

# COMPARATIVE APPROACHES TO PUBLIC FUNDING FOR CSOS

Initial mapping of selected issues:  
institutional and thematic funding



European Center for  
Not-for-Profit Law



## Contents

I. Introduction	3
II. Approaches to provision of institutional funding to CSOs	3
III. Thematic funds for CSOs	9
IV. Conclusions	12

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## I. Introduction

Institutional funding is core to the financial stability and independence of civil society organizations (CSOs). It provides support for their institutional strengthening, to develop and bolster their capacity to build and strengthen relations with their constituencies. They can use it to cover costs that would otherwise not be financed by project grants but indispensable to complete their missions and accomplish core activities. The COVID-19 pandemic further amplified the need for flexible funding opportunities. There was an urgent need to reallocate funds and mitigate the lost income due to the pandemic to ensure that services providing vital support can remain open. Thematic funds supporting CSO development can play an important role to provide institutional funding and cover administrative costs.

Therefore, the present paper prepared by the European Center for Not-for-Profit Law Stichting (ECNL) focuses on the various approaches to provide institutional funding and cover the administrative expenses of CSOs, with special focus on some thematic funds. It presents examples of different public funding mechanisms adopted in researched countries, including Bulgaria, Croatia, Czech Republic, Estonia, Finland, France, Netherlands, Sweden and the United Kingdom. The paper does not aim to be comprehensive and provides selected information requested by our partner ISAR Ednannia in order in Ukraine.<sup>1</sup>

The first section of the mapping focuses on various approaches to provide institutional funding and cover administrative expenses of CSOs. The next section describes thematic funds, including CSO specific funds and funding for youth organizations. The paper concludes with some ideas for improvement of public funding mechanisms based on the presented comparative examples.

We remain available to provide further information on this topic.

## II. Approaches to provision of institutional funding to CSOs

There are two main ways how national and local governments and state institutions can provide institutional funding to CSOs:

- Institutional funding dedicated solely to support the CSOs' core operations;
- Project-based funding with dedicated part to cover administrative and other institutional expenses.

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<sup>1</sup> For more comprehensive information about public funding, please refer to our Standards and Good Practices for Public Funding of Civil Society Organisations, developed by Vanja Skoric of the European Center for Not-for-Profit Law Stichting, published by TUSEV Publications, June 2020, available at: [TUSEV Public Funding Report\\_Final.pdf \(ecnl.org\)](https://tusev.org/publications/TUSEV_Public_Funding_Report_Final.pdf).



Public funding schemes can be non-competition based (such as subsidies that are provided to CSOs directly through a state budget line) and competition-based. The present paper focuses on competition-based public funding schemes.

Institutional support is still not as widespread as project-based funding, but it is essential for CSOs' operation. Unrestricted institutional support can be used to cover administrative operation of a CSO, pay for salaries, rent etc., and provide autonomy in their programmatic work.

This section analyzes selected aspects of providing institutional funding from public sources on the national and local level, accompanied with country examples. The aspects covered under this section include: which institutions provide the institutional public funding, from which budgets and whether they are guaranteed, how the institutions are set up and under which regulation. It also looks into trends in providing institutional support that can serve as examples of good practice.

## 2.1. Public funding schemes providing institutional support

From the countries researched, we have identified several public funding schemes providing **institutional support to CSOs**. Some of these competition-based schemes are run by national or local governments and other administrative bodies, or by separate institutions set up specifically to distribute public funding and support CSO development. Oftentimes, they provide both project and institutional funding to CSOs.

In **France**, there is a unified system for the distribution of public funding to general interest associations. This system allows applicants to seek project-based funding, institutional funding and

The **French public funding system** allows interested associations of general interest to apply for funding through a unified system from the following institutions and bodies: the State, territorial communities (municipality, department, region, communities with special status, overseas communities), public administrative institutions, social security bodies, public industrial and commercial establishments, other bodies responsible for the management of public administrative service.<sup>2</sup>

in-kind support from numerous public institutions and bodies through one unified platform.<sup>3</sup> Funding typically comes from the state budget for applications with the national bodies or local budgets for applications for funding from territorial communities. The budgets of territorial communities are composed of income from taxes and duties, income from the state, loans, own revenues from sale of good and services, European structural funds etc.<sup>4</sup> The distribution of funding is governed by

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<sup>2</sup> Official Public Service Website, available at: [Subventions versées aux associations - associations | service-public.fr](#)

<sup>3</sup> Ibid.

