and an expansion of the pool of potential collaborators and service providers for CSOs.

### 3.2. Workforce and Skills

According to the World Economic Forum's Future of Jobs Report 2023, around 23 percent of jobs are expected to undergo structural change (churn) by 2027; over this period, an estimated 69 million new jobs will be created and 83 million eliminated, implying a net decrease of about 14 million jobs (2 percent of current employment). AI and automation are cited among the principal drivers of this transformation (World Economic Forum, 2023).

This picture creates a twofold responsibility for CSOs. First, to develop the AI literacy of their own teams and volunteers; second, to facilitate upskilling and reskilling programmes so that disadvantaged groups and young people are not left behind in this transformation. Erasmus+ youth projects align precisely with this mission of closing the skills gap.

### 3.3. AI-Enabled Entrepreneurship Areas for CSOs

- Grant and fund discovery: Accelerating the scanning of relevant calls, the drafting of application texts, and source research.
- Donor and volunteer relations: Personalised communication, feedback analysis, and volunteer matching.
- Content production: Preparing multilingual first drafts of awareness campaigns, social media posts, and training materials.
- Impact measurement: Analysing survey and field data and turning it into reportable insights.

## 4. Integrating Artificial Intelligence into Enterprise Software

Most CSOs already use various software for member management, accounting, e-mail, and project tracking. The value of AI lies not in replacing these tools but in being embedded within them to make processes intelligent. The NGO 2.0 platform is a concrete example of this approach: when AI-enabled features are added to workflows consolidated in a central control panel, an organisation can make more accurate decisions with less effort.

### 4.1. Integration Approaches

- **Embedded features:** Adding AI-enabled search, summarisation, or recommendation capabilities to the existing platform.
- **API-based connection:** Connecting third-party model providers to the organisation's software through application programming interfaces (APIs).
- **Retrieval-augmented generation (RAG):** A method that enables the model to generate answers grounded in the organisation's own documents and data, improving accuracy and context.

### 4.2. From Pilot to Value: What Sets High Performers Apart

The most common impasse in integration is launching numerous pilots, none of which translate into tangible value. McKinsey & Company's early-2024 survey shows that organisations using generative AI have begun to report measurable benefits in the form of both cost reductions and revenue increases; however, the greatest value is captured by a small group of "high performers." In the same survey, the most frequently cited risk is the inaccuracy of generated outputs (McKinsey & Company, 2024).

#### **Core Principle: Process First, Then Tool**

The success of AI integration depends more on management and workflow design than on technology. Before procuring a tool, CSOs should clarify which process will be redesigned, which decisions will remain with humans, and how success will be measured.

### 4.3. An Integration Road Map for NGO 2.0

For an automation platform such as NGO 2.0, the recommended phased approach is as follows: first, automating high-volume, low-risk administrative tasks (record-keeping, summarisation, drafting); then adding decision-support features that operate with human oversight; and finally, only once sufficient assurance and audit mechanisms are in place, moving to relatively autonomous agent structures.

## 5. Building Artificial Intelligence Agents (AI Agents)

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AI agents are systems that go beyond chat-based tools to plan and execute multi-step tasks towards a goal. Given an objective, an agent can determine the necessary steps, call tools (search, calendar, database, e-mail), and evaluate the result to choose the next step. With the spread of generative AI, agent-based systems have begun to stand out as an emerging frontier for enterprise workflows. This section addresses, at a conceptual level, what agents may mean for CSOs.

### 5.1. Core Components of an Agent

- **Perception / input:** User requests, documents, or system data.
- **Planning:** Breaking the goal into sub-tasks and sequencing them.
- **Tool use:** Interacting with external systems (API, database, files).
- **Memory:** Storing previous steps and context.
- **Human-in-the-loop:** Human approval or intervention at critical steps.

### 5.2. Example Agent Scenarios for CSOs

- **Grant-monitoring agent:** Scans new calls, flags those matching the organisation's interests, and prepares a summary notification; the application decision is left to a human.
- **Event-coordination agent:** Compiles participant registrations, drafts reminder e-mails, and updates attendance lists.
- **Reporting agent:** Gathers field data and produces a draft of a standard progress report; final approval remains with the project manager.

### 5.3. The Governance Principle in Agent Design

As an agent's level of autonomy increases, so does the risk of errors and unintended outcomes. For this reason, each agent should have a clearly defined scope, stop conditions, audit logs, and human approval for critical decisions. Security and governance, in particular, are priorities to be considered from the very outset of an agent's design. Autonomy does not remove accountability; ultimate responsibility must always remain with humans. UNESCO's principle of human oversight and determination also supports this approach (UNESCO, 2021).

## 6. Efficient, Ethical, and Responsible Use of Artificial Intelligence

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The opportunities AI offers CSOs become sustainable only alongside a strong ethical and legal framework. CSOs are structures built on public trust; therefore, principles such as data privacy, transparency, and non-discrimination are for them not merely a matter of compliance but an existential necessity.

### 6.1. Risks and Warning Signs

Stanford HAI's Artificial Intelligence Index Report 2024 shows that AI-related incidents are rising year on year and that regulatory efforts are accelerating in parallel; according to the report, the number of AI-related regulations in the United States alone increased by 56.3 percent within a single year (Stanford HAI, 2024). Such incidents include real-world problems such as biased algorithmic decisions, privacy breaches, and the generation of harmful content. For CSOs, the principal risks are the model producing factually incorrect information (hallucination), bias arising from training data, breaches in the protection of personal data, and damage to the organisation's public trust.

