

Annex of the 2014 PBO Report **of the** **European Center for Not-for Profit Law**

1. Organizational data

Name: ECNL Európai Nonprofit Jogi Központ Szolgáltató
Nonprofit Korlátolt Felelősségű Társaság

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Registration number: 01-09-921425

Name of Representative: Márkus Ágnes Eszter

2. Description of the exact public benefit activities in the current year

Country level: ECNL continued to work in Hungary towards a more enabling legal environment that ensures the protection of the fundamental individual and collective rights. ECNL supported the development and implementation of the international development cooperation policy in Hungary. ECNL deepened its engagement in the countries of the European neighborhood, and was awarded a consequent five year grant to work in Moldova to build capacity of a local NGO on CSO legal reform issues, and continue its work on reforming the framework for association, participation, cooperation and sustainability. ECNL also worked in the following countries in 2014: Belarus, Bosnia and Herzegovina, Cyprus, Georgia, Iraq, Kosovo, Macedonia, Mongolia, Poland, Ukraine, and Turkey.

EU level: ECNL deepened its presence on the EU level by successfully influencing EU policies on enabling environment and supports implementation of European development effectiveness policies. The EU Directorate-General of Development and Cooperation (DG DEVCO) contracted ECNL to prepare three case studies on successful models to improve the legal environment for civil society, to be followed with three more in 2015. ECNL delivered two training sessions for members of the EU delegations from Eurasia, Africa, Latin America and Asia that focused on the issues of enabling environment and most importantly the types of interventions they can undertake as part of their [country roadmaps](#) in order to support CSO law and policy reform. ECNL also contributed to the development of DG Enlargement's Guidelines for EU Support to Civil Society in Enlargement Countries, 2014-2020, which aims to monitor the CSO enabling environment.

Regional level: ECNL engaged with the OSCE Office for Democratic Institutions and Human Rights (ODIHR), Council of Europe (CoE) and regional CSO networks in the Balkans and Eastern Partnership countries. With OSCE ODIHR, it took part in expert discussions on counter-terrorism issues and monitoring assemblies, and was invited to deliver an [introductory speech](#) at the 2014 Human Dimension Implementation Meeting (HDIM), Europe's largest annual human rights and democracy conference. ECNL supported CoE as a member of the *Expert Council on NGO law* in developing a comparative paper on public participation and political activities of CSOs, and also collaborated with the CoE to transfer experiences on issues of public participation from Europe to Moldova. ECNL also took part in the regional meeting of the Eastern Partnership forum.

Global level: ECNL continues to provide expertise to the mandate of the UN Special Rapporteur on the rights to freedom of peaceful assembly and association and engaged in the drafting of resolution regarding the civic space and good practice standards on participation. ECNL co-organized [“TEDxLiberdade: The Power of Together”](#) an independent TEDx event held in Brazil in April 2014, to raise awareness of various fundamental freedoms issues, including those of youth and people with disabilities. With European and global partners ECNL engages with the Financial Action Task Force (FATF) to provide expertise and support CSO engagement in reform of the counter-terrorism financing related policies.

ECNL Core activities to achieve its public benefit goals in 2014

Promoting fundamental rights and international development cooperation in Hungary

ECNL continued to monitor and support the creation of a more enabling legal environment for freedom of association and international development cooperation in Hungary.

ECNL has been supporting the development of a **national strategy for international development cooperation** and a distinct law for international development cooperation in Hungary. ECNL collaborated with the *Hungary Association of NGOs for Development and Humanitarian Aid* (HAND) in this effort. The framework strategy for international development cooperation for the period of 2014-2020 was adopted in March 2014 [1182/2014. (III.27) Government decision]. The Strategy tasked the Ministry of Foreign Affairs to develop a draft law on international development cooperation and humanitarian assistance. ECNL was invited to participate in the consultations, and later provided expert comments related to the draft Law in collaboration with HAND. The *Law XC of 2014 on International Development Cooperation and International Humanitarian Assistance* was adopted on 15 December 2014 and will enter into force on 1 July 2015.

Promoting development effectiveness and cooperation from a European perspective

ECNL as part of its public benefit activities – in line with the Government Decree No. 152 of 2014 (07.01) – is engaged in development effectiveness and cooperation at the European level as a standalone expert and as a member of European networks. Besides its EU-level activities outlined above, ECNL met several times with DG DEVCO providing expertise on the enabling environment issues in the countries of the Eastern Partnership region. In November 2014 ECNL took part in the regional Eastern Partnership Civil Society Forum in Georgia, which addressed the EU’s Neighborhood Policy, EU Delegations involvement with local CSOs, and roadmaps on cooperation and enabling environment for CSOs.