<sup>4</sup> Official website of the Ministry of Territorial Cohesion and Relations with Local Authorities, available at: [Budget and allocations of local authorities | Ministry of Territorial Cohesion and Relations with Local Authorities \(cohesion-territoires.gouv.fr\)](#)



several laws and decrees, primarily by the Law No. 2000-321 of 12 April 2000 on the rights of citizens in their relations with administrations<sup>5</sup> and Decree no. 2001-495 of 6 June 2001 implementing Article 10 of the Law no. 2000-321 of 12 April 2000 on the financial transparency of aid granted by public bodies.<sup>6</sup>

All associations of general interest, except for religious associations, are eligible to apply, as long as they are registered with the public register SIRENE and have a dedicated SIRENE number.<sup>7</sup> Public support can be awarded to carry out an activity or investment project, contribute to the development of certain activities, or contribute to the overall financing of the association's operation. There is no set minimum or maximum amount that can be requested by the applicant nor a period for which the funding can be provided. However, according to the official data of the French government, the average annual amount of funding provided by the state to associations in 2019 was EUR 107,893.<sup>8</sup> Overall, the state distributed EUR 8 billion to associations of general interest in 2019.<sup>9</sup>

In **Finland**, the City of Helsinki provides grants, including institutional support grants, to youth associations supporting children and youth in Helsinki. These institutional support grants are provided annually to CSOs that exist at least for a year and 2/3 of the members or participants are under 29 years of age and more than half are Helsinki residents aged 7 to 28.<sup>10</sup> The general rules for the administration of funding are included in the Local Government Act no. 410/2005,<sup>11</sup> and the allocation of grants is also subject to Grant Guidelines that were adopted by the Youth Committee of the City of Helsinki in December 1993.<sup>12</sup>

**The Netherlands** provides an example for multi-annual funding around a specific topic. For example, the Dutch Ministry of Education, Culture and Science has a multi-annual funding scheme to support the emancipation of women and LGTB+ persons.<sup>13</sup> This specific program provides for project funding for individual CSOs as well as CSO alliances. The Ministry also provides multi-year institutional funding (to be granted annually) for CSO alliances that work on the stated objective of the Ministry. For example, at the end of 2017, eight different alliances working on Women and/or LGBT+ Issues, received a decision of allocation of institutional funding until the end of 2022. This decision is made in two phases. First, the Ministry decides with which organisations and alliances it wants to set a so-called strategic partnership with and then - in its second phase - decides for each CSO and/or

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<sup>5</sup> Available at: [Law No. 2000-321 of 12 April 2000 on the rights of citizens in their relations with administrations - Légifrance \(legifrance.gouv.fr\)](https://www.legifrance.gouv.fr/eli/loi/2000/4/12/2000-321)

<sup>6</sup> [Decree No. 2001-495 of 6 June 2001 implementing Article 10 of Law No. 2000-321 of 12 April 2000 on the financial transparency of aid granted by public persons - Légifrance \(legifrance.gouv.fr\)](https://www.legifrance.gouv.fr/eli/decree/2001/6/6/2001-495)

<sup>7</sup> Official website of the SIRENE system, available at: [Home - sirene.fr](https://www.sirene.fr)

<sup>8</sup> Annexe au projet de loi de finances pour 2021: Effort financier de l'état en faveur des associations. Available at: [Jaunes budgétaires 2021 | budget.gouv.fr](https://www.budget.gouv.fr/jaunes-budgetaires-2021)

<sup>9</sup> Available at: [L'Etat a versé 8 milliards d'euros aux associations en 2019 \[SPALLIAN\] - data.gouv.fr](https://www.data.gouv.fr/fr/datasets/l-etat-a-versé-8-milliards-d-euros-aux-associations-en-2019-spallian/)

