



European Center for Not-for-Profit Law

PUBLIC BENEFIT REPORT FOR THE YEAR 2012

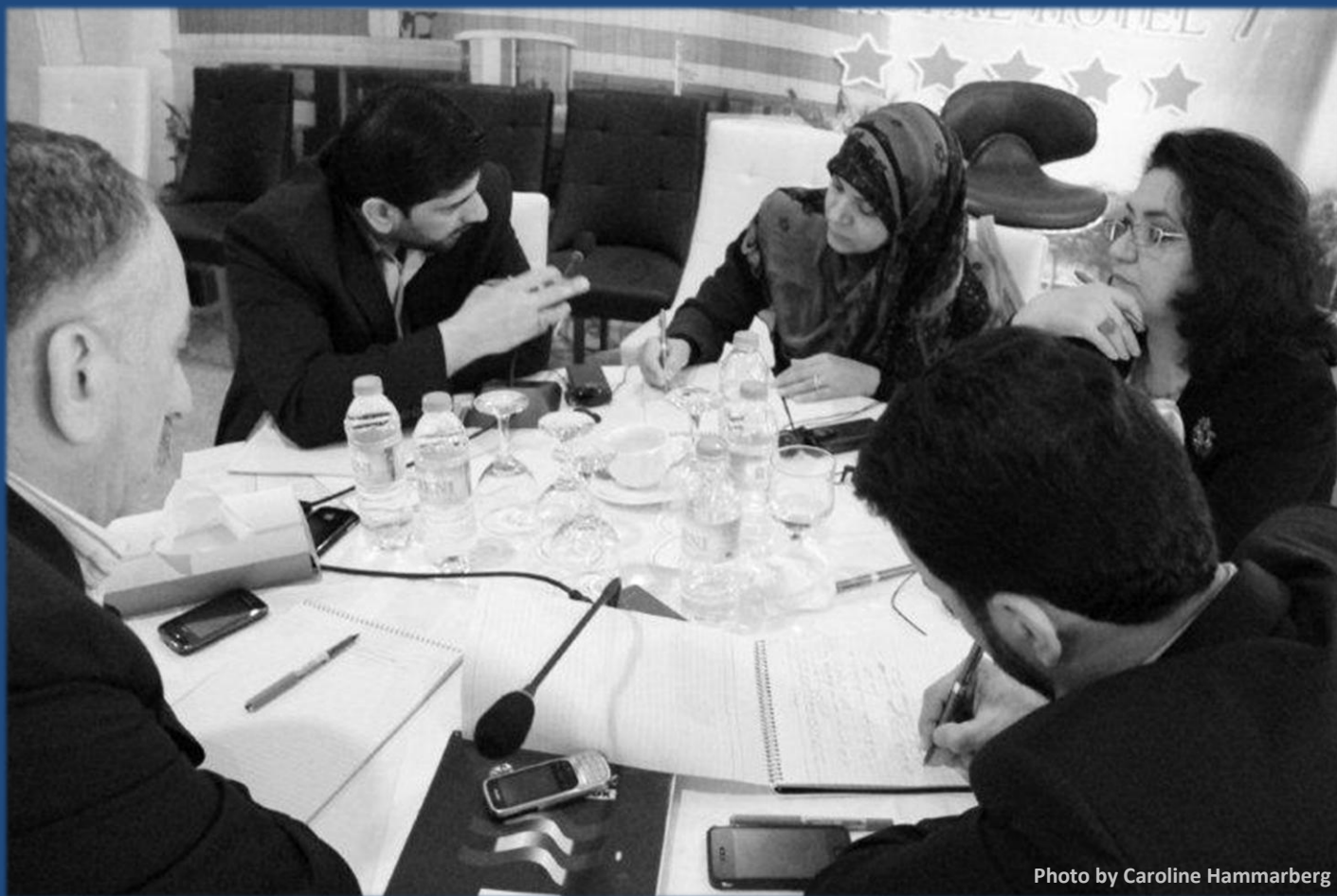


Photo by Caroline Hammarberg

May 2013

Contents

I. ABOUT ECNL.....	2
II. 2012 AT-A-GLANCE.....	3
III. SUPPORTING CSOs IN INTERNATIONAL DEVELOPMENT AND EU POLICY INITIATIVES	6
1. European Union Policy Initiatives.....	6
2. Monitoring the legal environment for civil society in development.....	6
3. Promoting development aid effectiveness.....	7
4. Supporting sustainability of human rights watchdog CSOs	7
5. Sharing of European experiences with the other regions.....	8
6. Participation in the Council of Europe Expert Council on NGO Law.....	9
IV. HIGHLIGHTS FROM COUNTRY LEVEL INVOLVEMENT	9
V. RESEARCH HIGHLIGHTS	16
Annex 1: Illustrative list of publications, comments, and other activities	18

I. ABOUT ECNL

The **European Center for Not-for-Profit Law (ECNL)** is a leading European resource and research center in the field of civil society law based in Budapest. Our **mission** is to promote an enabling legal and fiscal environment for civil society in Europe and beyond. For over 10

ECNL's vision encompasses pluralistic democracies in which the legal environment enables people and their organizations to exercise their rights and shape their society through voluntary action.

years, our staff has demonstrated deep commitment to empower civil society organizations (CSOs) and ensure their sustainability. As a result of our engagement, more than 50 progressive laws affecting CSOs around Europe have been adopted thus enabling citizens to join and form associations and to undertake activities in sustainable manner.

