

Assessment  
on the State of the  
Enabling Environment  
and Capacities of  
Civil Society  
against the Guidelines  
for EU support to Civil  
Society in Enlargement  
Region, 2014-2020  
for the period  
2018-2019

# EXECUTIVE SUMMARY

This document has been produced within the EU TACSO 3 project, under the financial assistance of the European Union. The contents of this document are the sole responsibility of the team of researchers and can under no circumstances be regarded as reflecting the position of the European Union.

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\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

# FOREWORD

This report has been produced within the framework of the EU-funded project called Technical Assistance to Civil Society Organisations (EU TACSO 3) in the Western Balkans and Turkey ([www.tacso.eu](http://www.tacso.eu)). EU TACSO 3 is a part of the Civil Society Facility (CSF) programme and its main goal is to strengthen the capacity of civil society organisations (CSOs) to actively take part in the democratic processes and to stimulate an enabling environment for civil society and pluralistic media development.

The project targets the IPA Beneficiaries, i.e. Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia and Turkey. In its third phase, the EU TACSO 3 project particularly focuses on activities in which a regional approach enables a stronger impact on the civil society development in each of the IPA Beneficiary.

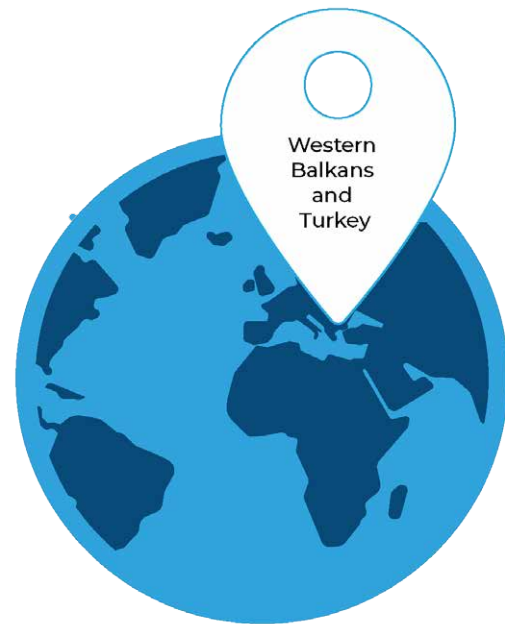
An integral part of the EU TACSO 3 project is the process of development and monitoring of the EU Civil Society and Media Guidelines. This document summarises the findings of an assessment that focused on civil society. Guidelines for EU Support to Civil Society in Enlargement Countries 2014-2020 (EU CS Guidelines) encompass three major areas:

**1) conducive environment for civil society development; 2) changing relations between CSOs and government and 3) capacity of civil society organizations.**

The same areas are also included in the EU TACSO 3 mandate.



For the first time, a coherent regional picture of civil society capacity and conditions in the Western Balkans and Turkey



In order to serve both the quality monitoring of the current EU CS Guidelines, the update of the Guidelines for the next periodic cycle 2021-2027, and the effectiveness of the EU TACSO 3 project, the assessment of the state of civil society in the Western Balkans and Turkey (WBT) has been conducted with a three-fold purpose:

- To assess the state of enabling environment and capacities of civil society against the EU CS Guidelines and inform its revision process;
- To lay the foundation for the design of capacity development programme for civil society in the WBT to be conducted within EU TACSO 3;
- To establish and update the baseline of the result framework for measuring the impact of the EU TACSO 3 project.

This document offers the summary of the full report, which included detailed findings on the state of civil society at the regional level as well as summary findings of each individual IPA Beneficiary. The summary presents regional overview with individual IPA Beneficiary highlights.

The assessment has been conducted and the report produced by the team of researchers lead by Balkan Civil Society Development Network (BCSDN).

We are proud of having successfully implemented the assessment, which for the first time presents a coherent regional picture of civil society capacity and conditions in which they operate in the WBT.

We are grateful to all stakeholders who have contributed to the preparation of this report, including EU Delegations and National Resource Centres in the respective IPA Beneficiaries for assisting in the assessment implementation; organizations and donors who have generously shared their data; all interviewees and focus groups' participants who dedicated their time and knowledge to this research; and finally to BCSDN for investing enthusiasm and expertise to make this report possible.

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# EXECUTIVE SUMMARY



Albania, Kosovo and North Macedonia have been assessed positively on the conducive environment for development of CSOs, while Turkey, Serbia and, to some extent, Bosnia and Herzegovina have received a negative assessment, leaving Montenegro in the middle.

