



European Center for
Not-for-Profit Law



**PUBLIC BENEFIT
REPORT
FOR THE YEAR 2013**

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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. It **supports the creation of an environment conducive for the work of civil society** in Europe and beyond. In order to do so, ECNL supports the development of policies and laws that guarantee the enforcement of the fundamental individual and collective rights, specifically the freedom of association and the freedom of assembly, as well as citizen participation in the local public affairs and the development of civil society. Through its expertise ECNL ensures the observance of fundamental individual and collective rights. 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. ECNL's activity fits into the general framework of international development cooperation and contributes to the development and consolidation of democratic systems through emphasizing good governance and the respect of human rights and fundamental freedoms.

10 years of ECNL since its establishment

ECNL celebrated its 10-year anniversary this year. On June 19, 2003 it was registered by the court in Budapest, Hungary as non-profit public benefit company. In this way it continued to operate as independent entity, building upon and expanding the work previously carried out by Budapest branch of the International Center for Not-for-Profit Law (ICNL). Over the past decade, we have become a leading European organization in the field of civil society law extended our work to regions such as Eurasia and Middle East and North Africa (MENA) and influencing policy on level of the European Union (EU) and United Nations (UN).

Over the past 10 years:

1. We have grown beyond providing technical assistance and have become a leading European resource organization in the field of civil society policies and law;
2. We are proud to have highly professional and committed staff with recognized expertise;
3. We have assisted with development of over 60 policies and laws affecting CSOs around Europe and beyond;
4. We have expanded our work in regions and countries beyond Europe, as diverse as Mongolia and Iraq;
5. We have developed substantial expertise and knowledge base on such issues as CSO-government cooperation, public financing, volunteering and many others;
6. We are exploring new areas including counter-terrorism, freedom of assembly, CSO accountability, social enterprise, contracting government tasks;
7. We have deepened our cooperation with various inter-governmental agencies including the EU, UN agencies, OSCE and the Council of Europe;
8. We are increasingly involved in global initiatives with ICNL colleagues; by contributing to global forums and supporting the mandate of the UN Special Rapporteur on the freedom of association and assembly;
9. We have diversified our funding base;

"Congratulations for reaching your 10th anniversary and even more congratulations to all at ECNL for everything you have achieved. Yours is an impressive record, but it is sobering to reflect that the unique skills of ECNL in protecting the rights of association and of civil society are perhaps more needed now than ever."

John Clark, ECNL's Supervisory Board
Member

10. We are grateful to have built a wide network of partners, with whom we share, learn and collaborate to create a conducive environment for the civil society to grow and contribute to the development of the country and citizen' needs.

II. 2013 AT A GLANCE

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, with special regard to freedom of association and the rights of people with mental disabilities. ECNL supported the development and implementation of the international development cooperation policy in Hungary. ECNL also worked in the following countries in 2013: Macedonia, Bosnia and Herzegovina, Moldova, Kosovo, Ukraine, Mongolia, Morocco, Turkey, Cyprus, Iraq and others. ECNL deepened its engagement in the countries of the European neighborhood, and it also was awarded a consequent five year grant to work in Moldova. In addition to Iraq and Mongolia, we expanded our work to include Turkey, Belarus and Georgia.

ECNL continued to run **regional projects** through which it supported human rights organizations to advocate for their sustainability; CSOs in the Western Balkans and Turkey to develop tools to monitor the legal environment for civil society in development, and CSOs from Eurasia to learn about the practices with the EU integration processes and increase participation in their policy making processes. In addition, ECNL provided capacity building on issues regarding institutional partnerships and public funding, to public authorities and civil society from the Middle East and North Africa Region.

ECNL was active in initiatives on **European and global level**. ECNL provides expertise to Hungarian, European platforms as well as European Commission in the development of the European policy regarding civil society development. ECNL supports the work of the UN Special Rapporteur on Freedom of Association and Assembly and organizes side events at the Human Rights Council to increase understanding of the fundamental human rights issues covered by his reports as well as bring to attention the needs and issues around civil society development. ECNL also engaged with European and international organizations to support the follow up to the global aid effectiveness initiatives and development cooperation and on issues such as counter-terrorism policies and laws and right to participation.