<sup>10</sup> Official website of the City of Helsinki, available at: [Operating grant | City of Helsinki](https://www.helsinki.fi/en/operating-grant)

<sup>11</sup> Local Government Act, available at: [Local Government Act 410/2015 - Regulations in originals - FINLEX ®](https://www.finlex.fi/en/laki/kaupunki/410/2005)

<sup>12</sup> Grants Guidelines are available at: [HELSINGIN KAUPUNKI](https://www.helsingin-kaupunki.fi/en/grants-guidelines)

<sup>13</sup> <https://www.dus-i.nl/subsidies/emancipatie-vrouwen-lhbt>



alliance what the maximum of funding is that they can receive.<sup>14</sup> These alliances have each a predefined annual amount that they will receive in this period, which varies between 500.000 and 2 million EUR.<sup>15</sup>

**Croatia and Estonia** set up separate bodies to distribute financial (and in certain cases non-financial) support to CSOs, including institutional funding. The National Foundation for Development of Civil Society in Croatia is financed from the state budget, in particular from a portion of revenues from gambling and sweepstakes. The assets are allocated through a special budget line in accordance with the Article 8(1) para 8 of the Gambling and Sweepstakes Act<sup>16</sup> and Article 3(8) of the Code of Civil Procedure. The assets of the Estonian National Foundation for Civil Society are more diversified. They come from the state budget, other donations and target-specific allocations, as well as income earned from economic activities of the Foundation.<sup>17</sup>

Institutional funding distributed by both Foundations is provided through annual or multi-year programs. The calls can be focused **on specific capacities to be developed or can be simply left for CSOs to decide**. For example, the Croatian National Foundation for Development of Civil Society provides institutional support that is targeted, for a three-year period, for the development and/or stabilization of associations.<sup>18</sup> In 2021, the Foundation launched 4 calls under this institutional funding scheme dedicated to all associations, to associations that have not benefited from this support in the previous periods, to associations of persons with disabilities operating at the local level and to consumer organizations.<sup>19</sup>

Under the standard call open to all associations, it is possible to apply for support in the maximum amount of 100,000 HRK; 200,000 HRK or 300,000 HRK (approx. EUR 13,340; EUR 26,680 and EUR 40,020 respectively), depending on the association's annual income, number of employees and years of existence.<sup>20</sup> In 2020, the Foundation distributed altogether 5,559,787 HRK (approx. EUR 742,000) to 30 associations through this very same call.<sup>21</sup>

In Estonia, the calls are usually announced twice a year and focus on raising the CSOs' operational capacity. Calls can focus on the development of specific capacities (e.g. leadership and communication capacity building, developing social entrepreneurship and building donation strategies, involving volunteers etc.) or provide freedom for CSOs to define their needs. The applicant can be an association or a foundation acting in the public interest for at least one year that is independent

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<sup>14</sup> Subsidieregeling gender- en LHBTI-gelijkheid 2017–2022: <https://wetten.overheid.nl/BWBR0038784/2020-01-01>, article 2.3.

<sup>15</sup> <https://zoek.officielebekendmakingen.nl/stcrt-2017-25320.html>, article 1.

<sup>16</sup> Gambling and Sweepstakes Act, available at: [Gambling Act - Zakon.hr](http://zakon.hr)

<sup>17</sup> Article VII of the Articles of Association

<sup>18</sup> Official website of the National Foundation for Development of Civil Society, available at: <http://zaklada.civilnodrustvo.hr/frontpage>

<sup>19</sup> Available at: [Pregled podrški - Nacionalna zaklada za razvoj civilnoga društva \(civilnodrustvo.hr\)](http://pregled.podrski-nacionalna-zaklada-za-razvoj-civilnoga-društva-civilnodrustvo.hr)

<sup>20</sup> Instructions for an application with a description of basic criteria and conditions for the application, available at: [Upute za prijavu IP 2020 \(civilnodrustvo.hr\)](http://upute.za.prijavu.ip.2020.civilnodrustvo.hr)