Our **methodology of work** relies on: participation, transparency and local ownership. The methodology is supported by the following values and core-pillars of work:

- ❑ **Cutting-edge expertise and professionalism** that ensures high quality policy solutions, supported by ongoing research to identify best practices, the effects and impacts of legislation, factors of influence and other relevant information.
- ❑ **Regional perspective** which provides innovative approaches to domestic problems, by sharing alternative models, lessons learnt, best practices and experiences across borders;
- ❑ **Fostering collaboration among local partners in order to achieve better and more sustainable results.** ECNL's professional independence allows us to engage with a wide range of partners, including both government and CSOs - in the role of an "honest broker"; and facilitate successful collaboration among a diverse group of stakeholders.
- ❑ **A holistic human rights based approach** reflecting the principles and value-base of pluralistic democracies in which human rights are fully respected, and citizens are empowered to exercise their rights.

Over the past 10 years, ECNL has collaborated with partners and donors from over 20 countries from Europe and Eurasia. Most recently, our experience has been sought in countries beyond Europe and we now work in Mongolia, Iraq and other countries of the Middle East.

We are grateful for the collaboration with our local partners, CSOs, governments, parliaments from whom we learn not only share. We are also thankful to our donors, and the various multilateral institutions we engage in that have supported us over the years and with whom we work to create a conducive environment for the civil society to grow and contribute to the development of the country and citizen' needs.

II. 2012 AT-A-GLANCE

In 2011 ECNL continued to work for an enabling legal environment for civil society in Europe and beyond, through i) technical assistance on the legal and fiscal framework; ii) assistance in developing policies for government/parliament cooperation; iii) development of an analytical base for reform through research; iv) capacity development of local stakeholders; v) providing expertise and networking opportunities.

Country level: In 2012 ECNL provided assistance and was engaged in projects in over 4 regions including countries such as: Armenia, Belarus, Bosnia and Herzegovina, Croatia, Hungary, Iraq, Macedonia, Moldova, Mongolia, Montenegro, Serbia, Turkey, Ukraine, Uzbekistan. ECNL ran own multi-year programs in 4 countries.

ECNL run several regional projects through which it supported human rights and watchdog organizations to advocate for their sustainability; CSOs in the Western Balkans and Turkey to develop a matrix to monitor the environment for civil society in development, and CSOs from Euroasia to learn about the practices with the EU integration processes and increase participation in their policy making processes.

ECNL undertook extensive cutting-edge comparative research to support local partners and deepen understanding of new areas supporting or affecting the work of the civil society, such as fundraising laws, social contracting, participation of people with mental disabilities, and social enterprises.

Institutional developments

In July 2012, ECNL Executive Director position was taken by Katerina Hadzi-Miceva Evans. ECNL also welcomed Ms. Hanna Surmatz, Legal Counsel of the European Foundation Centre as its newest Supervisory Board member. In addition, ECNL hired three short term consultants (one from Estonia and two from Lebanon) to work on the Iraq UNOPS project.

Ms. Hadzi-Miceva Evans has been working with ECNL since its establishment and has made tremendous contributions to ECNL's success on the European and international scene over the past 11 years in the role of a Senior Legal Advisor. She was instrumental in developing key areas of expertise for ECNL, such as government-CSO cooperation models, public funding of CSOs, and volunteering. Ms. Hadzi-Miceva Evans gained and shared experience in law reform in most countries of Central and Eastern Europe and has helped transfer it to countries from the Middle-East to Central-Asia. She has also been deeply committed to CSO legal reform in Macedonia, her native country, where she played a key role in creating progressive laws and government policies for CSOs. Ms. Hadzi-Miceva is also involved in global initiatives aiming to promote an enabling environment for association and assembly. She holds a Masters Degree in Law from the Central European University in Budapest, where she co-founded the Human RightS Initiative.

ECNL's Core Activities and Services in 2012

□ Promoting development effectiveness and cooperation from a European Perspective.

ECNL engaged with the EU institutions and European CSO platforms to advocate for better policies on development and funding by the EC; in particular those relating to the IPA and European Neighborhood countries. In addition, through its affiliate ICNL, ECNL has been engaged in CSO advocacy at the global level, including follow up to the Open Forum on CSO Development Effectiveness and the Busan High Level Forum in 2010-2011.

□ Transfer of experience from EU new member states and within regions.

ECNL connects partners across borders to promote the sharing of comparative expertise by organizing regional events and study visits. ECNL makes available its comparative research papers and materials to stakeholders to support reform and capacity building. ECNL also assists pre-accession countries in developing civil society legislation in compliance with EU regulations. ECNL also supported the transfer of experience from [CSO involvement in EU integration processes to countries of Euroasia](#).

□ Monitoring Enabling Environment for Civil Society.

ECNL supported 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). The Matrix will serve as a shadow-monitoring and advocacy tool for CSOs; monitoring tool for the EC and other donors; and self-assessment tool for the governments. In addition, ECNL supports ICNL in running the [NGO Law Monitor](#), an online portal which provides an overview of the enabling environment issues in (currently) 41 countries and 8 multilateral organizations.

□ Expertise and facilitation in developing and implementing laws for CSOs.

ECNL has assisted governments and CSOs across Europe, Eurasia and Mongolia in undertaking reforms of legal frameworks affecting registration, governance and everyday operation of CSOs. For example, ECNL contributed to the development of draft laws, adoption or revision of framework laws on associations and/or foundations in Croatia, Hungary, Macedonia, Moldova, Mongolia, and Turkey. ECNL developed numerous comments to draft laws and analysis to support local reform. ECNL also worked with local partners to support implementation of the laws by providing expertise in regulation for implementation of the laws and capacity building on the newly developed laws.