ECNL undertook extensive **comparative research** to support local partners and deepen understanding of new emerging areas supporting or affecting the work of the civil society and the fundamental rights, such as freedom of assembly, rights of civil society to engage in policy formulation, participation of people with mental disabilities, laws that affect fundraising for development, contracting out government tasks to non-state actors, and communication as a tool for advocacy and fundraising.

We also **expanded our thematic portfolio** by extending our work in the areas of counter-terrorism, public participation on national and global level and fundraising legislation.

Media Presence

ECNL has been increasing its visibility and communication among and with partners, and stakeholders in order to raise awareness among broader pool of beneficiaries. ECNL's work on the country and regional level is covered in national and regional media. Examples include:

Video interview with Katerina Hadzi-Miceva-Evans on ECNL's Regional Report on CSO-Public Institution Cooperation (Keeping Up the Momentum), published within the framework of the EU-funded Technical Assistance to Civil Society Organisations (TACSO) project (2013): <http://www.ecnl.org/index.php?part=14news&nwid=434>

IPN News Agency interview with ECNL's experts, Hanna Asipovich and Eszter Hartay on enabling legal environment and long-term sustainability of CSOs in Moldova (2013): <http://www.ipn.md/en/special/55393>

ECNL is represented in social media through the ECNL twitter account <https://twitter.com/enablingNGOlaw> (established in December 2013) with 136 followers (as of May 2014) and through ICNL twitter account.

Staff development

ICNL and ECNL co-organized the first ever distance learning program to provide staff and partners of the ICNL Alliance with knowledge, skills, and concrete tools that they can apply directly in their work. Training modules were held in the following areas: comment writing, program management, organizing training activities, contract management, financial management, and communications. The 4-month distance training program culminated in a one-week workshop in Budapest at the end of June.

ECNL and the Bulgarian Center for Not-for-Profit Law (BCNL) co-organized a joint training for staff members. Topics of the training included: emerging issues to lifecycle of organizations, social entrepreneurship, advocacy on UN level, freedom of association for people with mental disabilities, as well as agreed on two themes for joint program development initiatives.

In addition, ECNL staff members took part in individual staff development program organized by ICNL.

III. ECNL core activities in 2013

■ 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.

Adoption of the new Civil Code and the amendment of laws regulating CSOs: ECNL elaborated and submitted its comments during the general consultation procedure back in March 2012 on the regulations for foundations and associations, including the definition, rules on the establishment, the internal governance structure, the operation and the termination. In addition, ECNL provided its comments to the package of legal amendments to laws affecting CSOs (Law CCXIII of 2013 on the amendment of laws related to civil society organizations due to the adoption of the new Civil Code and other purposes) in October 2013. Finally, ECNL carried out an initial analysis of the implementation of the new CSO Law as regards to public benefit status and reporting requirements in July. In order to map out how CSOs adhered to the new public benefit

and reporting requirements, ECNL reviewed nearly 140 annual reports in order to make proposals on how the lawful implementation could be further supported by the state authorities.

Creating an enabling environment for the right of people with disabilities to work: ECNL continued working with Salva Vita Foundation, AOSZ (National Autism Association) and ÉFOÉSZ (Hungarian Association for Persons with Intellectual Disability) in a project which aimed to create an enabling legal framework for Hungarian companies to employ people with mental disabilities by improving the law on rehabilitation. During the period of the report, ECNL supported the group to develop a comparative research paper on the qualification system of people with minor mental disabilities and autism in Great Britain, Germany, France and Hungary. The comparative research paper with recommendations was distributed among decision makers. In addition, the project group members participated at in-person meetings with decision-makers and organized a separate session at the Autism-Europe International Congress in September to raise awareness of the fundamental rights of people with intellectual disabilities.