<sup>21</sup> Overview of approved institutional support to associations in the field of democratization and social development in 2020, available at: [Institucionalna podrška - DEM - 2020 \(civilnodrustvo.hr\)](http://institucionalna.podrska-dem-2020.civilnodrustvo.hr)



of public authorities or private companies. The total amount of funding per call, EUR 478,847, is split into half: one half is allocated to the regional CSOs and the other to national or international ones. The maximum amount to be allocated per applicant is EUR 25,000 for the period of minimum 12 months.<sup>22</sup>

**The European Union** also regularly provides funding to CSOs, including core funding, typically managed by the European Commission and its Directorates General. For example, in the first half of 2021, the European Commission's DG Justice and Consumers launched a call for proposals for a 4-year framework partnership agreements to support European networks, civil society organizations active at EU level and European think tanks in the areas of Union values. Every year, an operating grant may be awarded to organizations that signed such framework partnership agreements in order to finance their activities, insofar as they are in line with the objectives of the programme in the area concerned and the policy priorities that may be established by the Commission. The administrative costs necessary for the running of these organisations may also be covered. The budget allocated for this activity is EUR 20,900,000 per year.<sup>23</sup> This EU funding program is subject to the Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union.<sup>24</sup>

**As a good practice**, the application process for public funding, including for institutional support, can be done entirely online. This trend accelerated during the COVID-19 pandemic, when most of the offline activities were replaced by their online counterparts. In all countries mentioned above, it is possible to apply for the funding online. In addition, the Estonian National Foundation for Civil Society also organized Zoom meetings to explain the application process and conditions and allow the interested applicants to ask anything they might be interested in during a Q&A session.<sup>25</sup> Some public bodies, such as the Croatian National Foundation for Development of Civil Society, have dedicated FAQs on their websites to make the application process easier for interested CSOs.<sup>26</sup>

## **2.2. Covering administrative and/or institutional expenses as part of project-based funding**

Another way of covering administrative costs and institutional expenses is through **projects that allow for a percentage of the total allocated funding to be used for covering such costs**. Project-based public funding schemes are more common in the

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<sup>22</sup> Official website of the National Foundation for Civil Society, available at: [Calls and grants | National Foundation of Civil Society \(kysk.ee\)](#)

<sup>23</sup> More information about this call is available at: [call-fiche\\_cerv-2021-og-fpa\\_en.pdf \(europa.eu\)](#)

<sup>24</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, available at: [EUR-Lex - 32018R1046 - EN - EUR-Lex \(europa.eu\)](#)

<sup>25</sup> Official website of the National Foundation for Civil Society

<sup>26</sup> Official website of the National Foundation for Development of Civil Society, available at: [FFcybX7XTToL0nFPmGzUDhStANFsaDhHq.pdf \(civilnodrustvo.hr\)](#)



countries researched under this paper. From the country examples researched, these limits in the form of percentage of total funds allocated for the project can vary among countries, from 10% in **Finland**<sup>27</sup> up to 35% in **Czech Republic**. These limits can be set differently also by every institution or public authority distributing funding within the same country. For example, in Czech Republic, each ministry decides on the conditions for allocation of project funding to CSOs, including on the coverage of administrative costs.

The projects-based schemes and conditions for covering administrative costs differ among countries. In **Finland**, there is a general cap of 10% to be used to cover administrative costs. However, this percentage can be increased by different departments if the specific project grant scheme states so. For example, the Assistance Center for Social and Health Organizations (STEA) in Finland has a cap of 15% for its project grant scheme of 2022<sup>28</sup>, which are required to be clearly formulated beforehand. More specifically, they should:

- *"be set out in the grant application budget*
- *be clearly specified in the annual report of the beneficiary*
- *be clearly and reasonably targeted*
- *be based on actual costs that can later be shown to have been incurred"*<sup>29</sup>.