□ Development of policies and laws for CSO sustainability.

ECNL provides critical expertise to help ensure CSO financial viability, sustainability and independence and which help support CSOs to mobilize people and resources to implement

their activities. ECNL has supported the conceptualization, drafting and implementation of draft laws, analysis, and comments on issues such as: (1) tax laws which provide benefits and incentives for philanthropy, including innovative mechanisms e.g., the so-called 1% laws (in Macedonia, Moldova, Serbia); (2) models for public funding of CSOs and mechanisms for transparent distribution of funds (for Ukraine, Mongolia); (3) Framework for social contracting (Moldova, Mongolia, Ukraine, Armenia and Kazakhstan); (4) Laws on volunteering (e.g., Bosnia, Macedonia, Moldova).

□ **Development of policies and mechanisms for public authorities/CSOs partnerships.**

ECNL worked closely with governments, parliaments and CSOs in designing and developing strategies for cooperation (e.g., Macedonia, Moldova, Iraq). Through the process ECNL provided capacity building on the topic for the local partners, comparative research, and facilitated local discussions in the drafting process.

□ **Capacity building for policy dialogue and law reform.**

Core to ECNL's mission is empowering local stakeholders to engage in policy dialogue and reform, through a variety of means (participatory law reform, interest-based negotiation, and inter-sectoral partnerships). ECNL worked closely with coalitions of CSOs building their capacity to develop strategies and advocate for change; held capacity building sessions on issues of advocacy, enabling environment, government-CSO cooperation (e.g., capacity building for officials and developing model forms and procedures in Macedonia.). ECNL also hosted interns (e.g., Sweden) and research fellows (e.g., Moldova) in the office to increase understanding of the legal issues affecting philanthropy and support reform efforts to introduce percentage mechanism in other countries. Through the law reform assistance,

□ **Development of Knowledge Base for Policy and Law Reform.**

Through research and analysis, ECNL aims to develop a comprehensive knowledge-base relating to CSO law and policy. ECNL research seeks to identify trends and developments affecting civil society within Europe, in neighboring regions and globally. Comparative have proved invaluable to the reform efforts of local partners. ECNL research is available on www.ecnl.org and www.icnl.org and is translated in different languages. In addition, ECNL contributes to [ICNL's online library](#) of civil society laws and policies, which currently contains 3016 resources from 194 countries in 44 languages.

ECNL is an affiliate of the [International Center for Not-for-Profit Law \(ICNL\)](#) with whom we engage in global initiatives, and support the work of the UN Special Rapporteur on Freedom of Association and Assembly.

For a more detailed list of ECNL publications, trainings and other activities see Annex 1 below.

III. SUPPORTING CSOs IN INTERNATIONAL DEVELOPMENT AND EU POLICY INITIATIVES

1. European Union Policy Initiatives

The European Union has increased its focus and attention on the enabling environment for civil society in the developing countries. ECNL engages with various directorates of the European Commission and local organization to support them in their efforts to create policies, programs and funding to address the opportunities and threats to civil society. In 2012, ECNL contributed to the wide consultation launched by the Directorate General Development and Cooperation (DG DEVCO). The aim of the process was to gathering views and good practices in relation to inclusion of CSOs and development effectiveness principles; challenges related to a shrinking legal and regulatory space for CSO action; promoting the participation of CSOs in public policy processes and in domestic accountability. It resulted in the development of the Communication *"The roots of democracy and sustainable development: Europe's engagement with Civil Society in external relations"* which promotes legal environment as one of the major EU commitments in its external actions. ECNL's contribution on enabling environment section was specially highlighted in the consultation report, especially ECNL's proposal on developing a three-tier approach for countries with various level of the civil society development that can ensure tailored policy approach and increased guarantees for freedom of association. ECNL's comments also dealt with the issues of CSO participation, cooperation, mass media and new media role.

CSOs are increasingly recognized as key players in promoting democratic governance, equitable development and inclusive growth. However, in many countries they also face increasing challenges relating to the restricting legal and political space in which they operate.

[Consultation on the future EU policy on "Civil Society Organisations in development cooperation"](#)

*The contributions also provide further guidance about the process of identifying and/or developing the indicators. [...] In connection to this there is an interesting proposal by the **European Centre for Not-for-profit Law (ECNL)** to use a three-level framework depending on the state of development of CS and safeguarding of standards.*

[EC Report on results of consultation on CSOs in Development Cooperation.](#)

2. Monitoring the legal environment for civil society in development

The focus on enabling environment on EU level but also in the countries throughout the world required further expertise and experience sharing as to what are the components of the concept that are relevant for specific countries and regions. To provide guidance on this matter, ECNL in collaboration with experts convened by the Balkan Civil Society

Development Network (BCSDN) was working on the development of the [*Monitoring Matrix and Toolkit on Enabling Environment for Civil Society Development*](#), under ICNL's Legal Innovation Fund. The Matrix, published in early 2013, defines principles, standards and indicators that can be used to define the enabling environment framework, to identify needs and to monitor the progress in the countries. The Matrix was preliminary designed to with consideration of the needs and priorities in the countries of the Western Balkans and Turkey. ECNL provided overall strategic support and expertise to the expert team during the development of the Matrix. ECNL also authored the Toolkit and brought in a wider international and legal perspective so that the Matrix and the Toolkit can potentially be used in countries beyond the Balkans. Currently, CSOs from several countries are undertaking national assessments, and ECNL is working to develop the methodology for it. In addition, the Matrix is considered by various DG directorates in the development of their strategies and programs.

