

BCSDN Position on the EC Consultation on a European Statute for NPOs and Single Market for Associations

In February 2022, the European Parliament adopted a [legislative initiative resolution](#) (2020/2026(INL), with recommendations to the Commission to harmonise the status of non-profits throughout the EU and establish a statute for European association. The initiative aims to promote and support the cross-border activities of CSOs, allowing them to benefit from the EU single market and contribute to the democratic processes. To this end, the European Commission launched a [public consultation](#) on establishing a single market for associations.

As a regional network composed of CSOs from both EU and aspiring EU countries, whose mission is to promote the enabling environment for CSOs operations and development, the Balkan Civil Society Development Network (BCSDN) welcomes this initiative and believes it is vital that all European CSOs, including those from the Enlargement region, have a say in this process. While such a new regulation will not yet affect CSOs from the Enlargement countries, considering that the Western Balkans and Turkey (WBT) are expected to eventually join the EU, civil society from the region must already take on a bolder and more systematic role in the EU's future policy-making processes. Bringing in the Enlargement countries' perspective and lessons learned in the scope of the proposal will demonstrate the intrinsic connection and indivisibility of the needs and challenges of civil society in the Union and the WBT region. Not only would it contribute to a more straightforward harmonisation of WBT CSO regulations with EU laws, thus ensuring progress on their accession path, but it would be beneficial also for the EU, as it would make use of already existing and successful initiatives from this region in defining and monitoring common standards that are applicable across borders.

One relevant tool is BCSDN's [Monitoring Matrix on Enabling Environment for Civil Society Development \(MM\)](#), developed in 2014. The MM presents a comprehensive set of standards that need to be in place for the legal environment to be considered supportive of the operations and development of CSOs. While the MM also goes beyond the minimum standards, it highlights the required minimum based on internationally guaranteed freedoms and rights and best regulatory practices in Europe. The MM reports, over the years, have collected valuable evidence of the legal and practical set-up on this issue in the WBT countries, which could be used for discerning both positive and negative examples of related regulation. The Monitoring Matrix has inspired the European Commission to develop its tool – the [EU Guidelines for Support to Civil Society in Enlargement Countries](#). These Guidelines have clearly defined the standards regarding the enabling environment for civil society in the Enlargement countries and their involvement in public-policy making and the EU integration process. Using the already developed tools, methodologies and standards that have duly addressed these issues could significantly contribute to the implementation of this initiative and its harmonisation across all EU policies and instruments within and outside of its borders. Finally, should this harmonisation be successfully implemented in such a manner, this could allow Enlargement CSOs to both benefits and contribute to the single market, regardless of the stage and pace of their countries' EU integration process.

The lack of common EU regulations and legal status among member states has created many legal and administrative burdens affecting CSOs that work across borders. For civil society to be able to pursue their missions without hindrance, establishing common minimum standards across the EU would be of significant importance. Nonetheless, the EU must be careful that such standards, including those regulating the establishment, transparency or governance of CSOs, do not overregulate or overburden these entities and thus effectively hamper instead of promoting their civic space. To that end, these standards must also consider the current trends and efforts regarding anti-money laundering and countering the financing of terrorism, noting that new regulations that intend to apply FATF Recommendations have brought additional restrictions and challenges for CSOs in many countries. With MONEYVAL assessing the countries' compliance with the principal international standards on this issue, an increased understanding of the AML/CFT processes and FATF standards regarding their implications on civil society must not be overlooked.

Only harmonised regulation could eradicate barriers and promote the benefit of a single market. While the idea of a single market for associations seems very valuable and promising, it will have a real positive impact only if it aims to prevent restrictions to the civic space and further enable the environment for operation of the sector rather than over-regulate or restrict its functioning. Noting the global trend of shrinking civic space, equally evident throughout Europe, this initiative must be in line with the EU's efforts in promoting civic space (e.g. the work of the EU Agency for Fundamental Rights (FRA), the EU Action Plan on Human Rights and Democracy 2020 – 2024, etc.). Hence, it is paramount to thoroughly analyse all CSOs' concerns and all possible – intended and non-intended – consequences of such an initiative. From enabling new spaces for cross-border activities to any potential misuse of the single market or even new restrictions imposed by governments prone to illiberal tendencies that contradict the EU values, the proposal must discuss both the positive and negative impact, the potential risks and mitigation measures.

Finally, it is crucial that the new EC proposal promotes the CSOs' fundamental rights to participate in public and political life and contributes to more substantial civil dialogue and better recognition of CSOs' work. This would further contribute to the protection and promotion of the EU's values and send a clear message of support to civil society beyond the EU borders, fostering a pan-European democratic space.