ECNL is member of the working groups on CSO enabling environment and CSO Development Effectiveness of the *European CSO confederation for relief and development – CONCORD*. Together with members of the working ECNL contributes to the development of strategies and issues regarding the fundamental rights of association and assembly and provides expertise in developing of policies on this matter.

Sharing transnational experiences and international regulation practices

ECNL connects partners across borders to promote the **sharing of expertise across countries** by organizing regional events and study visits. For example, ECNL co-organized the first regional conference on freedom of assembly in Southeast Europe with the participation of experts from the OSCE ODIHR. As a result, the participants developed a list of issues regarding freedom of assembly that need to be addressed regionally and on country level or which require further guidance or standard setting. ECNL hosted a study visit for eight legal practitioners from Belarus to increase their understanding of the legal aspects of philanthropy, fundraising and regulation of assembly. Participants met with representatives of the Hungarian CSO sector and the local government of Szentendre.

ECNL makes its comparative **research papers and materials** available to stakeholders to support reform and capacity building. ECNL also assisted countries in developing civil society legislation in compliance with European standards and good regulatory practices – e.g., in Cyprus, Albania and Moldova.

ECNL is part of the **Transnational Civil Society Working Group** which monitors, responds to and shares experiences on developments concerning civil society, related to the activities of the Financial Action Task Force (FATF). ECNL engaged with the global and European partners to raise awareness about the current counter-terrorism laws that restrict civil society work, to provide expertise and support CSO engagement in development of analysis and reform of the counter-terrorism financing related policies.

In addition, ECNL is increasingly active on the UN level. First, ECNL continues to provide expertise to the mandate of the *UN Special Rapporteur on the rights to freedom of peaceful assembly and association* (e.g., provided expertise in drafting two factsheets on association and on assembly). Second, together with partners from Civic Space Initiative ECNL successfully engaged in the drafting of the resolution regarding the civic space, which strengthens standards in this area. Third, ECNL successfully engaged with partners in Europe to provide expertise in developing UN level standards on the right to participation in policy and law making.

Monitoring the Enabling Environment for Civil Society Development

ECNL co-authored the development of a *Matrix for Monitoring the Enabling Environment for Civil Society Development* (principles, standards and indicators) and a Toolkit for its implementation, in collaboration with experts convened by the Balkan Civil Society Development Network (BCSDN). Based on its methodology, in 2014 ECNL developed the first ever Regional Report on the Monitoring Matrix on Enabling Environment for Civil Society Development that analyzes the state of the civil society in Balkan countries and Turkey. In May, ECNL presented the report in Brussels to EU representatives, discussing how the EU could utilize the outcomes and recommendations of the report, and how the results can be used for assessing the situation in the country.

ECNL also developed a beta version of an online platform and developed case studies for publication on freedom of peaceful assembly to share experiences, international standards and knowledge, and to create an online tool for monitoring assemblies.

In addition, ECNL continued to provide support in running the *NGO Law Monitor*, an online monitoring portal on the enabling environment issues in 50+ countries and 8 multinational organizations.

Expertise and facilitation in drafting and implementing laws for CSOs to support consolidation of democratic systems that support the development and sustainability of civil society

ECNL as part of its public benefit activities – in line with Act No. 11 of 2011 – has assisted governments and CSOs in a number of countries across Europe & Eurasia (Cyprus, Kosovo, Macedonia, Moldova and Turkey), in Mongolia and in Iraq to ensure the enforcement and protection of basic human rights. It gave support in undertaking reforms of legal frameworks, developed several comments to draft laws on association, participation, cooperation or affecting registration, good governance and everyday operation of CSOs. In 2014, ECNL contributed to the revision of tax laws affecting CSOs, promoted the reform of the law on Public Benefit Organizations, supported local partners in their efforts to reform law on donations and sponsorship of public activities, and helped them with developing local analyses of the legal frameworks and adopt recommendations for reform.

Supporting institutional development of cooperation between public authorities and CSOs

In 2014 ECNL worked closely with governments, parliaments and CSOs in designing and developing strategies for cooperation and supporting their implementation (e.g., Moldova, Georgia, Iraq). Through the process ECNL provided capacity building, supported comparative research, and facilitated local discussions in the drafting processes. In Kurdistan Region of Iraq, ECNL provided expertise and training on implementation of the *Compact on Partnership and Development between Public Authorities and Non-Governmental Organizations*. In Georgia, through its local partner ECNL contributed to adaptation of the *Memorandum for Cooperation between the Georgian Parliament and CSOs* and drafting of the State Concept for CSO Development.

