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

**SUPPORTING DEVELOPMENT AND STRENGTHENING OF CIVIL SOCIETY AT THE COUNTRY LEVEL**

**HUNGARY**

In 2015 ECNL implemented projects in Moldova and the Western Balkans (with focus on Macedonia and Kosovo), Ukraine, Iraq, Mongolia, Belarus, Armenia, Georgia and Cyprus.

We profiled Hungary’s legal framework regulating CSOs in several studies and papers, including the *Country Notes of the Council of Foundations*, the *Council of Europe (CoE) Study on Regulating Political Activities of NGOs*, the *Comparative Paper on the Regulatory Framework for Fundraising* and the *Book about Civil Society in Europe*. We also shared practices from Hungary in other countries, including Moldova, Mongolia, Armenia and Kosovo. Hungary’s 1+1% designation mechanism served as an inspiration and model in the process of developing similar mechanism in Moldova. ECNL also completed a **comprehensive expert opinion** on the enabling environment for philanthropy in Hungary. Parts of the opinion were integrated in the 2015 *Index of Philanthropic Freedom*. The Index provides an overview of the regulatory framework for CSO formation, operation, dissolution, domestic tax and fiscal issues, cross-border philanthropic flows as well as the socio-cultural environment for philanthropy.

**MOLDOVA**

ECNL and its partners continued to support the development and strengthening of the civil society sector in Moldova. ECNL provided targeted assistance to the State Chancellery and the ministries as main implementers of the CSO Development Strategy, a key document which outlines reforms and activities that will improve the conditions for the work of the sector. ECNL supported these partners to increase capacity and meet the Strategy’s objectives. For example, ECNL organized expert meetings and a study visit for these public officials to Hungary and Slovakia, which contributed to the development of the percentage designation mechanism, as one of the priorities in the Strategy. Furthermore, ECNL provided expertise in the

**ECNL**

The European Center for Not-for-Profit Law (ECNL) supports the creation of an environment conducive for the work of civil society in Europe and beyond.

ECNL provides expertise in the development of policies and laws that guarantee the enjoyment of fundamental individual and collective rights, specifically the freedom of association, assembly, and participation in public affairs.

ECNL supports the elaboration and implementation of international development cooperation policies in Hungary and Europe, with special regard to the enabling environment for civil society organizations (CSOs).

ECNL’s activities are part of overall framework of international development cooperation and contribute to the development and consolidation of democratic systems through emphasizing good governance and respect of human rights and fundamental freedoms.
development of a better legal framework for social enterprises: we co-organized and participated in the first national conference on social enterprises and provided technical assistance to the Social Entrepreneurship Platform to draft amendments to the law on social enterprises. Through its expertise ECNL’s fostered a common understanding of the concept of social entrepreneurship between CSOs, state authorities and businesses. Furthermore, ECNL developed and contributed to 9 policy documents on a range of issues affecting the work of the Moldovan sector and thus helped partners to gain access to a cutting-edge expertise in their efforts to build a sustainable civil society sector. For example, ECNL also worked with Moldovan experts to review the legal framework for fundraising and develop recommendation for improvement. ECNL also vested efforts in building local capacity, knowledge and professional skills of the Legal Resources Centre from Moldova (LRCM), the Moldovan think tank that just started working in the area of CSO law, and now is leading several important CSO law reforms. Through in-house fellowship in Budapest and tailored distant training curriculum sessions on conducive CSO environment, ECNL enabled LRCM’s experts to engage proactively in reforms in their country. ECNL held a seminar on advocacy and a follow up mentorship course for CSOs from the regions, thus promoting grassroots CSOs’ local level participation and advocacy.

In Macedonia, ECNL continued to support efforts to increase financial sustainability. ECNL developed several publications on the regulation of philanthropy that aimed to enhance CSOs’ opportunities to raise funds from domestic resources: (1) expert commentary providing recommendations for the authorities on how to improve the legal framework and ensure greater engagement in philanthropic giving; (2) step-by-step implementation guide on the law regulating donations in order to enable donors to utilize already available tax incentives; and (3) comparative overview of various regulatory issues pertinent to philanthropy. All the documents were distributed among CSOs and state authorities, and were used to further discussions on how to improve the legal framework of fundraising. In addition, ECNL provided expert support to local partners in their efforts to amend the respective legislation, shared European best practices for consideration and provided technical assistance to the implementing institutions. We also supported our partners in Macedonia to develop and publish the updated Guide on Economic activities: Doing business by civil society organization. Furthermore, ECNL prepared a comparative analysis of the tax laws affecting CSOs in Bulgaria, Croatia, Czech Republic and the UK. In the document ECNL provides comparative information on the specific tax issues relevant for the Macedonian context and contributes to the debate on possible improvements of the CSO tax regulation.
Local partners used the analysis to present its recommendations and their applicability to Macedonian context at a working meeting between CSOs and the Public Revenue Office, Ministry of Finance and Governmental Unit for Cooperation with CSOs. The analysis was further updated and will be used for revision of the proposed tax law.