3. Promoting development aid effectiveness

Creating an enabling environment that facilitate the improvement of aid delivery and aid impact has been in one of ECNL's priorities for years. In 2011 ICNL/ECNL attended the Global Assembly of the Open Forum on CSO Development Effectiveness in Cambodia and the Fourth High Level Forum on Aid Effectiveness (HLF-4) in Busan, Korea. The Busan process has been central in defining the aid agenda globally and across all development actors. Due to the successful advocacy of CSOs (including ICNL) and some progressive donor countries (incl. US and Sweden), the issue of enabling environment for civil society has been taken up in this global agenda. The endorsed Busan Partnership document sets out principles, commitments and actions that offer a foundation for effective co-operation in support of international development. As a follow up, consultative process was launched around the working arrangements for the Global Partnership for Effective Development Co-operation, a new, inclusive, multi-stakeholder forum monitoring the achievement of the Busan commitments. In 2012 ECNL remained an active participant of the initiative and continued to contribute to global and European discussions related to the formation of the new forum and ways CSOs can effectively act together after the Global Partnership has been set up.

4. Supporting sustainability of human rights watchdog CSOs

For the past few issues, ECNL undertook specific activities towards increasing the sustainability of human rights watchdog organizations, by focusing on funding programs at the EU level as well as advocacy support. In 2012, it published the [*Study Report on Upholding Sustainability of Voices for Human Rights - A Study on the Sustainability of Human Rights and Accountability Watchdog NGOs in ten new member states of the European Union*](#). In partnership with the Association of Leaders of Local Civil Groups from

Poland, and other watchdog organizations, ECNL remains involved in the process of developing new funding policy on human rights in EU through carrying out advocacy meeting with stakeholders at EP, CSO networks, other stakeholders; preparing opinion submission on the draft regulation of the new Rights and Citizenship Program. ECNL also developed a advocacy paper: *Fundamental Rights and Accountability Inside the EU: More Access – Better Procedures For Watchdog NGOs* on the need of better financing conditions for watchdog organizations active in EU. In addition, the partners developed a knowledge platform [Watchdog Organization Portal](#) which promotes and monitors activities and developments of watchdog organizations from European countries.

ECNL also follows up on developments regarding the new Rights' and Citizenship Program for the period of 2014-2020. In 2011 ECNL developed and submitted its input on the DG Justice consultation regarding future funding activities in the area of Justice, Fundamental Rights and Equality. The Consultation addressed the issues of new policy objectives, defining conditions of funding and European added value, simplification of funding mechanisms, eligibility of potential recipients of funding and types of funding mechanisms in developing the new EU financing program, which will among others make available financing support to human rights and watchdog organizations in EU. In 2012 at ECNL's request the submissions to the Consultation were made public on DG Justice webpage. Based on these submissions a draft Regulation was prepared on Establishing the Rights and Citizenship Program.

5. Sharing of European experiences with the other regions

Role of civil society in EU integration

ECNL is engaged in an International Visegrad Fund-supported initiative that aims to enhance the role of civil society in European integration processes in the Eastern Partnership countries. In the framework of the project, partners from V4 countries, including ECNL, provide access to their unique experience and know-how about CSOs' effective involvement in the EU integration, and strengthen the institutional capacity of partners from EaP countries, specifically Georgia, Armenia and Ukraine. The first activity was international event where the partners shared experiences from the integration process. The proceeds from the conference including, ECNL's paper [lessons learned and best practices of Hungarian CSOs](#), were published by the partner of the project, the International Center for Human Development (Armenia).



Training on Participation in Policy Making, Ukraine

Sharing Hungarian experiences with Uzbekistani stakeholders

ECNL in collaboration with the United Nations Development Program (UNDP) in Uzbekistan organized a study visit for government officials in Budapest focusing on the legislation and bodies which relate to co-operation between government and CSOs. Participants had the possibility to get acquainted with the operation of the public councils, the 1% legislation, the National Cooperation Fund and the public benefit law reforms in Hungary through meetings with government representatives and prominent CSO experts.

6. Participation in the Council of Europe Expert Council on NGO Law

ECNL experts have been invited to continue their membership in the Expert Council on NGO Law in the new three year term. The Expert Council operates under the authority of the Conference of INGOs of the Council of Europe. It aims to contribute to the creation of an enabling environment for NGOs throughout Europe by examining national NGO law and its implementation and promoting its compatibility with Council of Europe standards and European good practice. The Council will held its first meeting in the new composition in December 2012 during which it decided to focus its upcoming report on foreign funding issues and to address increasing crackdown of civil society in countries of the European neighborhood.

IV. HIGHLIGHTS FROM COUNTRY LEVEL INVOLVEMENT

EUROPEAN UNION

Hungary

Regulation of international development cooperation

There is a lack of legal regulation and strategy on international development cooperation in Hungary despite the fact that many Hungarian organizations, including ECNL, have been advocating for the adoption of such document for several years. In 2012, the Ministry of Foreign Development circulated a set of questions related to international development among various stakeholders (CSOs, ministries) the answers to which would be considered when drafting the strategy. As member of the Hungarian NGO umbrella organization, the Hungarian Association of NGOs for Development and Humanitarian Aid (HAND) ECNL took the lead in drafting the answers to the questions submitted on behalf of HAND. In addition, the Parliament Committee of Foreign Affairs submitted a proposal for the adoption of a parliament decision which would call upon the Government to develop and present an international development strategy until June 30, 2013.