Strategy for international development cooperation: ECNL has been advocating for the development of a strategy and a distinct law for international development cooperation for more than 10 years. Since its inception, ECNL has been member of the Hungary Association of NGOs for Development and Humanitarian Aid (HAND). In 2013, ECNL continued to work with HAND on the promotion of the development of a strategy on international development cooperation. As a result of the joint efforts of the HAND members, on March 4 the Hungarian Parliament adopted a decision calling upon the government to develop a strategy before the end of June. The Department of International Development Cooperation under the Ministry of Foreign Affairs prepared and circulated a draft strategy for general consultation, to which ECNL provided input through HAND. The framework strategy for international development cooperation was finally adopted on 27 March 2014 [1182/2014. (III.27) Government decision]. According to the Strategy, the Ministry of Foreign Affairs needs to present the draft law on international development cooperation and humanitarian assistance to the Government by 31 October 2014.

■ **Promoting development effectiveness and cooperation from a European Perspective.**

ECNL is engaged at the European level as a standalone expert and as a member of European networks. Through its membership in HAND, ECNL takes active part in the working groups of the European CSO confederation for relief and development - CONCORD. ECNL was invited to join efforts with CONCORD on establishing a working group on CSO legal environment in 2014. ECNL is currently deepening its partnership with the Eastern Partnership Civil Society Forum as well as human rights networks based in Brussels.

ECNL provides expert input to official consultations on European Commission policies, and holds expert meeting with members of various Directorates of the Commission. Through this engagement, ECNL established close relationship with the European Commission Directorates General such as DG Development and Cooperation – EuropeAid, and DG Enlargement, and members of the European Parliament. To date, ECNL's key efforts addressed topics such as sustainability of EU financing for CSOs and EU program planning in the area of enabling environment. ECNL also provided input to policy level documents addressing fundamental rights in EU and its external policies. The EU Directorate-General of Development and Cooperation contracted ECNL to prepare case studies on successful models to improve the legal environment for civil society. The case studies, which aim to support the engagement of EU delegations in this area of work, discuss reforms in three countries: Iraq, Macedonia and the Philippines supported by the development

cooperation programs of the EU or its member states. 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.

ECNL Executive Director is a member of the Council of Europe Expert Council on NGO Law. For their October meeting in Moscow and the roundtable discussion on the foreign agents law ECNL prepared background presentation on the topic of political activities, which was developed in a full study on the topic. In addition, ECNL deepened cooperation with the OSCE ODIHR in order to support sharing of good regulation regarding fundamental rights and engagement of these agencies on these issues.

■ **Sharing transitional experiences and international regulation practices.**

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 assisted pre-accession countries in developing civil society legislation in compliance with EU regulations. In 2013, ECNL was engaged in an International Visegrad Fund-supported initiative that aimed to enhance the role of civil society in European integration processes in the Eastern Partnership countries. In the framework of the project ECNL and the partners of the project provided access to their experience and know-how about CSOs' effective involvement in the EU integration, and strengthen the institutional capacity of partners from Armenia, Georgia and the Ukraine. ECNL developed a paper on the lessons learned and best practices of Hungarian CSOs in the EU Integration process and provided subsequent training for CSOs in Ukraine.

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). In addition, ECNL is increasingly active on the UN level through involvement with the Human Rights Council together with ICNL. ECNL co-organized side event at the UN Human Rights Council to address issues relevant to funding of civil society from domestic and foreign sources.

■ **Monitoring the 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). ECNL experts contributed to developing monitoring methodology and reporting templates to support partners in the Balkans to be able to review the country situation and produce harmonized reports in line with the Matrix.

Together with network of accountability CSOs in Central and Eastern Europe, ECNL engaged in advocacy on the European Union level to ensure that CEE CSOs working on fundamental rights in EU would be capable to access the funds of the new Rights, Equality and Citizenship Program 2014-2020 EU program. The new financing program was adopted in December 2013 and included provisions on fair geographic distribution of funds and accessibility of funds for smaller CSOs.