Capacity building and promoting the financial sustainability of local communities to participate in the public affairs

Core to ECNL's mission is empowering local stakeholders to engage in policy dialogue and law reform, through a variety of means (participatory law reform, interest-based negotiation, and inter-sectoral partnerships). In 2014, ECNL continued to work closely with coalitions of CSOs on country level building their capacity to develop strategies and engage in reform (e.g., in Belarus, Moldova, Ukraine, Turkey); held capacity building sessions on issues of participation, enabling environment, government-CSO cooperation, (e.g., in Iraq, Moldova, Turkey). In order to promote their financial sustainability ECNL encouraged CSO engagement in economic activities. In Moldova, in cooperation with local CSOs, ECNL supported local processes for development of legal framework for social entrepreneurship, economic activities and percentage legislation.

Development of Knowledge Base for Policy and Law Reform

Related to its various activities ECNL continued its research on laws and regulations that affect civil society fundraising, volunteering, carried out background research and prepared a paper on good examples of communication and fundraising methods in Central and Eastern Europe. ECNL research seeks to identify trends and developments affecting civil society and fundamental rights within Europe, in neighboring regions and globally. Comparative research of the Monitoring Matrix on the legal and fiscal framework for foundations has proved invaluable to the reform efforts of local partners in the Balkans. ECNL also deepened its expertise and developed a comparative legal analysis on the topic in five countries (Hungary, Czech Republic, France, the UK, and Poland), and a handbook on CSO registration in Europe.

ECNL research is available on www.ecnl.org and www.icnl.org and is translated into different languages. In addition, ECNL contributes to ICNL's online library of civil society laws and policies, which currently contains 3384 resources from 205 countries and territories in 61 languages.

3. Introduction of the public benefit activity

Description of the public benefit activity

Protection of the fundamental individual and collective rights, with special regard to freedom of association and assembly, the support of the improvement of civil society and public participation in local and national level and in the level of international development cooperation.

Public tasks and legal provisions connecting to the public benefit activity:

- 1) **International development cooperation** (the development of legal regulations pertinent to international development cooperation, the development and implementation of the international development cooperation policy, the coordination and direction of international development cooperation activities): subsection (1) and (2) fa) and fb) of Section 88 of the Government Decree No 152 of 2014 (07.01) on the tasks and competence of the members of the Government.
- 2) **Promoting the enforcement and protection of fundamental rights, with special attention to the rights of children, interests of the future generations, rights of nationalities, rights of the members of mostly endangered groups of society** (Review and analysis of the status of the fundamental rights; opinioning draft legal regulations and proposal to develop or amend legal regulations; promoting the enforcement and protection of fundamental rights; awareness raising activity to shape the social attitude and cooperation with organizations and institutions that aim to further the protection of fundamental rights): points a,b,c,d, of subsection 2 of Section 1, Section 2 of the Act No 111 of 2011 on the commissioner for fundamental rights
- 3) **Supporting the communities self-organized by the citizens, cooperation with these communities and supporting the wide social participation in the local public affairs:** point a of Section 6 of the Act No 189 of 2011 on the local governments of Hungary

Target group of the public benefit activity

CSOs, Government, Parliament, companies, citizens, EU institutes, local governments

Number of beneficiaries of the public benefit activity

In 2014 ECNL worked in 12 countries and in 4 different regions towards a more enabling legal environment to strengthen civil society. More than 1,000 people have used its resources, and utilized the knowledge gained at the capacity-building trainings and. ECNL's work to create a more enabling legal environment indirectly benefited thousands of people and numerous civil society organizations to establish and operate associations and foundations. In 2014 ECNL has contributed to raise awareness among broader pool of beneficiaries of the protection of human rights and the importance of public participation and international development cooperation. ECNL's work on the country and regional level has been covered in national and regional media. ECNL representation in social media through its twitter account increased to 300 followers from 130 last year.

Main results of the public benefit activity

ECNL contributed to widening knowledge base and comparative know-how of fundamental rights with five regional researches and comparative papers. ECNL has supported the democratic environment of CSOs by submitting its comments to seven draft laws and several policy level documents. ECNL has delivered presentations at more than 20 regional or national events, where by sharing its expertise and experiences with the participants contributed to raising the awareness to further the protection of fundamental rights.