Adoption of new Civil Code

ECNL was engaged in the reform of the Civil Code by providing comments to the draft versions. Part of the Code regulates the framework for foundations and associations, including the definition, rules on the establishment, the internal governance structure, the operation and the termination. In addition, ECNL is concerned that the new Civil Code may unnecessarily limit the discretion of CSOs to create their own internal governance structure. The New Civil Code was adopted in February 2013 and will come into effect on March 15, 2014.

Creating an enabling environment for disabled people to work

"I appreciated that the training was not theoretical, but rather, it was tailored to our own issues."

"Inspirational, well-composed with a lot of useful information"

- *Participants of the advocacy training*

ECNL is engaged in a project aiming to create an enabling legal framework for Hungarian companies to employ people with mental disabilities by improving the law on rehabilitation. ECNL held advocacy training for the project members which helped them to

jointly formulate their message, do power mapping and consider the variety of advocacy tools which may be used to advocate for legal change. The project is implemented with the National Autism Association, the Hungarian Association for Persons with Intellectual Disability, and the Salva Vita Foundation and is funded by the Trust for Central and Eastern Europe.

WESTERN BALKAN AND TURKEY

Bosnia

In 2008, the Government of the Republic of Srpska (one of the two entities in Bosnia and Herzegovina) enacted the Law on Volunteering. While the enactment of the Law was originally hailed as an important step in creating an enabling legal environment for volunteer activities, the implementation of the Law revealed a number of its shortcomings interfering into the relationship between volunteers and the organizers. In efforts to address these shortcomings, in September 2012, the Ministry of Family, Youth and Sport commissioned a working group composed of government officials and representatives of volunteer organizations to prepare revisions to the Law. The working group sought ECNL's assistance both in re-formulating the underlying concept of the Law and in drafting revisions. In addition, ECNL continued to provide technical assistance in the preparation of the new Bosnia and Herzegovina's Law on Associations.

Macedonia

Public authorities-CSO cooperation: ECNL was instrumental in developing the Government Strategy for Cooperation with Civil Society in Macedonia and its accompanying Action Plan (2012-2017). To support the implementation of the Strategy ECNL developed draft forms for reporting and planning, and held training and consultation for government officials and CSOs to support the finalization of the documents.



Public consultation on the Strategy. Macedonia

Photo: Julijana Daskalov

Collaboration for a Greater Social Impact in Macedonia

Though Macedonia has made significant progress in building democratic institutions and strengthening civil society, the country still faces obstacles to achieving an inclusive democracy and economic prosperity. Macedonia's government has been criticized for lack of transparency and for failing to consider citizens' needs while creating laws and policies.

To create a more transparent and accountable government in Macedonia, key stakeholders stressed the need to deepen partnerships between civil society and the government. The efforts of the European Center For Not-for-Profit Law (ECNL) to promote government-CSO cooperation culminated this year in the adoption of the second Strategy for Cooperation of the Government with the Civil Sector and an accompanying action plan. The Strategy, which outlines the direction for reforms for the next six years, provides an important channel to promote an ongoing dialogue between the government and civil society organizations.

ECNL helped develop the Strategy by providing expertise to the drafters and by facilitating the process, including organizing consultations with key decision-makers and CSO representatives. Under ECNL's leadership, civil society and public authorities were directly involved in drafting the Strategy and gained first-hand experience of a collaborative process. Highlighting the benefits of collaboration to both the government and CSOs can help mitigate disagreements between the government and civil society and can limit future attempts to restrict civic space. ECNL's emphasis on developing the strategy through a participatory process was an important step to help public authorities understand the needs of civil society and to foster government accountability to its citizens.

[ECNL's Annual Report.](#)

Implementation of CSO law: ECNL and its local partner, the Macedonian Center for International Collaboration, continue to support the implementation of the Law on Associations and Foundations. To guide the proper implementation of the law, ECNL held a training session on implementation for the recently established Public Benefit Commission. In addition, informational events were organized to facilitate increased awareness of the law among civil society.

Supporting favorable tax treatment and philanthropy: In 2012, the Macedonian Center for International Cooperation (MCIC) and ECNL supported the development of a comprehensive *Analysis of Tax Issues in Macedonia*, which included policy recommendations for reform. MCIC and ECNL are currently working with four experts to develop concrete recommendation for amendments to the draft laws. ECNL is collaborating with the Association Konekt, the Ministry of Justice and other local partners to reform the Law on Donations and Sponsorship and advocate for adoption of amendments agreed by all stakeholders. To support the process, Konekt with the support of ECNL developed an *Analysis of the Macedonian Law on Donations and Sponsorship in the Public Activities* is covering the period from the early implementation of the law 2007 to 2011. The purpose of the Analysis is to review the key challenges in the implementation of the law, and by providing recommendations for changing the law to support the reform process and drafting of the amendments of this legal act.