ECNL provides ongoing support to ICNL in running the NGO Law Monitor, an online monitoring portal on the enabling environment issues in 53 countries and 8 multinational organizations (at the moment). ECNL

also launched the development of an online platform to share experiences, international standards and knowledge on freedom of assembly, and to create a tool for monitoring assemblies.

- **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 has assisted governments and CSOs across Europe, Eurasia and Mongolia in undertaking reforms of legal frameworks affecting registration, good 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 Bosnia and Herzegovina, Croatia, Cyprus, Hungary, Macedonia, Moldova, Mongolia, Turkey and Ukraine. ECNL developed numerous comments to draft laws to support local reform. We also worked with local partners to support them in developing local analyses of the legal frameworks and adopt recommendations for reform. ECNL also supported local partners in implementation of the laws by providing expertise in regulation for implementation of the laws and capacity building on the newly developed laws.

- **Supporting institutional development of cooperation between public authorities and CSOs.**

ECNL worked closely with governments, parliaments and CSOs in designing and developing strategies for cooperation and supporting their implementation (e.g., Macedonia, Moldova, Iraq). Through the process ECNL provided capacity building on the topic of cooperation and enabling legal environment for the local partners, supported comparative research, and empowered and facilitated local discussions in the drafting process. ECNL supported the drafting and adoption of the document for cooperation between the public authorities and civil society in the Kurdistan Region of Iraq, the first ever such document in the Middle East and North Africa region. In Moldova, ECNL supported local partners in review of the cooperation mechanism between Parliament and CSOs. In Georgia, through its local partner ECNL contributed to the adoption of the first memorandum on cooperation between Parliament and CSOs and drafting of the strategic document for CSO sector's development, which aims to further promote fundamental rights and participation in public affairs in Georgia based on good European examples.

- **Capacity building to support 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). ECNL worked closely with coalitions of CSOs building their capacity to develop strategies and advocate for change (e.g., in Moldova, Ukraine, Turkey); held capacity building sessions on issues of advocacy, enabling environment, government-CSO cooperation (e.g., in Iraq, Turkey, Moldova, Morocco). ECNL provided support in developing the concept and carrying out the first regional workshop on communication for accountability and watchdog organizations in CEE to improve their reach out to citizens. ECNL also hosted interns and research fellows from Slovakia and Moldova in the office to increase understanding of the legal issues affecting philanthropy and support reform efforts to introduce percentage mechanism in other countries.

- **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 and fundamental rights. ECNL research seeks to identify trends and developments affecting civil society and fundamental rights within Europe, in neighboring regions and globally. Comparative research has proved invaluable to the reform efforts of local partners. 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.

ANNEX 1:

SUPPORTING EUROPEAN AND GLOBAL POLICIES DEVELOPMENT AND MONITORING OF THE ENABLING ENVIRONMENT

Contribution to EU level policies and interventions

In 2013, ECNL continued to build on the work with the EU level institutions and increased its contribution to the development of EU level policies and actions in the area of freedom of association and overall enabling environment for civil society

The EU Directorate-General of Development and Cooperation – EuropeAid contracted ECNL to prepare case studies on successful models to improve the legal environment for civil society. The case studies, which aim to support the engagement of EU delegations in this area of work, discuss reforms in three countries: Iraq, Macedonia and the Philippines which are shared widely with EU delegations and the public through the web. In the same time, we submitted comments to the Directorate-General Enlargement draft Guidelines for EU support to civil society in enlargement countries, 2014-2020, which propose monitoring framework to assess enabling legal environment in Western Balkans and Turkey.