Trends of the rise of populism and the shrinking civic space are apparent throughout Europe and the world, including in the Western Balkans and Turkey. Consequently, fundamental freedoms, especially freedoms of assembly and expression, are frequently violated. Some IPA Beneficiaries, especially North Macedonia, have seen improvements, but in Serbia, for example, the civic space is visibly shrinking, while Turkey is still grappling with the aftermath of the state of emergency.



On the other hand, these negative developments have also helped bring about a revival of civil society. New social movements and grassroots initiatives are emerging, advocating for different causes and organising protests. While this creates opportunities for CSOs, it also brings several risks.

These new social movements and grassroots initiative are usually smaller and less formally structured and tend to be more flexible. Established CSOs, which are registered and formally structured, are perceived to be less responsive. Social movements and grassroots organisations take advantage of social media and other on-line communication tools, since these tools are free and have high outreach potential. Established CSOs, in contrast, tend to use more traditional channels and are more rigid in their communications. Adding the mounting cases of smear campaigns targeted at certain CSOs, it comes as no surprise to see low levels of trust in CSOs and a growing gap between CSOs and their constituencies.

In these circumstances, it is quite difficult to provide a clear-cut answer as to whether the **conducive environment** for the development of CSOs in the region has improved or deteriorated. On the one hand, some aspects of the environment have deteriorated in most of the IPA Beneficiaries.

There have been improvements in all IPA Beneficiaries, e.g:

- improvement of freedom of association in Kosovo and Montenegro,
- improvement of freedom of expression in North Macedonia,
- improvement of legislation on public funding distribution in Bosnia and Herzegovina, Kosovo, Montenegro and Serbia, including in Turkey, which has witnessed the greatest deterioration in general terms.



**Fundamental freedoms are guaranteed by legislation; in practice, however, the ability to exercise these rights has been deteriorating.**

In summary and based on findings steaming from this assessment, it can be concluded that **in general terms, Albania, Kosovo and North Macedonia would receive a positive assessment, while Turkey, Serbia and, to some extent, Bosnia and Herzegovina would receive a negative assessment, with leaving Montenegro in the middle.**

In all IPA Beneficiaries, fundamental freedoms are guaranteed by legislation and these guarantees are mostly in line with international standards. In practice, however, the ability to exercise these rights has been deteriorating. Of the three **fundamental freedoms** that were included in the assessment, freedom of association has been the least affected. There have been legislative improvements in Bosnia and Herzegovina, e.g. easier registration processes, Kosovo, e.g. a new Law on Associations and Montenegro, e.g. a new Law on NGOs and regulations related to that Law. However, legislation that would severely limit the freedom of association has been proposed in Kosovo and Turkey.



In practice, freedom of association was most severely restricted during the state of emergency in Turkey. There are also reports about establishing GONGOs<sup>2</sup> and PONGOs<sup>3</sup> in most of IPA Beneficiaries.

With regards to freedom of assembly, in Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia, and Turkey, the legal framework is not completely in accordance with international standards. There are restrictions concerning the place and/or time of gatherings. Responsibility for breaches of the law rests with the organisers of the meetings, and large fines can be imposed. There have, however, been some legislative improvements in Albania, e.g. approval of internal police procedures and in North Macedonia, e.g. amendments to the Criminal Code. And, despite the political turmoil and violence at public assemblies in Turkey, assemblies were successfully organised there as well as throughout the region, even though there have been instances of restrictions placed on peaceful assemblies in Bosnia and Herzegovina, Kosovo, North Macedonia and Serbia.

Freedom of expression is guaranteed by legislation in all IPA Beneficiaries, except in Turkey, where the Constitution grants public institutions the legal authority to restrict expression.

<sup>2</sup>Governmental Non-Governmental Organisations.

<sup>3</sup>Political Non-Governmental Organisations.

There have been no legislative changes in the last two years, except in North Macedonia, where the new Law on Free Access to Information of Public Character should enable quicker access to information, as well as greater transparency and accountability of the information providers.

The gap between formal legislative guarantees and their practical implementation has increased in several IPA Beneficiaries. For example, violations and restrictions on freedom of expression continued in Turkey, and smear campaigns were recorded across Bosnia and Herzegovina, Montenegro and Serbia.

In most of the IPA Beneficiaries, laws do not adequately take into account the distinctive characteristics of civil society and are not supportive of the concept of volunteerism. While the legal system does allow volunteering to take place, it does not make volunteering easy, and the administrative procedures required to manage volunteers are complicated.