**KOSOVO**

In Kosovo, ECNL assisted the local partner Kosovar Civil Society Foundation (KCSF) in its efforts to reform the Law on Freedom of Association in NGOs (NGO Law) and tackle counterterrorism policies and measures affecting CSOs. ECNL with its partner developed a comprehensive legal assessment and implementation report, which were broadly shared and discussed among stakeholders. The main findings were presented at the first public consultation on the NGO Law Concept Note, the legal assessment was formally submitted to the Minister of Public Administration and the recommendations were promoted in the working group meetings. In addition, ECNL provided expert support to the written comments on the Law on the Prevention of Money Laundering and Terrorist Financing (AML/CT Law) and co-organized a consultation workshop, which was the first formal dialogue between the authorities and CSOs on this topic. Also, ECNL provided expertise to the local partner in their legal analysis on a case, where a local bank suspended the accounts of hundreds of organizations in Kosovo.

**UKRAINE**

In Ukraine, ECNL supported a local partner in preparing the first draft law on peaceful assemblies. The draft, which relies on good practices from the European Union ECNL shared, was registered in the Ukrainian Parliament at the end of the year.

**IRAQ**

ECNL continued to support the implementation of the first policy document for cooperation (Compact) in the Middle East adopted in the Kurdistan Region of Iraq. ECNL’s expertise contributed to the creation of the regulatory framework necessary for the launch of the implementation of the Compact. In 2015 ECNL organized 2 workshops on this topic, finalized the Action Plan, the implementing regulation and monitoring and reporting plan to the Compact. Despite the extremely difficult political and economic situation, ECNL was able to achieve results: hundreds of CSO representatives, government officials and MPs learned about the Compact in-depth and became able to take part in its implementation and monitoring.

**MONGOLIA**

ECNL continued to support the Ministry of Justice of Mongolia in carrying out a comprehensive package of reforms on 3 key legal issues affecting the civil society sector: the legislation on CSOs, public benefit activities and contracting out certain government functions. ECNL co-organized a public consultation with state officials and CSO representatives and developed written comments to the draft laws and concepts. Several recommendations of ECNL that would positively affect the legal environment for CSOs were taken into consideration by the Ministry. ECNL also submitted comments to a draft law on law-making and specifically to its provisions on public consultation.

**BELARUS**

ECNL assisted partners in their advocacy efforts to promote better legal environment for CSOs in Belarus. ECNL prepared a Handbook on CSO registration and operation in 8 European countries to provide practical information for local CSOs and deepen their knowledge base on civil society regulations. ECNL developed 3 research papers on: regulation of economic activities by CSOs, on access to external funding, and self-regulation initiatives. The papers served as basis for discussion in Belarus, but also in other countries (Armenia, Moldova), and helped develop the expertise of local CSOs on these crucial issues. We also submitted an expert opinion on the revision of the Decree of Gratuitous Foreign Aid as part of the
official consultation procedure of the Humanitarian Department of the President’s administration. The expert opinion was shared with local partners to be used in their upcoming engagement on this issue. ECNL experts also participated as speakers in the first Belarusan NGO Forum, where our comparative expertise was shared with over 100 participants.

**ARMENIA**

ECNL re-launched its work in Armenia by engaging in the development of a new Law on Public Organizations, which will provide basis for CSO work. ECNL work was carried out through developing 2 sets of written comments and sharing comparative expertise during public consultations and in-person meetings with state authorities and CSOs. Many of ECNL’s comments were considered and integrated in the latest draft of the law. In addition, ECNL, in consultation with local partners, prepared a draft assessment tool for measuring enabling legal environment for CSOs in Armenia, which will be used by local partners to appraise the current health of CSO environment.

**GEORGIA**

At a request of local partners in Georgia, ECNL prepared 2 research papers on policy documents for cooperation. One paper presented lessons learnt in Europe on how to ensure effective implementation of policy documents for cooperation, the other focused on institutional mechanisms for cooperation. ECNL’s research papers were used to further government-CSO cooperation in the country.

**CYPRUS**

In Cyprus ECNL provided assistance to the legislators in the Northern part of the country on how to align their Law on Associations with the international standards. ECNL provided comments on the draft law and took part in a session of the committee discussing the draft. As a result of ECNL’s work, the law has improved by allowing CSOs to engage in fundraising without additional burdens and by reducing the bureaucratic requirements for their operations.

