

BCSDN Monitoring Matrix Periodical Updates

April 2024

AREA 1: Basic Legal Guarantees of Freedom

The Western Balkan countries face persistent challenges in upholding fundamental freedoms of association, assembly, and expression, encountering [restrictions and violations in practice](#), notably in freedom of expression, with a recent increase in obstacles to peaceful assembly and association.

Legal reforms impacting civil society, particularly freedom of association, have encountered delays or issues in multiple countries. For instance, Albania's recent law on NPO registration, while showing some improvements, introduced problems such as excessive sanctions for administrative breaches, which were later revised by the Constitutional Court due to CSOs advocacy efforts, emphasizing civil society's pivotal role in legislative processes. Concerns persist among CSOs regarding the [new templates for electronic NPO registration](#) in Albania, which still reflect prevalent ambiguities and confusion. Revisions to vital CSO laws in Montenegro and North Macedonia face persistent delays, notably with a lack of transparency in Montenegro regarding both the content of amendments and the revision process.

State interference in CSOs is on the rise, with legislative actions targeting and stigmatizing them, stifling dissent, and threatening fundamental freedoms. Examples include the reintroduction of criminal defamation penalties and the proposed 'foreign agents' law in Republika Srpska, Bosnia and Herzegovina. A draft law on financing CSOs in the Federation of Bosnia and Herzegovina sparks concerns about civic space, with limited and questionable pre-consultations.

During its initial hearing in September 2023, the Parliament of Republika Srpska adopted a draft law on the Special Registry and Publicity of Non-Profit Organizations', known as the 'foreign agents' law. This law imposes significant reporting and compliance requirements on RS-based CSOs receiving foreign funding. Advocates claim it enhances sector regulation and transparency, but concerns remain regarding potential misuse and broad interpretation. The law prohibits non-profits from participating in 'political activities', possibly covering all advocacy forms. Additionally, it introduces penalties such as closure



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and criminal prosecution, alongside a stigmatizing "NPO mark" on all publications. Following its publication on the Ministry of Justice's website, the draft law is set to take effect on January 1, 2025. In the meantime, authorities persist in using diverse methods, such as heightened inspections, to monitor and exert pressure on CSOs, especially those advocating more vocally.

Legal frameworks related to anti-money laundering and countering terrorism financing (AML/CFT) present additional hurdles for CSOs, including restricted access to banking services, rigorous due diligence processes, burdensome reporting requirements, and impractical provisions for beneficial ownership registration. These challenges arise from policymakers and stakeholders' limited understanding of civil society's fundamental principles and the [absence of targeted and risk-based approach](#). Nevertheless, efforts are underway in Albania, Bosnia and Herzegovina, Montenegro, and Kosovo to tackle these issues through risk assessments and legislative adjustments. Despite progress, Kosovo's approval of the AML concept document and ongoing national risk assessment overlooks civil society input. Similarly, in Albania, despite a recent sectoral risk assessment indicating otherwise, the non-profit sector is still labelled as "high-risk" for money laundering or terrorism financing abuse under current legislation.

While **freedom of assembly** is legally guaranteed and conforms to international standards in the region, Serbia, Montenegro, and Bosnia and Herzegovina still face unresolved issues. Additionally, online or [digitally-mediated assemblies](#) are not expressly acknowledged in legislation, potentially leading to a restrictive interpretation of rules governing assemblies, as well as concerns regarding privacy and data protection.

In practice, freedom of assembly faces significant challenges in Republika Srpska, where LGBT events are [banned](#), and in Serbia, where protesters have faced criminal sanctions. CSOs in Serbia have documented verbal attacks by politicians and media against participants, as well as instances of police intimidation and violence against protesters. The 'Serbia Against Violence' protests, which [started in May 2023](#), triggered by mass shootings, were met with aggressive government responses, including harsh rhetoric and condemnation. [Police brutality](#) was reported during protests against election irregularities, resulting in injuries to several individuals and journalists.



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There's been a noticeable decline in **freedom of expression** across the region, with troubling legal amendments observed in Bosnia and Herzegovina (BiH) and Serbia related to slander, while Montenegro and North Macedonia strengthened the protections for journalists. The [Recriminalization of defamation in the Criminal Code of Republika Srpska \(BiH\)](#) marks a significant regression after over two decades, posing serious threats to media independence and freedom of expression. This move could potentially lead to self-censorship, arbitrary judicial proceedings, or hefty fines of up to 25,000 EUR, endangering the survival of certain media outlets. Additionally, although a new Law on media in RS has been announced, the draft remains undisclosed, and it has yet to enter parliamentary proceedings. In the Sarajevo Canton, proposed amendments to local public order laws, initially aimed at penalizing the dissemination of 'fake news' and criticism of state authorities, were later withdrawn following public outcry for modifications. Moreover, in Albania, the enactment of laws prohibiting the publication of leaked documents has further exacerbated concerns regarding censorship and restricted access to information.