The narrowing of civic space has prompted the rise of **grassroot initiatives** in most of the IPA Beneficiaries. These initiatives are, however, difficult to track and analyse because there is no legal definition of a “grass-root initiative” in any of the IPA Beneficiaries.







In general, though, grassroots initiatives are typically small local organisations, activist-based, and working at the community level. They are usually unregistered and so are unable to access public funding.

In general, the **financial environment for CSOs** is best described as neither conducive nor hindering. CSOs can engage in economic activities in all IPA Beneficiaries, but the threshold and tax treatments of these activities vary. In most of the IPA Beneficiaries, financial rules and accounting standards do not take into account the distinctive nature of CSOs. At least four IPA Beneficiaries, Albania, North Macedonia, Serbia and Turkey, however, have reporting requirements that differ according to the size of the organization, which gives CSOs some flexibility. In all IPA Beneficiaries, tax incentives are available for donations, although in Albania, Serbia and Turkey only corporate (and not individual) donations are eligible. In some IPA Beneficiaries, e.g. Serbia, the process of claiming corporate tax incentives is complicated so these incentives are rarely used.

Public funding for CSOs is available in all IPA Beneficiaries. Legislative changes and new regulations or rulebooks that aim to improve the transparency of public financial support provided to CSOs have been adopted in Bosnia and Herzegovina, Kosovo, Montenegro and Serbia. In North Macedonia, public funding to CSOs has been increasing.

However, despite these efforts, public support still lacks a strategic dimension, i.e. a connection with public policies, responsiveness to the needs of CSOs, transparency and timeliness. Consequently, CSOs tend to have low level of trust in such public support measures.

In all IPA Beneficiaries, except in Turkey, legal framework for **public consultations** exists and stipulates that draft legislation should be available for comment to the public. Some improvements in the consultation process have recently been made in Montenegro and Serbia, but the implementation is still poor throughout the region. Not only are the minimum periods for consultation regularly breached, but some draft legislation is not made available for comments. Public institutions usually do not provide feedback to comments made by the public, which makes it difficult for CSOs to ascertain how much influence they have on decision-making. Furthermore, consultations with CSOs are still mostly restricted to on-line consultations of draft legislation.

Early involvement of stakeholders is rare and even when CSOs are included at an early stage of developing draft legislation, it is often not clear what criteria are used to select invited organizations to participate in the consultation process.

The legal framework that regulates **the structures and mechanisms for dialogue and cooperation** between civil society and public institutions has improved in several IPA Beneficiaries, i.e. new frameworks were adopted in Albania, Bosnia and Herzegovina, Kosovo, Montenegro and North Macedonia, leaving only Serbia and Turkey without these important strategic documents. In terms of bodies responsible for overseeing such cooperation, there are active and productive councils in place in Kosovo, Montenegro and North Macedonia.

While monitoring the conducive environment for CSO development is a rather straightforward task, the same is not the case when assessing the state of the CSO capacity. It is impossible to make a general assessment of **the state of CSO capacities** at the level of civil society in the region as a whole, and it is even more difficult to propose solutions and make concrete recommendations relevant and applicable to civil society in a composite regional way. There are different factors that affect CSO capacities. First and foremost, the political, economic and social environment in which CSOs operate, followed by the size of these organisations, the scope and type of work they do, and their geographic area of operation are an important factor. Consequently, the needs of individual CSOs also differ.

In summary, the common regional challenges to ensuring a conducive environment for the development of CSOs are:

- >> violations of basic rights and fundamental freedoms;
- >> emergence of GONGOs and PONGOs;
- >> lack of transparency in state funding for CSOs;
- >> absence of high-quality dialogues between civil society and public institutions, and CSOs' lack of influence on decision-making processes;
- >> tax legislation that is not "CSO friendly";
- >> lack of (publicly accessible) official data on CSOs.



For example, smaller organisations have less need for an elaborate strategic plan, sophisticated management procedures, gender-mainstreaming policies, etc. They can function perfectly well without them. CSOs that function as service providers need different communication skills than do advocacy organisations, i.e. the former need marketing and promotional skills and the latter need campaigning and lobbying skills. Therefore, in this summary, the state of capacity of an average CSO is described, while acknowledging that for each element of capacity there will be cases that fall outside of such average assessment.