On December 17, the European Parliament adopted the act on establishing the Rights, Equality and Citizenship Program for 2014-2020, as a successor of several EU financing programs for human rights and watchdog organizations. The new Program includes rules which will allow smaller watchdog CSOs to access funding and it plans for fairer geographic distribution of the funds. These were the core issues ECNL advocated for on behalf of an informal network of human rights and watchdog CSOs from Central and Eastern Europe. ECNL's opinion was the first of 400 cited in the results of the program consultation carried out by DG Justice in the run up to this program launch.

ECNL also participated in the 5th Eastern Partnership CSO Forum in Moldova in October 2013, targeting countries in Euroasia. The Forum set the road map for civil society development, and allowed for networking and developing common agenda on key issues for CSOs. With our partners we tried to move forward the discussion on enabling environment and how the Forum and regional platforms can influence country developments in this area.

UN Human Rights Council

ECNL collaborates with ICNL and support the mandate of the UN Special Rapporteur on the rights to freedom of peaceful assembly and of association. Together with ICNL and partners, we co-organized a side-event at the UN Human Rights Council to highlight findings and recommendations from the second report of the UN Special Rapporteur on the rights to freedom of peaceful assembly and of association.

Monitoring the legal environment for civil society in development

Matrix on Enabling Legal Environment (Balkans)

The Matrix on Monitoring Enabling Environment for Civil Society, and its Toolkit has been finalized and published. ECNL received very positive feedback on the quality of the work from various stakeholders. Under our regional project in the Western Balkans and Turkey, we developed templates for monitoring and

reporting on the Matrix and supported local partners to develop country monitoring reports. We are currently combining the country reports in one regional report.

ECNL developed the concept of the Freedom of Assembly Knowledge Platform which is about to launch. The aim of the platform is (a) to increase the understanding of this fundamental right, (b) to create a monitoring and an alert system about legal and implementation barriers, and (c) to enable assessment of the state of freedom of assembly in a given context.

ECNL provides ongoing support to ICNL in running the NGO Law Monitor, an online monitoring portal on the enabling environment issues in 53 countries and 8 multinational organizations (at the moment).

Supporting sustainability of human rights watchdog CSOs

In cooperation with the informal network of watchdog and accountability CSOs, ECNL remained involved in the process of developing new funding policy on protection of fundamental rights in EU by carrying out advocacy meetings with stakeholders at EP, CSO networks, other stakeholders; preparing opinion submissions and an advocacy paper on the draft regulation of the new Rights and Citizenship Program. The core issues raised by ECNL and the network were reflected in the announced new Rights, Equality and Citizenship Program for 2014-2020.

In May, ECNL's partner and the leader of the group of watchdog CSOs, Citizens' Network – Watchdog Poland was awarded a Swiss Fund grant on empowering CEE watchdogs in their activities. ECNL developed a paper with case studies on successful fundraising campaigns by watchdog organizations in CEE. This research is related to attempts to establish new modalities of private philanthropy in CEE and fundraising spaces, such as crowd-funding platforms, which are gaining attention in the region. Further on, in October 2013 together with Citizens' Network Watchdog Polska, Polish Helsinki Committee, ECNL co-organized the first of the kind workshop on communication and fundraising for over 30 watchdogs from CEE.

Counter-terrorism initiatives

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 took parts in meeting of members of the group with the FATF secretariat to raise concerns about the effect of counter-terrorism laws on the legal framework for civil society. It also engaged in subsequent policy and advocacy initiatives of the group, in order to bring further attention to the issue to FATF as well as raise awareness about it among larger audiences.

Annex 2:

HIGHLIGHTS FROM COUNTRY LEVEL INVOLVEMENT

EUROPE

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. Specifically, as outlined above, ECNL was engaged in 3 areas:

- Providing expertise in the adoption of the Civil Code and amendment of laws regulating CSO;
- Creating an enabling environment for the right of people with disabilities to work;
- Contributing to the development of the Strategy for international development cooperation.

For details, please see Section III above.