**PROMOTING ENABLING ENVIRONMENT FOR CIVIL SOCIETY AT THE REGIONAL LEVEL**

**EU**

As a member of CONCORD group, ECNL contributed to shaping the international development cooperation agenda of the European Union by submitting an opinion in the consultation on the review of the European Neighborhood Policy.

ECNL worked with the European Union Directorate-General of Development and Cooperation on developing 3 case studies on successful models to improve the legal environment for civil society. This is a key priority for the EU in its external development cooperation relations. The case studies discuss reforms in Brazil, Myanmar and Kenya and aim to support the engagement of EU delegations in this area of work. In addition, ECNL spoke at 2 international events organized by the EU, one focusing on closing civic space and the other on freedoms of association, assembly, expression in EU and MENA region. At the events, ECNL presented the current trends that affect the work of the sector globally, and also the possible EU responses that can contribute to progressive implementation and enjoyment of the fundamental freedoms.
ECNL continued its engagement with the CoE Expert Council on NGO Law and started updating the *Study on Regulating Political Activities of NGOs*, including the country notes on Hungary, Slovakia and Moldova, among others. We also supported the newly elected President of the CoE Conference of INGOs in preparations to her country visit to Moldova. In addition, in 2015 ECNL joined an advisory group of the CoE project that aims to advance the standards and principles on *participation in political decision-making*, and were invited to prepare an outline of the guidelines to support participatory processes in CoE member states.

OSCE ODIHR

ECNL participated at OSCE ODIHR Civil Society Forum, where CSO representatives discussed the participation of associations in *public decision-making processes*, reviewed good practice examples and identified some general principles and practical measures for enhancing public participation. As a follow up, the OSCE ODIHR developed guidelines on participation, which we have shared and are used in our activities to support better participatory frameworks.

WESTERN BALKANS

Monitoring mechanisms for enabling environment in the Western Balkans remained to be one of the focus areas of our efforts. In 2015 ECNL worked on a *standardized questionnaire* for in-country monitoring of the state of enabling environment, which help partners to revisit and amend their data collection methods. The questionnaire unifies different approaches used by the country experts when conducting surveys with CSOs. ECNL also kicked off the preparations of a *self-assessment tool* for governments on conditions for civil society development. The aim is to create a unique tool that does not duplicate existing instruments, but helps governments assess their needs and areas to strengthen their capacities. In June 2015, ECNL developed and presented a *Regional Report on the Monitoring Matrix on Enabling Environment for Civil Society Development* to EU representatives in Brussels. At the event ECNL experts discussed how the EU could utilize the outcomes and recommendations of the report, which analyzes the state of the civil society in countries of Western Balkans and Turkey, and how the results can be used for assessing the situation in these countries.

ECNL also launched a *pilot research for monitoring* the legal framework and practical implementation of the *right to freedom of assembly* in 5 Western Balkan countries in order to increase understanding of how this freedom is applied and how it can be protected. ECNL and partners will develop recommendations for action on safeguarding the right to free assembly in these countries, for both governments and EU/donors.

ECNL also participated at regional CSO meetings in the Eastern Neighborhood focused on *international development cooperation* (including the Eastern Partnership Forum in Ukraine and the Black Sea Forum in Georgia). At these events ECNL shared comparative and regional information on implementation of freedom of association and its effect on civic space, hence contributing to emerging regional debate in the Eastern Neighborhood on enabling environment for CSOs. In addition, ECNL was a speaker at the opening panel at the 6th General Assembly of the EU-Russia Civil Society Forum in Budapest, where we discussed components of enabling environment for CSOs and strategies to counter restrictive regulations from an EU perspective.
INFLUENCING GLOBAL POLICIES THAT AFFECT ENABLING ENVIRONMENT FOR CIVIL SOCIETY

**UN**

In 2015 ECNL continued to engage with the UN Human Rights Council (HRC) members on civic space issues and the topic of public participation in political affairs.

ECNL assisted Office of the United Nations High Commissioner for Human Rights (OHCHR)’s work in preparing practical recommendations on safeguarding civic space through organizing consultation with partners from Europe. ECNL summarized and submitted the good practices and examples shared by key European human rights and development organizations and networks to OHCHR for their consideration for the report. The report will support implementation of freedom of assembly, freedom of association, freedom of expression and public participation in UN member states.

ECNL contributed to OHCHR’s work on promotion of the right to participation in the conduct of public affairs. ECNL provided comments and expertise in the development of the report about best practices, experiences, and challenges around the right to participate in public. In addition, ECNL submitted comments to the draft Resolution on Equal participation in political and public affairs, which was adopted by the HRC in September. These documents (report and resolution) will facilitate enhancing participation practices in UN member states.