In **Sweden**, the Swedish International Development Cooperation Agency (Sida) formulates administration costs as costs that are not directly attributable to programme and project activities but that indirectly support these activities, including financial staff, management, legal support, IT, rent, skills development for the Strategic Partnership Organisation (SPO) employees and office supplies. These costs may also relate to handling the grant from Sida, costs for preparing the application and reporting, including the annual audit of the overall financial reporting submitted to Sida. For administrative costs, it should be specified which cost categories are covered, such as payroll, office supplies and rent for premises. To cover these administrative costs, Sida provides a flat-rate grant of 8% on top of Sida's grant for operating costs. The administration grant is exempt from the own contribution requirement. Unused administration grants can be reallocated to cover operating costs and are then subject to the own contribution requirement. The administration grant is not proportional to the outcome of operating costs, the amount in the approved agreement is instead a fixed amount.<sup>30</sup>

In the researched countries, there are several examples of dedicated schemes providing support to areas falling within the administrative expenses and other operational costs. For example, some countries, including **France** and **Finland**,

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<sup>27</sup> Available at: [575f6595-a939-b5ac-dc53-eeffac3bf68b \(um.fi\)](https://um.fi/575f6595-a939-b5ac-dc53-eeffac3bf68b)

<sup>28</sup> General conditions and limitations of the project grant 2022: <https://www.stea.fi/wp-content/uploads/2021/06/STEA-hankeavustuksen-yleisehdot-ja-rajoitukset-2022.pdf>

<sup>29</sup> Idem., page 4.

<sup>30</sup> Sida's guidelines for application and reporting in partnerships with Swedish strategic partner organisations (SPO) within the CSO appropriation: <https://sidase-wp-files-prod.s3.eu-north-1.amazonaws.com/app/uploads/2020/11/30120117/Guidelines-for-cooperation-with-SPO.pdf>, p. 12, under 2.2.2. B.





provide in-kind support to CSOs, such as materials, office spaces etc. The **City of Helsinki** also provides dedicated grants to cover wage costs<sup>31</sup> and operational costs, including a grant to cover rental costs for office space.<sup>32</sup>

### III. Thematic funds for CSOs

This section will focus on country examples where specific funds dedicated to support CSOs have been created and also funds dedicated to a specific area of work such as funds for organizations working for and/or with the youth.

#### 3.1. Funding mechanisms dedicated specifically to CSOs

Some researched countries have fund schemes specifically for CSOs. As mentioned above, these funds are often provided in the form of project-funding. For example, the **Dutch Ministry of Foreign Affairs** has a multi-annual human rights fund<sup>34</sup> specifically for Netherlands-based CSOs working in the field of international development and human rights. The topics are often pre-determined and published via a decree by the Minister, which is based on the General Administrative Law Act, Title 4.2 Subsidies<sup>35</sup>.

The most recent decree<sup>36</sup> by the Minister of Foreign Affairs on re-occurring multi-annual fund specifies the total amount and the topics. For the period of 2019-2021, 23 million EUR was divided among the pre-determined topics. The organizations apply for a minimum of EUR 1 million and a maximum of EUR 3 million for a project that has a maximum duration of four years and a minimum duration of two years.<sup>37</sup>

#### Division of Dutch human rights fund among topics:

- a. Freedom of expression: EUR 5,012,000;
- b. Internet freedom: EUR 3,938,000;
- c. Freedom of religion and belief: EUR 6,513,000;
- d. Human rights defenders: EUR 2,475,000;
- e. Equal rights for LGBTI persons: EUR 5,185,000;
- f. Promotion of the international legal order / Fight against impunity: EUR 1,600,000.<sup>33</sup>

<sup>31</sup> [https://www.hel.fi/kulttuurin-ja-vapaa-ajan-toimiala/fi/avustukset/nuorisotoiminnan\\_avustukset/palkkausavustus](https://www.hel.fi/kulttuurin-ja-vapaa-ajan-toimiala/fi/avustukset/nuorisotoiminnan_avustukset/palkkausavustus)

<sup>32</sup> [https://www.hel.fi/kulttuurin-ja-vapaa-ajan-toimiala/fi/avustukset/nuorisotoiminnan\\_avustukset/toiminta-avustus](https://www.hel.fi/kulttuurin-ja-vapaa-ajan-toimiala/fi/avustukset/nuorisotoiminnan_avustukset/toiminta-avustus)

<sup>33</sup> Idem., article 2(2).