Croatia

ECNL supported the Office for Cooperation with NGOs in finalizing the draft Law on Associations. Specifically, one issue of debate was the right of people with disability to establish an association, and the conditions of the process. ECNL with its partner organizations submitted comments to highlight the international standards and good practices in this area, which were considered by the Office. In addition, ECNL submitted short comparative overview on the issue of economic activities of CSOs and the necessity to establish separate company for this purposes. Under the new draft accounting law, all CSOs that reach a certain financial threshold when engaging in economic activities would need to establish a separate entity. We helped the Office to formulate arguments against such provision. Both drafts are due to be adopted in 2014.

Bosnia

ECNL works closely with the partner Youth Communication Center from Republika Srpska on identifying the needs in the area of volunteerism, current trends and practices as well as the status with the policies related to volunteerism. ECNL has been supporting the local partners in the drafting of the Law on Volunteerism, which was adopted in October 2013. The law significantly improves the legal framework for volunteering in Republika Srpska, and the process of developing law was an excellent example of highly participatory and collaborative process which resulted in progressive provisions. In addition, ECNL was supporting local partners in the development of a draft strategy for volunteering.

Macedonia

In Macedonia, ECNL continued engagement in several areas. First, ECNL undertook an assessment of the implementation of the *Code of Participation in Policy Making* for the Government Unit for Cooperation with NGOs. The assessment was part of the government efforts to draw lessons from the current implementation practices and recommend areas for improvement. Second, ECNL and its local partners completed the analysis of tax laws that affect civil society and developed recommendation that are currently being discussed with civil society. The aim of these recommendations is not only to improve the tax environment, but also to introduce benefits for public benefit organizations which are currently not receiving any additional state

support. In addition, to support civil society in diversifying resources, ECNL supported local partners to develop a guide on economic activities and how CSOs can engage in income-generating activities and organize capacity building sessions for CSOs. Third, ECNL continued to work with partners to advocate for improvement of the Law on Donations and Sponsorships. The law introduced highly administrative procedures which deter philanthropy. Finally, ECNL also supported local partners in analyzing the implementation of the 2007 Volunteering law to identify the areas which need improvement through legal reform or practice. In addition, with our support the local partner Konekt developed an online platform that supports volunteering engagement.

Turkey

ECNL supported its local partner Third Sector Foundation of Turkey (TUSEV) to develop analysis of the association and foundation laws. These analyses will lay the groundwork for developing amendments to these laws and advocating for their reform. In June, ECNL also supported TUSEV to develop comments on the draft amendments to the Law on Collection of Aid which also aimed to revise the current framework laws governing civil society. TUSEV and local partners managed to influence the law with positive modifications. The draft is still with the Government for further review.

ECNL also delivered training for government officials and CSOs on enabling environment issues to support the drafting of the analysis and engagement in reform processes. ECNL also took part in two national events (1) it assisted TUSEV to organize a conference on CSO-Government cooperation, and took active part in it to share lessons from Europe, and (2) ECNL held a session on freedom of assembly at a conference discussing trends in the civil society space.

EUROASIA

Moldova

Upon completion of the USAID funded program on strengthening civil society in Moldova implemented by FHI 360 and ECNL, USAID Country Director for Moldova Kent Larson highly praised program's impact on legal environment in Moldova and importance of enabling legal framework for CSOs. The notable successes of the program achieved with ECNL's input are the adopted second Strategy for cooperation between the government and CSOs, assistance to adoption of seven legal documents and seven draft policies, as well as empowerment of local stakeholders in implementation. The new Moldova Civil Society Strengthening Program was approved by USAID and awarded to ECNL and FHI 360 in January 2014.

In 2013 ECNL provided technical assistance to several legal initiatives in Moldova— developing percentage legislation, review of options for social entrepreneurship regulation, applying CSO specific accounting principles, developing amendments to the association and foundations laws. These activities were carried through supporting local CSO experts in law reform initiatives, providing technical assistance to the working groups under the Ministry of Justice and Ministry of Finance, publishing guide on accounting for CSOs and preparing a concept law on the so-called 2% legislation. ECNL worked closely with local experts, state officials and CSOs to increase their skills for legal assessment and policy analysis, as well as to build their capacity. ECNL's experts' analysis of needs for legal reform was featured on one of prominent Moldovan online resources IPN.