Statement of non-refundable funding to perform public benefit activity

Description of sponsors	Supported objectives	In thousands HUF			
		Amount of support		Difference	
		Previous year	Current year	%	In thousands HUF
Donations from Founder	Defending fundamental rights, supporting the improvement of civil society and public participation in local and national level and in the level of international development cooperation.	32 446	29 031	-10,5%	-3 415
Amount gained from project ter	Defending fundamental rights, supporting the improvement of civil society and public participation in local and national level and in the level of international development cooperation.	37 693	60 006	59,2%	22 313
Total:		70 139	89 037	26,9%	18 898

Statement of funding gained by tenders

In thousands HUF

Description of Sponsors	Supported objective	Previous year	Current year
Total		37 693	60 006
1. Subsidy from central governmental budget		0	0
2. Subsidy from local governments		0	0
3. Subsidy form international sources		37 693	60 006
3.1 Project partners	Reimbursement of travel costs	961	729
3.2 United Nations Office for Project Services (UNOPS)	Preparation an approval of policy documents regulating the cooperation between the government and CSOs and public participation, support of public participation in Iraq.	17 323	20 005
3.3 Civil Society Institute	Strengthen and promote CSOs' role in reforms and democratic changes in Georgia, through increased participation in the fulfillment of Neighborhood Policy objectives.	-	1 532
3.4 FHI Development 360, LLC	Improving capacity of Moldovan civil society to represent citizen's interests, strengthening cooperation between CSOs, citizens, and government.	-	9 881
3.5 Academy of Educational Development (AED)/FHI360	Strengthening of the Moldovan civil society by supporting the legal base of the freedom of association and the cooperation between CSOs and local authorities.	13 567	-
3.6 BCNL	Assessment of social contracting practices in Bulgaria and exploring ways to introduce social contracting models in new fields to increase financial sustainability	-	788
3.7 EU Belarus	Improvement of the situation with freedom of association in Belarus, creation of better legal conditions for activity of public associations in Belarus to protect basic human rights.	-	6 062
3.8 Institute for Sustainable Communities (ISC)	Support of the freedom of association and public participation in local and national level in Serbia by improving the legal environment affecting CSOs.	2 023	-
3.9 OSF	Support the creation of safeguards for freedom of association, assembly and ensuring that civil society can operate without barriers due to failed implementation of counter-terrorism measures.	-	9 773
3.10 SLLGO, Poland	Support of the sustainability of watchdog CSOs in Europe.	2	-
3.11 International Center for Human Rights Development (ICHHD)	Sharing transitional experiences of the EU integration with Eurasian partner organizations .	780	-
3.12 Balkan Civil Society Democracy Network BCSDN	Creation of a matrix and a toolkit for monitoring the enabling environment for civil society development	3037	6 536
3.13 IPA Macedon	Building strong and sustainable civil society organizations in Macedonia that are able to successfully mobilize local resources and engage in dialogue with the private sector.		4 700
4. Subsidy from other sources		-	-

5. Statement of designated funding

Description of designated funding	Previous year	Current year
Designated funding proved by the organization in 2014 OSF		6.920

6. Funding for the executive officers

Function	Previous year	Current year
In 2013 and 2014 the organization did not provide the executive officers with separate allowances		
Total amount of funding of the executive officers: Salary of the executive director	9.537	10.254

7. Indicators to be used for the establishment of the public benefit status

Main data	Previous year	Current year
B. Total income	83 853	100 780
from:		
C. amount transferred based on article CCXXVI. 1996	-	-
D. public benefit income	-	-
E. normativ subsidy	-	-
F. subsidy from the European Structural and Cohesion Funds	-	-
G. Corrected income $\{B-(C+D+E+F)\}$	83 853	100 780
H. Total expenditures	83 853	100 780
I. personell expenses	32 491	41 846
J. expenditures of public benefit activity	83 853	100 780
K. Income after taxation	-	-
L. Number of volunteers (as per article LXXXVIII. 2005.)	-	-
Indicators of possessing resources		
Ectv. 32. paragraph (4) a) $\{(B1+B2)/2 > 1.000.000,- Ft\}$	<u>Yes</u>	<u>Yes</u>
Ectv. 32. paragraph (4) b) $\{K1+K2 \geq 0\}$	<u>Yes</u>	<u>Yes</u>
Ectv. 32. paragraph (4) c) $\{(I1+I2-A1-A2)/(H1+H2) \geq 0,25\}$	<u>Yes</u>	<u>Yes</u>
Indicators of public support		
Ectv. 32. paragraph (5) a) $\{(C1+C2)/(G1+G2) \geq 0,02\}$	Yes	Yes
Ectv. 32. paragraph (5) b) $\{(J1+J2)/(H1+H2) \geq 0,5\}$	<u>Yes</u>	<u>Yes</u>
Ectv. 32. paragraph (5) c) $\{(L1+L2)/2 \geq 10 f\}$	Yes	Yes

8 May 2015, Budapest

Leader / Representative of the Company