<sup>34</sup> <https://www.rijksoverheid.nl/documenten/beleidsnotas/2019/03/29/subsidiebeleidskader-mensenrechtenfonds-2019-2021>

<sup>35</sup> <https://www.uwvet.nl/wetten-en-regelingen/staatsrecht-en-bestuursrecht/algemene-wet-bestuursrecht/8-subsidie-aanvraag-subsidies.htm>.

<sup>36</sup> <https://wetten.overheid.nl/BWBR0042070/2020-06-17>

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<https://www.rijksoverheid.nl/binaries/rijksoverheid/documenten/beleidsnotas/2019/03/29/subsidiebeleidskader-mensenrechtenfonds-2019-2021/Subsidiebeleidskader+Mensenrechtenfonds+2019-2021.pdf>, p. 17. D9.



There is a similar structure such as the Dutch example in **Sweden**, where the Ministry of Foreign Affairs, through the **Swedish International Development Cooperation Agency (SIDA)** has a specific fund for CSOs, which comes from the national state budget. Sida has multi-year agreements with a number of so-called Swedish strategic partner organisations that work to strengthen civil society in partner countries.<sup>38</sup> The cooperation is guided by the Government’s Strategy for support via Swedish civil society organizations 2016–2022.<sup>39</sup>

Another relevant example that illustrates how countries can set up a funding scheme to support CSOs is from **Bulgaria**. According to the NGO Law, a new competitive mechanism to support public benefit CSOs should be established. Annually in the state budget 0,5 mln EUR is planned for this mechanism. It will be distributed through the Civil Society Development Council (attached to the Council of Ministers). According to art. 4, para 4, point 7 of the NGO Law, the Council “determines priorities and adopts the rules and procedures, and allocates the funds for promotion and financial support of projects of public relevance to non-profit legal persons conducting activity to the public benefit”. According to art., para 9, the assessments of the projects and the proposal for the allocation of funds shall be based on criteria, conditions, rules and procedures adopted by the Council, which shall table a proposal to the Council of Ministers. However, as the Council was not established so far, the mechanism is not operational yet.

As mentioned earlier, **Croatia** and **Estonia** set up separate bodies to support CSO development and distribute public funding. In Croatia, the Parliament has passed an act setting up the Croatian National Foundation for Development of Civil Society. The Act on the Proclamation of the Law on the National Foundation for Development of Civil Society<sup>40</sup> regulates, among others, the internal governance of the Foundation, its financing, responsibilities and statute of the Foundation. In Estonia, the National Foundation for Civil Society was set up by the Government based on the Concept<sup>41</sup> proposed by the Ministry of Interior. The objectives and tasks of the Foundation, internal governance, asset management, reporting and others aspects of its operation are regulated by the Articles of Association.<sup>42</sup>

Lastly, in light of the Covid-19 pandemic, charities across the **UK** received extra financial support in April 2020 to ensure that they can continue their work during the outbreak.<sup>43</sup> As part of a UK-wide package of support, GBP 360 million has been set to be directly allocated by government departments to charities providing key

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<sup>38</sup> <https://www.sida.se/en/for-partners/civil-society-organisations>

<sup>39</sup> <https://www.government.se/country-and-regional-strategies/2017/08/strategy-for-support-via-swedish-civil-society-organisations-for-the-period-20162022>

<sup>40</sup> Act on the Proclamation of the Law on the National Foundation for Development of Civil Society, available at: [Law on the National Foundation for civil society development \(nn.hr\)](http://www.zakon.hr/1/1000000/Law_on_the_National_Foundation_for_civil_society_development_(nn_hr))

<sup>41</sup> Concept for National Foundation of Civil Society, available at: [Microsoft Word – CONCEPT FOR NFCS.doc \(kysk.ee\)](http://www.kysk.ee/Concept_for_National_Foundation_of_Civil_Society.doc)

<sup>42</sup> Articles of Association of the National Foundation of Civil Society, available at: [Microsoft Word - ARTICLES\\_OF\\_ASSOCIATION.doc \(kysk.ee\)](http://www.kysk.ee/Articles_of_Association.doc)

<sup>43</sup> <https://www.gov.uk/government/news/chancellor-sets-out-extra-750-million-coronavirus-funding-for-frontline-charities>



services and supporting vulnerable people during the crisis. Also, GBP 370 million for small and medium-sized charities, including through a grant to the National Lottery Community Fund for those in **England**, have been allocated to support those organizations working closely with local communities, including those delivering food, essential medicines and providing financial advice.