Serbia

At the end of 2012-early 2013 ECNL completed its seven-year project in Serbia, supported by the Institute for Sustainable Communities through USAID. Thanks to ECNL's expertise, project initiatives significantly contributed to creating a more enabling legal environment for CSOs in Serbia. The program has accomplished several important benchmarks in this respect, the most significant highlights being: (1) Enactment of the new Law on Associations, which brings the legal framework for associations in compliance with the international standards and regional best practices. Since the enactment of the Law, almost 7,000 new associations have been entered into the registry, which attest to the level of societal activities in Serbia; (2) Some of the most regressive provisions in the draft Law on

On October 25, 2012, the Serbian Ombudsman sent an official letter to the Minister of Finance, lending his Office support to the amendments which ECNL prepared in collaboration with local partners, Civic Initiatives and Balkan Community Initiative Funds, and urging the Minister to take them into considerations. The amendments, which have also been endorsed by the Government Office for Collaboration with Civil Society and numerous local CSOs call among others for simplified accounting rules for CSOs and for putting churches, religious organizations on equal footing with CSOs with regard to the accounting obligations.

- [Serbian Ombudsman Endorses ECNL's Amendments to the Draft Accounting Law](#)

Volunteers were removed from the final version; (3) Enactment of the Law on Endowments and Foundations, since when more than 50 new foundations have been entered into the registry, which is a quarter of the overall number of foundations operating in Serbia; (4) Amendments to the Property Income Tax Law, which contributed to the financial sustainability of associations, by removing a significant institutional barrier to private giving to charitable purposes; (5) Establishment of the Office for Collaboration with Civil Society in 2011, a unit solely responsible for dealing with the civil society issues; (6) Enactment of the Law on Youth and Youth Organizations, marking the culmination of efforts to create an institutional framework which recognizes the role of youth in society and encourages their

active participation in public affairs; (7) Regulation on Public Funding of Youth Organizations, creating a comprehensive and transparent mechanism of public funding of youth organizations, which will enable better utilization of otherwise stretched public funds designated for these CSOs and their projects, thus contributing to their financial sustainability; (8) Enactment of the Regulation on Public Funding of Associations, which provides for a transparent framework for public financing of charitable associations, endowments and foundations.

Turkey

At the end of 2012 ECNL launched a one year program of work in Turkey in partnership with the Third Sector Foundation of Turkey (TUSEV). The initiative aims to support reform of the law on associations and development of code for participation.

ECNL's work in the Western Balkan countries is undertaken with funding from the United States Agency for International Development (USAID), the NGO Legal Enabling Environment Program (LEEP) implemented by ICNL and PACT, inc., funding from the European Union (in Macedonia) and the Swedish Agency for International Development (Sida) supported project Civic Space Initiative, implemented by a consortium of organizations led by ICNL (in Turkey).

EUROASIA

Moldova

Public authorities-CSO cooperation: On September 28, 2012 Moldovan Parliament adopted the *Strategy and Action Plan for Development of the Civil Society in the Republic of Moldova for 2012-2015*. It is a second policy document of this kind adopted in Moldova, which outlines Government's planning for the next four years in terms of legal and fiscal regulation of the civil society sector, establishes principles of cooperation between public authorities and CSOs, includes general and specific objectives for the CSO development, sets the monitoring and evaluation mechanisms for the Strategy implementation. ECNL was closely involved in the preparation of the Strategy: ECNL experts participated in meetings of the working groups and provided ongoing assistance through sharing comparative materials and extending technical assistance in drafting. ECNL held several in person consultations with the drafter of the Strategy, provided three sets of written comments to the drafts based on good European and regional practices, prepared and distributed assessment of the final draft and, finally, developed an overview of the adopted document. ECNL's recommendations were considered by the drafters and most of them found appropriate reflection in the



ECNL attending meeting in the Parliament of the Working groups for the Strategy for CSO Development, April 2012

Strategy. ECNL's assessment of the final draft was also quoted during the Parliamentary session when the policy document was adopted. In comparison with the previous Strategy, the new document includes a detailed and concrete Action Plan for implementation with the timeframe, responsible Government bodies for implementation, sources of funding and progress indicators.

Financial sustainability stays at the core of challenges for the non-profit sector in Moldova. ECNL has been

assisting local stakeholders in exploring possible new sources of financing, including innovative indirect support from the state. There is great interest in preparing a percentage designation mechanism as a new financing opportunity for CSOs in Moldova. In coordination with Moldovan NGO Council, ECNL supported a fellow to carry out research of the Hungarian model of 1% law with an emphasis of specifics for introducing such a scheme in Moldova and possible solutions to apply it in the local context. Based on the fellowship research a comprehensive report was developed and shared with the local stakeholders. This triggered the establishment of a working group at the Ministry of Finance to review the possibilities for adopting a similar initiative in Moldova. ECNL currently provides technical assistance, comparative expertise and comments in developing the concept of the law.

At the end of this presentation, I would like to express many thanks to civil society representatives who were actively involved in developing the draft, including the National Council of NGOs, National Council for Participation and the European Center for Not-for-Profit Law from Budapest, FHI 360 who with support of US Agency for International Development provided expertise about the situation in the countries of Central and Eastern Europe. It gave us an opportunity to analyze and take positive experiences of the countries with better practices.