Under the new program ECNL will focus on building capacity of selected local partners in taking forward policy advocacy and CSO reforms, providing technical assistance and European expertise for these processes.

Ukraine

ECNL engaged in Ukraine more intensively in 2013. First, we conducted assessment of the CSO legal environment component of UNITER, a five-year project implemented by Pact and funded by USAID. 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 framework. In general, ICNL/ECNL concluded that UNITER's assistance was clearly discernible and in some cases even critical factor in the development of a supportive legislative framework. The approach and methodology used by UNITER was successful and the various activities complemented and strengthened each other. ECNL/ICNL also provided recommendation on how to build upon the accomplishment of the UNITER project and ensure the effective implementation of new laws through awareness raising, capacity building, technical assistance and monitoring of implementation. In addition, ECNL/ICNL highlighted areas where the legal framework could be further improved, including the framework regulation, taxation, state financing, participation, volunteering, state procurement and others.

Second, Ukrainian CSOs were increasingly interested in building their capacity in public participation mechanisms. In response, ECNL and a local expert of the Agency of Legislative Initiatives held a highly successful training event on public participation. Out of 100 applicants, 20 were selected to attend the training, which focused on international and European documents regulating public participation. Additionally, ECNL prepared a questionnaire that participants filled out on the existing legal framework and status of citizen participation in Ukraine. The information gathered from these questionnaires serves as a valuable source of information for future analyses of citizen participation in Ukraine.

Third, ECNL also provided expert support to Ukrainian partners to the regulation of freedom of peaceful assembly in Ukraine. We submitted comments to various draft laws on assembly and helped to consolidate the conflicting views of the local NGOs. ECNL was invited to the roundtable meeting at the Ombudsman Office and delivered a presentation on international principles of regulating freedom of peaceful assembly in order to initiate the discussion around the topic. Due to unstable political situation in Fall 2013, further work on the drafts was halted and likely to resume after the upcoming elections in May 2014.

MIDDLE EAST AND NORTH AFRICA (MENA)

Iraq

In 2013, ECNL continued to support the development and implementation of policy processes and mechanisms between public authorities and civil society in Iraq on the federal level as well as in the Kurdistan region. Contracted by UNOPS, ECNL will work on the finalizing the draft of the Iraq wide policy document for cooperation and ensuring its adoption and continue to support the implementation of the already-adopted Kurdistan Compact.

In the Kurdistan Region of Iraq, Government officials, MPs and CSOs finalized the *Compact on Partnership and Development between Public Authorities and Non-Governmental Organizations in the Kurdistan Region of Iraq* on the roundtable meeting organized by ECNL in April. The Compact is the first of its kind in the Middle East and is the result of a year of discussions and consultations assisted by ECNL. It institutionalizes the relationship between public authorities and CSOs and outlines the values and principles governing their relationship as well as the mutual undertakings of the parties. Recognizing our achievement in this area, we

received further funding from the UNOPS to continue work and support implementation of this document in 2014

On the Federal level, ECNL has worked extensively with MPs, government and CSO representatives and provided expert comments throughout the whole drafting and consultation process. In 2013, ECNL held a training of trainers in Turkey that led the consultation sessions, oversaw the final consultation in Baghdad in October and arranged a study visit to Zagreb on the Croatian model for CSO-government cooperation. Based on international best practices, the Charter will support strong, effective and sustainable partnership between government and civil society. The final draft of the *Charter of Cooperation between Public Authorities and Non-Governmental Organization* was finalized in December and currently local partners are advocating for its adoption.