### 3.2 Funding schemes for youth organizations

There are several relevant examples in researched countries for allocated funds supporting one specific topic or interest group. For the purpose of this mapping, we focus here only on funds dedicated specifically to organisations working with and/or for the youth. Again, these are often provided in the form of project funding.

In **Czech Republic**, the **Ministry of Education, Youth and Sports** allocated a total of CZK 2,36,000,000 (approx. EUR 9,307,190) for the 2020 call on State aid programmes for work with children and young people. Eligible applicants are associations, institutes, public benefit societies and religious organizations which were set up to work with children and youth. The funding was provided through the State budget and is regulated under <sup>[OBJ]</sup>44 Government Resolution<sup>[OBJ]</sup>.<sup>[OBJ]</sup> This support is outlined to focus primarily on regular and long-term activities addressed to the widest possible range of children and young people and on supporting activities and activities that help the development, expansion and quality of the activities of the NGOs. The beneficiaries have to be recognized by the Ministry as NGOs and are able to spend up to 35% of the project funding for administrative costs. The minimum amount of funding to be provided under this call is 100,000 CZK per applicant (approx. EUR 3,940). Regional projects can be awarded a maximum amount of 250,000 CZK (approx. EUR 9,850), while national level projects can exceed this threshold.<sup>45</sup>

In **Finland**, the City of Helsinki has a specific local project grant fund for Youth activities. This grant fund is provided through State budget and the allocation takes place through the local municipalities. The city annually supports Helsinki's early youth and youth associations, the associations' early youth and youth sections, and youth groups. The forms of grants are either annual grants for re-occurring activities (i.e. camp grants for operating, pay and holiday periods) or project grants for which CSOs can apply for throughout the year. The main criterion for eligibility is that at least 66% of the association's members and active actors are under 29 years of age. One exception to this rule is for projects intended for the camp activities of 7-16-year-olds organized by Helsinki-based associations.<sup>46</sup>

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<sup>44</sup> Government Resolution of 1 February 2010 No. 92 on the Principles of Government for granting subsidies from the State Budget of the Czech Republic to NGOs by central government bodies, as amended by Government Resolution of 19 June 2013 No 479, available at: [92 příloha w100201a.0092.pdf \(odok.cz\)](https://www.odok.cz/92-přiloha-w100201a.0092.pdf) and Government Resolution of 29 July 2015 No 608 on State Policy towards NGOs 2015-2020, available at: [VLÁDA ČESKÉ REPUBLIKY \(odok.cz\)](https://www.vlada.cz/vlada-ceske-republiky)

<sup>45</sup> More information about the call is available at: [https://www.msmt.cz/file/51413\\_1\\_1/](https://www.msmt.cz/file/51413_1_1/)

<sup>46</sup> [https://www.hel.fi/kulttuurin-ja-vapaa-ajan-toimiala/fi/avustukset/nuorisotoiminnan\\_avustukset/](https://www.hel.fi/kulttuurin-ja-vapaa-ajan-toimiala/fi/avustukset/nuorisotoiminnan_avustukset/)



In the UK, the Department for Digital, Culture, Media & Sport and the Office for Civil Society set up the Youth Covid-19 Support Fund that provided funding for grassroots and national youth organisations affected by the Covid-19 pandemic.<sup>47</sup> They secured a little less than a total of 19.3 million Euros (GBP 16.5 million) to support grassroots youth clubs, uniformed youth groups, and national youth and umbrella organisations. This amount has been divided among 540 local and 11 national and umbrella youth organisations.<sup>48</sup> This funding is meant to mitigate the lost income due to the pandemic and for ensuring that services providing vital support to young people can remain open. This fund also builds on at least GBP 88 million that has already been provided to organisations which support children and young people to achieve their potential through other elements of the support package for charities.