A wide range of organisational development or capacity building methodologies that have been used throughout Europe for several decades, have also been transposed in the Western Balkans and Turkey in the past decade. Donors often insist that CSOs apply these methodologies, i.e. in their entirety. Such an approach is generally counterproductive, as it does not take into account organisation's basic mission, vision, values and goals. Not all organisations need to grow, develop further, and diversify their funding sources. Some are doing very professional work on a smaller scale as part of their inherent internal decision. Furthermore, the majority of these approaches to organisational development originate in the Western Europe or more specifically in the United Kingdom. They are designed for stable political, social and economic environments with well-developed political and donor "cultures".



### Number of registered CSOs

In such environments, CSOs know what to expect and how to prepare for and take advantage of different opportunities. In societies where governments change frequently and are mostly unfriendly towards CSOs, where civic space is shrinking, populism is on the rise, donor culture is not developed, and trust in CSOs is mostly low, it is counterproductive to expect CSOs to invest in strategic fundraising and development of strategic plans. Such investments are very likely to fail. Thus, in reading the assessment on CSO capacities the above limitation should be taken into account. Finally, it should also contribute to develop a new approach to investing in CSO capacities, one with a more realistic scope, and a greater focus on the environment in which CSOs operate.

The analysis in this assessment mainly draws on the data from the focus groups and interviews conducted in all IPA Beneficiaries. It also reflects the more detailed investigations carried out in a subset of the IPA Beneficiaries. In almost all IPA Beneficiaries there are still difficulties in obtaining **official data on CSOs**.



The biggest exception is Serbia, which has extensive and publicly available data on CSOs. The lack of data in other IPA Beneficiaries has several origins. First, some IPA Beneficiaries lack of a clear definition of a CSO (in addition to the already mentioned lack a clear definition of a grassroots organisation or initiative in all IPA Beneficiaries). In some, the submission of annual reports is not yet electronic, which makes data access and analysis much more difficult. In some IPA Beneficiaries, data differ across registries and institutions due to different definitions and collection processes. All these factors make cross-national comparisons extremely difficult and potentially misleading. Based on the available and not fully reliable data, the number of CSOs per IPA Beneficiary is high:

- around 10,000 in Albania, Kosovo and North Macedonia,
- 27,263 in Bosnia and Herzegovina,
- and 32,948 in Serbia.

The number of active CSOs is, however, considerably smaller, e.g. less than 1,000 in Kosovo. The majority of CSOs do not have employees, i.e. either the work is entirely supported by volunteers or contract staff is hired. The total CSO income also varies greatly between IPA Beneficiaries: in Albania the income of the 11,426 CSOs is 35,693,020 EUR, while in Montenegro's 5,669 CSOs earn 26,897,606 EUR.

In terms of transparency and accountability, the legislation in all IPA Beneficiaries requires CSOs to establish internal governance structures. In most cases, however, the actual role of governing bodies differs from their legal role.

These governing bodies are often only a formality, with decisions being actually made by the president or director or smaller circle of people involved in everyday running of the organisation. Although there is a growing awareness of the importance of transparency in time of shrinking civic space, the level of transparency in CSOs is generally low in practice. A large number of CSOs do not publish annual reports, or they publish them without an accompanying financial report. When CSOs report about their activities, they tend to focus on outputs rather than on impact made.

Digitalisation has brought numerous new opportunities and **communication** tools, and CSOs are increasingly using them, especially social media and data visualisation tools. However, the level of communication skills in CSOs is still rather basic. Organisations tend to focus more on promotion and using technical project language, with little engagement in narratives and storytelling. This is mostly due to the fact that CSOs usually cannot afford to employ professional communications staff, and the responsibility for communications most often falls on programme staff as just one of their many tasks.



As a result, the work of CSOs is not presented to the public in an easily understandable way. With CSOs not being able to communicate their impact in an accessible way, the gap between organisations and their constituencies increases.

Although there are some examples of regular monitoring and evaluation of activities and strategies, the vast majority of CSOs engage in **monitoring and evaluation** only at project level. Still, this is mainly because donors expect or require it. If monitoring and evaluation are carried out, they tend to be done in an unsystematic fashion and findings are not used in strategic way to improve CSOs performance. Similarly, **strategic plans** are often created in response to donor demands and expectations and the availability of funding opportunities. These plans are often unrealistic, being either too donor-driven or too optimistic, with objectives that are essentially unattainable.

CSOs in the Western Balkans and Turkey have always been actively engaged in different **advocacy** endeavours. While donors are increasing their support to advocacy, CSOs typically have only very basic level of skills in evidence-based advocacy.