**FATF**

In 2015 ECNL continued to advance work on changing the restrictive global policies on counter-terrorism developed by the Financial Action Task Force (FATF) that affect CSOs. ECNL is co-leading a global and European coalition on NPOs engaged on FATF issues, raises awareness, collects information and monitors restrictions of civic space in the name of counter-terrorism, and actively contributes to the revisions of the FATF documents. As a result, FATF agreed to more formal dialogue with the sector. ECNL actively engaged in the revision of the one of the key FATF document the Best Practice Paper (BPP) for the implementation of the FATF’s Recommendation 8. ECNL co-lead the NPO Coalition in drafting comments and asks that the Coalition submitted during the consultation process. Key suggestions by the coalition partners were included in the revised BPP, which is expected to contribute to a better understanding and application of the FATF standards on the sector. ECNL also worked with its partners to launch an web platform that facilitates engagement of CSOs with the FATF, provides information on the topic and research analysis that supports reform of the FATF regime as well as national level engagements (e.g., in Kosovo, Brazil).

ECNL engaged with the CSOs monitoring the work of the International Financial Institutions (IFIs), and it developed a short comparative paper on how IFIs can contribute to better human rights and enabling environment conditions. This paper will provide guidance for addressing enabling environment conditions in the work of IFIs.
### RESEARCH, SHARING EXPERTISE AND DEVELOPING KNOWLEDGE BASE FOR POLICY AND LAW REFORM

#### RESEARCH

ECNL conducted a research analysis of regulatory frameworks for social contracting and practices in 9 Eastern Europe and Central Asia countries, including Belarus, Bosnia and Herzegovina, Kyrgyzstan, Macedonia, Moldova, Montenegro, Serbia, Tajikistan and Ukraine. The purpose of the analysis was to identify the opportunities for CSOs in the countries to engage in social contracting and to identify good practices or gaps in the systems. ECNL developed fact sheets on the legal framework and practical implementation of social contracting, with focus on CSO engagement in national HIV response, and provided recommendation in the areas of national HIV response, CSO environment and social contracting.

ECNL developed a comparative analysis on cooperation documents between state and CSOs in Bulgaria, Georgia, Moldova, Estonia, Croatia and the Philippines to support the discussion on the adoption of a similar document in Kyrgyzstan. The practical analysis provides information on the process of developing the cooperation document and its implementation rather than narrative description of documents themselves.

ECNL developed a paper providing an overview of decision-making mechanisms and governance structures of CSO networks to support a CSO platform partner in devising a more formalized structure.

#### SHARING KNOWLEDGE

Furthermore, ECNL co-organized sessions and participated at the Global Forum in Stockholm, which convened 200 leading thinkers and practitioners from 80 countries to assess the civil society space and the possibilities for its advancement. ECNL delivered sessions on domestic fundraising regulation, freedom of assembly and the impact of counterterrorism measures on CSOs.

ECNL provided support in running the NGO Law Monitor, an online monitoring portal on the enabling environment issues in over 30 countries and 8 multinational organizations. In addition, ECNL also contributed to the maintenance of ICNL’s online library of civil society laws and policies, which currently contains 3613 resources from 205 countries and territories in 62 languages.
3. Introduction of the public benefit activity (per activities)

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 (06.06) 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,
- governments, parliaments, state authorities (fiscal and tax authorities), public institutions, local governments,
- companies and financial institutions (banks),
- Intergovernmental bodies: UN bodies (OHCHR, UNHRC), FATF, Council of Europe, OSCE ODIHR; EU institutions,
- donor community, citizens, academics, international experts, activists

Number of beneficiaries of the public benefit activity

In 2015 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 12 capacity-building trainings. ECNL’s work on a more enabling legal environment indirectly benefited thousands of people and numerous civil society organizations in the establishment and operation of associations and foundations. In 2015 ECNL has
contributed to raising awareness among a wider range of beneficiaries about safe and enabling operating and legal environment for civil society, the importance of public participation and international development cooperation. ECNL’s work has been covered in national and regional media. ECNL representation in social media through its Twitter account increased to 415 followers from 300 last year, has an average of 25,000 impressions a month, with a continuous Twitter presence of 2-3 tweets a day. ECNL’s newly designed webpage is visited by 2000 users monthly.

Main results of the public benefit activity

- **24 RESEARCH PAPERS**
- **10 POLICY PAPERS**
- **13 COMMENTS**
- **24 EVENTS**

ECNL contributed to widening the knowledge base and comparative know-how of fundamental rights with 2 regional researches, 18 comparative papers and 4 guidelines and handbooks. ECNL supported the democratic environment of CSOs by developing 10 policy papers and submitting its comments to 6 draft laws and 7 policy-level documents. ECNL organized 8 events and delivered presentations at 16 regional or national events, thus contributing to increased understanding of how to further the protection of fundamental rights. ECNL hosted 3 interns in 2015.