In **Bulgaria**, the Ministry of Youth and Sports has dedicated more than 30 mln. EUR in 2021 for CSOs. This amount covers to a great extent the state support to sports federations and sports clubs but a part of this goes for financing CSO projects in the area of youth. Annually the Ministry provides funding for youth initiatives and campaigns. In 2020 the funding, however, was not too substantial.

One of the annual programs that the Ministry manages within its budget that targets specifically CSOs is the program for prevention of gambling and other addictions. It is created on the basis of art. 10a of the Law on Gambling which provides that gambling companies have to pay a social responsibility fee which is then transferred to the budget of the Ministry for Youth and Sports and given for youth programs. Based on the law the Ministry has developed a Program for youth activities based on art. 10a and announces every year a competition in several lots related to the main program objective (prevention of addictions). Under the 2021 program more than 2,7 mln. EUR were distributed. The program allows for 10 % of the overall project funding to be used for indirect expenses. The amounts provided under the different program priorities range from 25 000 EUR but can reach up to 350 000 EUR. The projects have duration of up to 1 year.

## IV. Conclusions

The presented examples highlight some good approaches on how national and local governments can support civil society organizations:

- **Strategic approach to funding civil society.** Most of the examples show that governments see cooperation with civil society as an important mechanism to achieve their policy objectives. In many cases they develop long-term strategies for supporting CSOs, identify strategic partners and provide longer term support for their operations.

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<sup>47</sup> <https://www.gov.uk/guidance/apply-for-the-youth-covid-19-support-fund>

<sup>48</sup> See full list of beneficiaries and the amount they received here: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/987421/Youth\\_Covid-19\\_Support\\_Fund\\_-\\_final\\_awards\\_list\\_-\\_Final\\_awards\\_list.csv/preview](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/987421/Youth_Covid-19_Support_Fund_-_final_awards_list_-_Final_awards_list.csv/preview).



- **Institutionalizing civil society funding.** Some countries have established specialized institutions to support civil society. Others have decided to create thematic funding streams. In both cases, it is important to ensure that such support has solid regulatory and institutional backing (e.g. legal provisions guaranteeing the funding and administrative capacity to provide it).
- **Diversifying the state funding sources and methods.** The state may provide funding to CSOs through multiple institutions and funding modalities: both at the local and national level and for both project or institutional support. It is important to diversify the types of support so that CSOs can use the type of funding that best suits their needs.
- **Providing multi-annual funding.** Long-term support is the cornerstone of CSO sustainability that allows organizations to provide services for those most in need. In addition, longer term funding allows to achieve more sustainable results and bigger impact. Making systemic changes normally requires more time but brings transformative results.
- **Flexibility of institutional funding and allowing CSOs to decide on the spending of the allocated amount.** Institutional funding is core to the financial stability and independence of CSOs and provides support for their institutional strengthening. CSOs should be able to determine themselves the priorities for spending institutional funding or at least agree on such priorities together with the public body allocating the funding.
- **Setting reasonable threshold to cover administrative costs.** CSOs have to cover various costs that are necessary to ensure that their organization is operating properly, but that are not easily attributable to specific projects. There may be wide variance in costs depending on the size, type and structure of an organisation. Therefore, it is important that the state institutions set a reasonable cap on the allowed administrative costs so that the implementation of the project does not lead to a financial loss for the CSO.
- **Mitigating the impact of the COVID-19 pandemic.** The COVID-19 pandemic had a major impact on civil society and the work of CSOs. Many suffered an economic loss and organizations as well had to adapt to the new circumstances. On the other hand, they were in the frontline mitigating the impact of the pandemic and providing support to those most in need. Therefore, some state institutions decided to provide additional financial support to CSOs so that they can continue their important work during the outbreak. Such financial support will be important in the future and may serve as a good practice for the Ukrainian institutions, too.



European Center for Not-for-Profit Law Stichting  
5 Riviervismarkt, 2513 AM, The Hague, Netherlands

[www.ecnl.org](http://www.ecnl.org)

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