In some IPA Beneficiaries, CSOs do not see the reason to undertake data collection and evidence gathering, since their recommendations are ignored by decision-makers even when supported by the evidence provided by them. In other cases, CSOs lack the methodological knowledge or the financial resources to engage in substantial research.

On the other hand, **networking for advocacy** is quite common, either through more structured long-term networks or through ad-hoc coalitions. There are cases of successful cooperation across the region. But since most networks are initiated by short term projects and funded by these projects, they are often not sustainable beyond the life of the project.

As emphasised above, in environments still strongly dependent on foreign funding, where public funding and donor culture are still at relatively early stages, and rate of GDP is rather low so that domestic donor capacities are relatively weak<sup>4</sup>, CSOs cannot realistically engage in **strategic fundraising**, even though they might have the skills and the willingness to do so. Strategic fundraising by an organisation involves identifying the different potential funding sources available to support its various organisational and programme needs. These funding sources do, however, need to exist first, and second, the funding needs to operate in a stable and predictable manner.

<sup>4</sup> According to Eurostat (<https://ec.europa.eu/eurostat/news/themes-in-the-spotlight/western-balkans-2019>, data as of March 2019), GDP per capita is as following: Albania 4,000 EUR, Bosnia and Herzegovina 4,400 EUR, Kosovo 3,600 EUR, Montenegro 6,900 EUR, North Macedonia 4,800 EUR, Serbia 6,100 EUR and Turkey 9,400 EUR. For comparison, GDP per capita of Croatia is 11,990 EUR, Bulgaria 6,550 EUR, Romania 8,740 EUR and Slovenia 20,170 EUR. ([https://ec.europa.eu/eurostat/databrowser/view/sdg\\_08\\_10/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/sdg_08_10/default/table?lang=en)).

A range of different funding sources are available across the region and CSOs are increasingly developing their ability to make use of these new fundraising tools and mechanisms, such as crowdfunding and various forms of local philanthropy. However, the amount of revenue likely to be raised by these approaches is, however, still low in comparison to the EU average, which is the benchmark to be achieved in the region according to the current EU Civil Society Guidelines.

Awareness about the importance of gender equality in all IPA Beneficiaries is higher among CSOs than in public or private sectors. Only a handful of CSOs, however, have gender mainstreaming policies in place. In all IPA Beneficiaries, there are also strong CSOs dealing with **gender mainstreaming and equality** that play an important role when it comes to raising awareness of and promoting this issue.

The main needs in terms of capacity building are linked to the above challenges. To enhance CSO capacities, it is important to take into account the capacity building methods used. The vast majority of focus group participants expressed the need for a more tailor-made and hands-on approach to capacity building, involving more practical training, mentoring, coaching, and job shadowing.

The biggest CSO capacity challenges are low capacities (although with existing high awareness) with regard to:

- transparency and accountability
- communications
- advocacy
- strategic approaches towards operations
- monitoring and evaluation
- internal governance structures
- fundraising and fund diversification



# RECOMMENDATIONS



Based on the above findings, the following are the general recommendations that stem from this assessment:

>> Regional support through EU TACSO 3 should complement existing resources and should focus on addressing the gaps identified above. Similarly, regional support should aim to add value to similar initiatives across IPA Beneficiaries and to share national best practices across them.

>> As to the EU Civil Society Guidelines, the main finding is that the existing Guidelines have been mostly used as guidance for EU's financial support and less so for EU's political support.

Therefore, the Guidelines should be strengthened and used as a regular mechanism for monitoring and motivating IPA Beneficiaries to improve the situation, i.e. similar to the established Public Administration Reform mechanism. Governments should be pressured to implement recommendations made based on the monitoring results. The Guidelines should be revised through an inclusive process, which should take into account:

i) the important developments regarding civil society development that have taken place during the 2014-2020 period; ii) the change in the dynamics of the EU Accession process for the Western Balkans and Turkey, in particular with regard to political leverage and conditionality; iii) the changes in the context with regards to the state of democracy and shrinking civic space, both in the Western Balkans and Turkey and in a number of EU Member States.

>> EU funding support and Civil Society Facility (CSF) programming should take into account the findings of monitoring based on the Guidelines, but should not be limited to these findings. Funding approaches and models should be consistent with the political goals of supporting a conducive environment for civil society development, namely being sensitive not only to the needs of civil society, but also to its potential benefits and its limitations.

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