### 6.2. International Ethical Frameworks

UNESCO's Recommendation on the Ethics of Artificial Intelligence (2021) is the first global standard in this field and has been adopted by almost all member states. The Recommendation takes the protection of human rights and human dignity as its cornerstone and sets out principles such as proportionality, safety, privacy, multi-stakeholder governance, transparency and explainability, human oversight and determination, and fairness and non-discrimination. In particular, the principle of human oversight emphasises that AI systems must not displace ultimate human responsibility and accountability (UNESCO, 2021).

The OECD's Recommendation of the Council on Artificial Intelligence (2019) was the first intergovernmental standard to define the principles of trustworthy AI around inclusive growth, human-centred values, transparency, robustness and safety, and accountability (OECD, 2019). Together, these two frameworks provide a solid basis for developing responsible AI policies at the organisational level.

### 6.3. The European Union Artificial Intelligence Act

The European Union Artificial Intelligence Act (Regulation (EU) 2024/1689) is the world's first comprehensive horizontal legal framework for AI; it was published in the Official Journal of the European Union in 2024 and entered into force on 1 August 2024. The Act adopts a risk-based approach, classifying systems into four levels: unacceptable, high, limited, and minimal risk. Obligations follow a phased timetable: prohibitions on unacceptable-risk practices will apply from 2 February 2025 and obligations for general-purpose AI models from 2 August 2025, while most obligations for high-risk systems will take effect on 2 August 2026. Non-compliance may result in fines of up to EUR 35 million or 7 percent of global annual turnover (European Commission, 2024).

This framework is directly relevant to CSOs operating in Türkiye that work with partners or target audiences in the European Union, because the Act may also cover systems whose outputs reach individuals within the EU. For software developed within an EU project such as NGO 2.0, alignment with these principles is both a legal and a reputational necessity.

### 6.4. Implementation Principles for Responsible AI

- **Human oversight:** Critical decisions should always be subject to human approval.

- **Transparency:** It should be clearly indicated when content or a decision was produced with AI support.
- **Data protection:** Personal data should be processed in a purpose-limited, minimal, and secure manner.
- **Fairness:** Care should be taken to ensure that the model's outputs do not produce discrimination against disadvantaged groups.
- **Accountability:** The use of the system should be logged and responsibility clearly defined.

## 7. Implementation Recommendations in the NGO 2.0 Context

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This section translates the findings of the previous sections into a concrete road map for the NGO 2.0 platform and similar CSO automation solutions. The recommendations are presented in three phases according to organisational maturity.

### 7.1. Initial Phase (0–6 months)

- Identify high-volume administrative tasks (record-keeping, summarisation, e-mail drafting) and automate them.
- Organise basic AI-literacy training for staff and volunteers.
- Publish a simple “responsible AI policy” covering data protection and rules of use.

### 7.2. Development Phase (6–18 months)

- Add decision-support features that operate with human approval (grant matching, reporting drafts) to the platform.
- Use a retrieval-augmented generation (RAG) approach to ground the model in the organisation's own data.
- Define success metrics (time savings, error reduction, satisfaction) and monitor them regularly.

### 7.3. Maturity Phase (18 months and beyond)

- Move to limited-scope agent structures only once sufficient audit, logging, and stop mechanisms are in place.
- Conduct periodic ethics and risk assessments; review alignment with the EU AI Act timetable.
- Share lessons learned with other CSOs to strengthen capacity across the ecosystem.

#### One-Sentence Summary

For CSOs, the purpose of AI is not to replace people, but to direct people's time and attention to where they create the most value.

## 8. Conclusion and Assessment

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This publication has addressed why AI is no longer an optional technology for civil society organisations; what kind of opportunity it offers along the axes of entrepreneurship, enterprise software integration, and AI agents; and—above all—the ethical and legal framework within which that opportunity should be assessed. The data show that adoption is spreading rapidly on a global scale; the real difference, however, emerges not in acquiring the technology but in organisations capable of redesigning their workflows.

The NGO 2.0 Platform & Automation Software project is a concrete step that brings this transformation within reach of CSOs. In the project's future development, taking the phased road map and the responsible AI principles set out in this publication as a guide will provide a solid basis for building a platform that is both functional and trustworthy. The ultimate aim is to establish an intelligent, transparent, and human-centred digital infrastructure that converts civil society's limited resources into the highest possible social impact.

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This reference list has been prepared in accordance with the APA 7th edition (American Psychological Association) citation style.

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## Appendix A. Glossary

Term	Definition
<b>Artificial Intelligence (AI)</b>	Machine-based systems capable of performing tasks that would normally require human intelligence.
<b>Generative AI</b>	A type of AI that can produce new content such as text, images, audio, or code.
<b>Large Language Model (LLM)</b>	A large-scale model trained on extensive text data that can understand and generate language.
<b>AI agent</b>	A system that can plan and execute multi-step tasks towards a goal and use tools.
<b>RAG (Retrieval-Augmented Generation)</b>	A method enabling the model to generate answers grounded in the organisation's own documents and data.
<b>Human-in-the-loop</b>	A design principle preserving human approval or intervention at critical decisions.
<b>Hallucination</b>	A situation in which the model produces factually incorrect or unverifiable content.

## Appendix B. Legal Notice and Disclaimer

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The information in this document is for general information purposes only; it does not constitute legal, financial, or technical advice. AI-related legislation, in particular the European Union Artificial Intelligence Act, is entering into force in phases and may be updated; before implementation, it is advisable to rely on the current regulations in force and the guidance of competent authorities.

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**Year of Publication:** 2024