Liliana Palihovici, Vice President of the Parliament of the Republic of Moldova,

during the presentation of the draft Strategy for CSO Development, Parliamentary session V, September 28, 2012

Ukraine

Assessment of UNITER, a 5-year long USAID supported project: ECNL/ICNL were contracted to carry out the final assessment of the CSO legal environment component of UNITER, a five-year project implemented by Pact and funded by USAID, running through September 31, 2013. The objective of the assessment was to assess the existing legislative environment for civil society, the role of UNITER in the legal reform processes and provide recommendations for the further improvement of the legal framework. Importantly, the results of the assessment will be used by international actors to design similar programs aiming to address enabling environment for CSOs in the future. During year 2012 the first phase of the assessment took place, including the desktop review of laws, policy documents, reports and other materials. The assessors elaborated a detailed plan for conducting the data collection and the overall assessment. Based on the desktop review of all materials the assessors elaborated the outline as well as the pre-draft of the Assessment Report in December 2012. The desktop research provided a great opportunity for ECNL staff to gain an in-depth knowledge of the

overall legal environment of CSOs in Ukraine. The second and the third phase of the assessment- the country visit and the targeted analysis of the collected data- took place in 2013 and the final Assessment Report was submitted on April 25, 2013.



MPs from the Federal Parliament and CSOs
working on the main features of the document
(photo by Caroline Hammarberg)

Freedom of peaceful assembly: Ukrainian civil society has been witnessing a restrictive trend in court practices related to freedom of assembly which raised the attention of CSOs and international donors to the lack of sufficient legislation. In December 2012 ECNL provided its comments to the draft Law on Peaceful Assembly of Ukraine approved by Ukrainian Commission for Strengthening Democracy and the Rule of Law under the President of Ukraine. ECNL's comments gave an overview of common principles and good international practices in regulating freedom of assembly and a detailed analysis of some outstanding issues in the Draft. The comments served as a basis for a vivid discussion between the two coalitions of CSOs which envision different solutions for the existing problems.

MIDDLE EAST AND NORTH AFRICA (MENA)

Iraq

ECNL was contracted by UNOPS to help facilitate the process of the development of policy processes and mechanisms between the public authorities and civil society in Iraq on the Federal level as well as in the Kurdistan region. As a result, the Compact on partnership and development between Parliament, Government and NGOs in the Kurdistan Region of Iraq was been finalized in April 2013. The compact is the first of its kind in the Middle East and is the result of a year of discussions and consultations. It will institutionalize the relationship between public authorities and NGOs and outline the values and principles governing their relationship as well as the mutual responsibilities of the parties.

During the year of 2012 several activities took place under Federal level and Kurdistan region. The project activities were launched by setting up the Project Implementation Committees (PIC) for both components, and ECNL held capacity building workshops to increase understanding on the policy documents for cooperation and facilitate discussion on the main features, structure and goals of the documents. In addition, ECNL with the local

partner Network of Estonian NGOs, organized two study visits to Estonia for the groups to draw from the country's experience on developing government-CSO compacts for collaboration. Following up the visits, ECNL expertise organized drafting workshops to facilitate the development of the first draft document. In addition, ECNL experts held a Training for trainers session to enable selected local CSO representatives from the Kurdistan Region of Iraq to carry out awareness and consultation meetings on the draft Compact and moderate the consultation meetings effectively. ECNL is currently working with the Members of Federal Parliament and CSOs to develop the first policy document for Iraq.

ASIA

Mongolia

ECNL's experts have been providing technical assistance related to the ongoing legal reform affecting CSOs in Mongolia. Mongolia's Ministry of Justice launched a campaign to reform three laws governing CSOs: the Law on Public Benefit Organizations, the Law on Civil Society Organizations, and the Contracting Law. During 2012 ECNL submitted comments to the Draft Law on Public Benefit Activities.

V. RESEARCH HIGHLIGHTS

ECNL completed the first regional report on national policies as well as regional dimensions and mechanisms for cooperation between the public authorities and CSOs. The overall aim of the [*Keeping Up the Momentum*](#) Report is to present the current state of institutional cooperation between the government/parliament and CSOs in the countries of the Western Balkans and Turkey by providing analysis of the rationale and the ensuing benefits of cooperation. It outlines critical issues and provides recommendations as to how improve the current mechanisms and to increase the role of CSOs in that process. ECNL specifically looked at the following countries: Albania, Bosnia and Herzegovina (BiH), Croatia, Kosovo, the Macedonia, Montenegro, Serbia and Turkey.

ECNL developed a comparative report on the distinctive features of the [*legal framework for social economy/social enterprises*](#) in Italy, Spain, the United Kingdom, Slovenia and Austria. Prepared under UNDP's "Social Economy: Innovative model of economic and social development in Slovakia" project supported by the European Social Fund, the comparative study maps existing models of social economy in selected EU countries with an objective to analyze and present their experiences and practices with establishment and functioning of social economy.

ECNL developed a comparative analysis and [*Handbook on Non-State Social Service Delivery Models*](#) with examples from Armenia, Kazakhstan and Ukraine. The Handbook also includes European practices of social contracting that will assist the government officials in the mentioned countries and other countries of the region with developing or improving legal framework for involvement of non-state actors in social services delivery. The publication also provides hands-on recommendations to the authorities in contracting social services on the local level. Since its release in July 2012, the Handbook has been translated into Romanian and Russian, which makes the research accessible for partners across CIS region.

The Study Report on [Upholding Sustainability of Voices for Human Rights - A Study on the Sustainability of Human Rights and Accountability Watchdog NGOs in ten new member states of the European Union](#) was prepared by the ECNL in partnership with the Civil Society Development Foundation (CSDF - Hungary), Center for Philanthropy (CfP - Slovakia) and Political Capital Policy Research & Consulting Institute (PC - Hungary) within the framework of the project "Upholding Sustainability of Voices of Human Rights" supported by the Open Society Institute and Trust for Civil Society in Central and Eastern Europe. The Study Report starts with an overview of the EU human rights framework, the human rights context and the state and financial sustainability of human rights and accountability watchdog (HRAW) NGOs in the New Member States (NMS), followed by country profiles for each new member state. Further on, the Study Report provides a comprehensive analysis of the EU funding available for HRAW NGOs and its conditions. The Report includes learning points and suggestions for advocacy for better support of HRAW NGOs.

