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BACKGROUND PAPER: WHAT IS THE ENVIRONMENT IN WHICH CSOs WORK AND WHAT CAN THE EC AND GOVERNMENTS DO TO IMPROVE IT?

Since 2007, the European Commission (EC) has identified civil society development (CSDev) and civil society dialogue as a core priority of the Enlargement process and has been monitoring it through the Enlargement Strategy Paper and the Progress Reports. BCSDN has been following EC's approach and the situations in CSDev for years, noticing that CSDev gradually started to become a focus of the EC through the years. With the last 2013-2014 Enlargement Strategy the Commission announced its intention to "increase focus on civil society" as a way to meet the key challenges in bringing about functioning democratic institutions. In doing so, "capacity-building and encouraging the creation of an **enabling environment for its development** and greater involvement of stakeholders in reforms..." takes centre stage of the approach.

The **enabling environment for civil society development** was first introduced with the 2012 EC Communication "*The Roots of Democracy and Sustainable Development: Europe's Engagement with Civil Society in External Relations*" as a set of preconditions that have to be in place in a country. The EC started developing *Guidelines for the EU support to civil society in enlargement countries for the period 2014-2020* that include set of objectives, results, and indicators for the EU support to civil society which will allow measurement of the progress at country level as well across the enlargement region.

BCSDN in partnership with the EC has in parallel developed the [Monitoring Matrix on Enabling Environment for Civil Society Development \(CSDev\)](#) - a tool that provides a set of principles and standards accompanied with 151 indicators for legislation and practice that needs to be in place in a country to have an optimum enabling environment for CSDev, i.e. Civil Society *Acquis*.

Recognizing the value and parallels of BCSDN's [Monitoring Matrix on Enabling Environment for Civil Society Development](#) and its resulting country monitoring reports, the DG Enlargement will use BCSDN's reports as a means of verifications for the first two components (conducive environment & civil dialogue) of the Guidelines. A full cycle of monitoring of the enabling environment for civil society has been completed with the use of the Monitoring Matrix. Eight (8) WBT country reports and a regional analysis have been prepared with all the assessments available on the newly established web platform (<http://monitoringmatrix.net/>).

Within the framework of the Monitoring Matrix BCSDN's has also prepared this year analysis of the Enlargement Strategy and the country progress reports through which is assessed the Commission's approach and the situations in CSDev in the WB countries. The analysis of the Reports shows that similar to last year, the Commission has maintained focus on the issues pertinent to **Government-CSO relationship**. However, this year's Reports brings about **an increased attention** on issues over **financial viability and sustainability of the sector** such as tax regime and state funding and support in some countries (e.g. Albania, BiH, Kosovo, Macedonia, and Turkey). The issues of provision of service by CSOs and the human resources in the sector, nevertheless, are only sporadically mentioned.

BCSDN's EU workshop on the **27th of May in Brussels** is aimed to inform EU stakeholders with the strategic regional outlook on the situation, with the presentation of detailed regional-level analysis and recommendations of the first year of monitoring with the use of the *Monitoring Matrix on Enabling Environment for Civil Society Development*. At the same time, putting in perspective the EC approach, the discussion will be directed to address the following key issues:

- *Why does it make sense to pressure Enlargement governments on civil society and how it helps the reform process?*
- *How can EU/EC help local civil society strengthen, be credible and hold governments accountable?*
- *How can the EC Guidelines be translated and how can the EU/EC use it as both policy and programming tool?*
- *What is the significant of the role the EU/EC can have for CSDev and towards in Enlargement countries?*

"To operate, CSOs need a functioning democratic legal and judicial system – giving them the de jure and de facto right to associate and secure funding, coupled with freedom of expression, access to information and participation in public life. The primary responsibility to ensure these basic conditions lies with the state."
(European Commission, 2012)

The workshop will be an opportunity to present concrete 2014 advocacy action/steps planned by BCSDN and its partners as a basis to devise the EU's approach within the Enlargement Strategy 2014-2015, and concrete areas to channel funding support via IPA II CSF so both are synchronized.

The full analysis of EC's assessment and approach to CSDev in enlargement countries can be found [here](#), while below is a brief outline of the main findings organized as per the Monitoring matrix areas.

Assessment of civil society development in 2013 progress report as per Monitoring Matrix areas

1. CSO enabling environment: Basic Guarantees to the Freedoms: Freedom of Association, Assembly & Expression

As in the previous years, there is no coherent and detailed approach in the country reports regarding this issue. The freedom of association and assembly in all countries (except Turkey) noted to be "generally respected", "overall satisfactory" or "continuous to be exercised/ enforced".

Repeatedly, concerns were raised in Bosnia and Herzegovina regarding "cases of intimidation and violence against human rights advocates" and lack of "effective investigation and prosecution of such cases". In Serbia, "lack of transparency and consistency in the registration process" is noted to pose continues obstacles for smaller religious groups from exercising their rights. Numerous serious concerns raise the repeated remarks on Turkey. The reports on all of the countries regarding **freedom of expression** are mostly focused on the independence of media and in that respect include numerous concerns.

2. Framework for CSO Financial Viability and Sustainability: Tax Regime, State Support & Human Resources

This year's Reports have significantly increased its attention on the issue, pointing in more detail, which aspects of the **fiscal environment** continue to hamper the development of an enabling environment for civil society. In Albania, the tax framework for CSOs, particularly on VAT reimbursement still includes provisions that undermine their financial viability. There is a lack of progress in harmonizing tax legislation in Macedonia, as well as in the expected amendments to the Law on Donations and Sponsorships in Public Activities. For Turkey, insufficient tax and other incentives for private donations and sponsorship and the fact that "legislative and bureaucratic obstacles impeding the financial sustainability of civil society organizations persisted" is noted. Almost all Reports point to the fact that civil society sector remains dependent on **funding** by foreign donors and there is limited public funding available. Additionally, as in the previous report, lack of transparency in the allocation of public funds for CSOs was noted in Bosnia and Herzegovina and Kosovo.

3. Government-CSO Relationship

With regards to **the Government-CSO Relationship**, there are differences among Commission's observations for the individual countries. In most of the countries it is noted that the **dialogue and cooperation between government and civil society** remains weak or/and further improvements are needed. Positive connotation for continuous involvement of civil society can be found in Reports for Montenegro and Serbia, for the involvement in the legislative process in Albania and improved cooperation at local level in BiH. The primary focus of the Commission remains on the role and the participation of civil society in policy- and decision-making. . Generally, the Commission calls for more consistent, transparent and inclusive processes in all countries, as well as appropriate institutional mechanisms and satisfactory follow ups. The Commission urges for more systematic and structured consultation with CSOs in Albania, Bosnia, Kosovo and Turkey, and improvement in practice and greater openness of the government to involving civil society in Macedonia. The issues of CSOs' involvement in **service provision** are addressed only in few of the country reports.