Morocco/ regional initiative

In early September, ECNL provided key expertise to ICNL's MENA team in designing and implementing a regional workshop on "Models to Promote Cooperation between Civil Society and Government" held in Casablanca, Morocco. Participants represented as many as 9 countries from the MENA Region. Prior to the workshop, ECNL and ICNL's MENA team developed a working paper on this topic.

ASIA

Mongolia

ECNL has been working with the Ministry of Justice and CSOs to reform three key legal issues affecting civil society: framework legislation, public benefit status, and contracting out government tasks to non-state actors. As a first step ECNL produced paper on contracting out government services to the CSOs and met with local partners to share European experiences and discuss needs in Mongolia. ECNL worked with the group under Ministry of Economic Development (MED) to develop outline for the proposed concept on contracting and undertook a comparative research to support their work.

In addition, ECNL developed comprehensive comments to the draft law which aimed to regulate the public benefit status and public funding schemes for civil society.

ANNEX 3:

RESEARCH HIGHLIGHTS

During the year we produced a number of important analytical pieces on enabling environment issue and frameworks on the monitoring progress in developing the environment for civil society. Highlights include:

1. **Communication as a tool for advocacy and fundraising in civil oversight: Central and Eastern European initiatives**

ECNL produced a research paper on communication and fundraising of these organizations. The paper made the first step towards understanding connections between the new communication approaches and related attempts of fundraising by watchdog CSOs in the CEE region. It explores the organizations' methods to reach their target audiences and general public to raise funds, forms this new communication takes, challenges and opportunities for fundraising. In general, the topic of private philanthropy development in the region requires more extended research. While there are available materials on development of philanthropy on the national level in countries like Slovakia or Czech Republic, in other countries and on the regional level research is limited in scope. The research was undertaken under the project *"Powerful watchdogs: Enforcing civil oversight of civil society organizations, informal groups and citizens"* supported by the Swiss Fund and implemented in cooperation with the Citizens' Network Watchdog Poland,

2. **Comparative legal analysis on contracting out government tasks to non-state actors**

ECNL prepared a comparative legal analysis on contracting out government task to non-state actors. The analysis mapped out the legal framework and the various modalities of contracting in Czech Republic, France, Great Britain, Hungary and Poland. The general aim of the project is to raise awareness on possible models of contracting public services; improve the mechanisms for support and social inclusion of vulnerable people and increase the effectiveness of social contracting in Bulgaria. The research was conducted under the project: *"Achieving better results for people through social contracting"*, supported by European Union and lead by BCNL.

3. **Contracting out government tasks to CSOs**

ECNL prepared and submitted draft research report and preliminary recommendations on contracting out government tasks to CSOs and other private service providers. The paper aimed to support the work of the Ministry of Education Development and the Human Rights and Public Participation Advisor to the President in drafting the concept of possible legal regulation of such contracting. The draft paper highlights the categorization of government tasks; the government tasks that may be delivered by non-state actors; the financing of state services; the basic characteristics of the contracting procedure; the monitoring and evaluation. Also, the paper provides recommendations for next steps to be considered by the working group. The paper was developed with financial support of the World Bank and we thank our Board member John Clark for his assistance in developing this paper.

4. **Fundraising regulations research.**

ECNL launched the comparative research on fundraising to review all legal issues that affect public fundraising of CSOs. ECNL undertook a comprehensive study on several countries in Europe including Czech Republic, Denmark, Finland, Hungary, Ireland, Poland, Scotland, Slovakia, Sweden, Ukraine, and United Kingdom.

In addition, ECNL mapped out wide spectrum of legal issues that affect fundraising, such as: definition of fundraising vis-à-vis individual donation; authorization, monitoring and supervision of fundraising activities by state authorities; tax incentives for fundraising; transparency and accountability of fundraising CSOs; self-regulation and others. The research continues in 2014 and will be expended in countries of Eurasia. In addition, ECNL contributed to the ICNL research on anonymous donation and prepared an overview of the legislation in Hungary, Germany, Finland and Moldova.