ECNL was subcontracted by the Organization for Security and Co-operation in Europe (OSCE) Mission to Skopje, to support the development of participatory and transparent law-making process. As part of the project, ECNL co-authored a comparative paper on the [criteria and mechanisms for selection of CSOs in government bodies](#) (cross sector working groups, councils, national boards etc) and models for improved framework and guidance to government officials and CSOs. The publication is available both in English and Macedonian.

Annex 1: Illustrative list of publications, comments, and other activities

Articles/publications/papers/reports prepared by ECNL

1. Handbook on Non-State Social Service Delivery Models- A guide for policy makers and practitioners in the CIS Region. (UNDP Bratislava) (translated into Russian and Romanian)
2. Legal framework for Social Economy and Social Enterprises: A Comparative Report. (UNDP Bratislava)
3. Criteria and Procedures for Selection of Civil Society Organizations in Cross-sector Bodies. (OSCE Macedonia)
4. A Comparative Analysis of Civil Society Foundations and Funds. (ICNL/Charles Stewart Mott Foundation)
5. The role of Civil Society Organizations in European Integration Processes: Lessons learned and best practices of Visegrad countries. (Visegrad Fund)
6. Keeping up the Momentum: Improving Civil Society Cooperation with Public Institutions in the Western Balkans and Turkey. (European Union TACSO)
7. Upholding Sustainability of Voices of Human Rights - A Study on the Sustainability of Human Rights and Accountability Watchdog NGOs in ten new member states of the European Union. (OSI)
8. Fundamental Rights and Accountability Inside the EU: More Access – Better Procedures For Watchdog NGOs - Advocacy Paper. (CEE Trust)
9. Guide for the public benefit non-governmental organizations of the Republic of Moldova - Legislative innovations - general observations and practical application. (USAID, FHI360)
10. The Percentage designation based on the Hungarian Model: can it make a difference in Moldova? – fellowship report by Andrei Brighidin, Fellow at ECNL.

Laws/legal regulations/policy documents adopted or drafted with the support of ECNL

1. Strategy for Development of the Civil Society in the Republic of Moldova for 2012-2015 (the Strategy) and the Action Plan on Implementation of the Strategy for Development of Civil Society in the Republic of Moldova for 2012-2015 (the Action Plan), September 2012
2. Macedonia Strategy for Collaboration with Civil Society (2012-2017) and the accompanying Action Plan, June 2012
3. Draft Law on Donations and Sponsorship in Public Activities, Macedonia;

4. Amendments to the Draft Accounting Law, Serbia;
5. Draft Law on Volunteering Republika Srpska;
6. Regulation on Public Financing of Associations, Serbia.

Written comments submitted to draft laws/legal regulations/policy documents

1. Written comments to the draft Civil Code in Hungary;
2. Written comments to the draft Law on Public Benefit Activities in Mongolia;
3. Comments to the draft Strategy in Moldova;
4. Written comments to the draft Regulation on volunteering in Moldova;
5. Comments to the draft law on assembly, Ukraine;
6. Draft Law on Volunteering Republika Srpska;
7. Comments to draft Law on Associations, Bosnia and Herzegovina

ECNL participation at events to share experiences as speaker:

1. Partnership for change: Civil Society and the Governments in the Western Balkans and Turkey (15 March 2012, Belgrade, Serbia);
2. Stakeholders' meeting under the Social Economy Project (23 March 2012, Banska Bystrica, Slovakia);
3. Conference on Fundraising For Development And Relief: A quest for private sources in CEE region (23 - 24 May 2012, Bratislava, Slovakia);
4. ViabilityNet meeting (1 June 2012, Varna, Bulgaria);
5. European regional consultation for the CSO Partnership for Development Effectiveness (3-4 July 2012, Belgrade);
6. Regional Civil Society Conference: for Europe of the Western Balkans and Turkey (26-28 September, Zadar, Croatia);
7. Open Government Partnership European Outreach Meeting (4-5 October, Dubrovnik, Croatia);
8. The Power of One Conference, UNDP (8-12 October 2012, Nicosia, Cyprus);
9. Comparative Law Conference on Best Practices relating to the legal framework for charitable and other public-benefit organizations (12 November 2012, Bishkek, Kyrgyzstan);
10. The Role of Civil Society in EU Integration Processes: Real Engagement through Effective Involvement (22-23 November, 2012, Yerevan, Armenia);
11. Eastern Partnership Civil Society Forum (29-30 November 2012, Stockholm, Sweden)

Capacity building (trainings/study visits/fellowships) ECNL organized:

1. Training on CSO-government cooperation for government officials in Macedonia (May 2012);
2. PBO training for Macedonian stakeholders (July 2012);
3. Social contracting training in Moldova (October 2012);
4. Advocacy training for experts within the framework of the CEE TRUST „Advocacy for broadening and improving employment opportunities of people with intellectual disabilities and autism spectrum disorder” project in Budapest (5 October 2012);
5. Study visit for Uzbekistan officials on public councils in Budapest (25-29 November 2012);
6. Hosting fellow from Moldova to carry out research of the Hungarian model of 1% law;
7. Hosting 3 interns to carry out research work on fundraising laws and anonymous donations.