Instances of freedom of expression violations have been documented across nearly all WB countries, albeit to varying degrees. Reports of threats, intimidation, and violence targeting journalists and activists have been widespread, contributing to chilling effect and self-censorship, particularly exacerbated by the lack of effective institutional responses and investigations to hold perpetrators accountable. Online harassment and verbal assaults persist, particularly on social media platforms, with a notable increase in incidents—both online and offline—targeting female journalists in Bosnia and Herzegovina, [North Macedonia](#), and Serbia. Additionally, the year 2023 presented significant challenges for journalists and media professionals in [Kosovo](#), notably amidst escalating tensions between Kosovo and Serbia.

In North Macedonia, a concerning defamation case resulted in a [disconcerting verdict](#) against a journalist and a leading investigative media outlet, setting a dangerous precedent for freedom of association and expression. [SLAPP lawsuits](#) are not specifically addressed by laws in any WB country, leaving existing defamation regulations susceptible to abuse for curbing freedom of expression. In response, environmental groups in the Federation of Bosnia and Herzegovina have proposed legislation to safeguard citizens, activists, and journalists from SLAPPs, potentially [offering crucial protections against legal actions aimed at stifling public engagement](#) if enacted.

The pervasive use of tactics to suppress dissent has led to a concerning increase in SLAPPs throughout the region. As per [CASE Coalition](#), Serbia and Bosnia and Herzegovina are among the highest in Europe for SLAPP cases, targeting journalists, activists, and CSOs, with environmental defenders particularly vulnerable. Notable instances include lawsuits against [young activists](#) for an environmental photo exhibition and against an activist



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criticizing a mining company in Vareš. Albania has also seen [environmental activists](#) and journalists facing defamation charges from private companies. Unfortunately, SLAPPs are not adequately addressed in existing media laws and remain a significant challenge in judicial systems across the region.

Over the past year, civic actors have faced numerous **targeted attacks**, with authorities consistently failing to provide prompt and effective response. There has been a significant deterioration of civic space in Bosnia and Herzegovina and Serbia, especially in Republika Srpska (BiH), where inflammatory rhetoric and persistent attacks by political leaders have increased the vulnerability of civil society. Activists advocating for anti-corruption, environmental protection, women's rights, and [LGBT+ rights](#) have been subjected to continuous threats, abuse, physical assaults, and legal harassment.

In Serbia, there's been a pattern of media manipulation to discredit CSOs, particularly those addressing sensitive social issues and criticizing government policies. Tactics like increasing SLAPP cases and using [state-sponsored spyware](#) against critics highlight a deliberate effort to undermine civil society. The periods before and after elections have seen intensified [smear campaigns](#) against [CSOs](#), [activists](#), and [journalists](#), accompanied by a rise in violence and inflammatory rhetoric due to inadequate institutional responses. The surge in nationalist and far-right movements has further targeted [anti-fascist activists](#) and [organizations advocating for peace and reconciliation](#). Concerns about manipulated elections in December 2023 have spurred civic activism, leading to a European Parliament [resolution](#) calling for an investigation into election irregularities. However, this has also prompted more attacks and smear campaigns against the country's pro-democracy and pro-European civil society by politicians and pro-government media.

LGBT+ and gender advocacy groups in the region face growing hostility, with discriminatory laws targeting LGBT organizations in RS, and major attacks on LGBTI activists in Serbia often going unpunished. In North Macedonia, the Orthodox Church's involvement in anti-LGBT protests and the rise of anti-gender movements contribute to ongoing challenges in addressing gender inequalities and LGBT+ rights. This situation is exacerbated by increased hate speech and hate crimes targeting gender rights activists.

AREA 2: Framework for CSO Financial Viability and Sustainability

CSOs in the Western Balkans face challenges stemming from regulatory changes, bureaucratic hurdles, and financial uncertainties. While there are some improvements in operational conditions, obstacles persist in tax frameworks, public funding reforms, and transparency measures.

VAT exemption is a pressing challenge for COs in both Albania and Montenegro. In Albania, the introduction of a new Directive aiming to exempt foreign donor grants from VAT marks a crucial development for the non-profit sector. However, the implementation of this directive has been hindered by ambiguities, particularly concerning the tax liability of CSOs for VAT purposes and complexities surrounding the electronic tax declaration submission system. As a result, CSOs have encountered difficulties, leading to the accumulation of VAT as ineligible costs. To address this issue, CSOs have called for a transitional solution to reimburse the accumulated VAT until the exemptions are fully operationalized. Similarly, in Montenegro, the VAT exemption process faces challenges due to bureaucratic confusion. CSOs struggle to identify the responsible authority tasked with implementing EU obligations related to VAT exemptions. This bureaucratic complexity exacerbates the difficulties faced by CSOs in navigating the regulatory landscape. Moreover, pending legal reforms in Montenegro are anticipated to further restrict CSOs' ability to engage in economic activities and potentially eliminate the minimum percentage of public funding allocated to CSOs. These impending reforms underscore systemic issues within Montenegro's regulatory framework, posing additional hurdles for CSOs operating in the country.

In Kosovo, CSOs have expressed concerns both with the content and with the drafting process of the Draft Law for the allocation for use and exchange of municipal immovable property, which was approved by the government in December 2023. Despite their active contribution to an important reform of the use of municipal properties for the public good during the preparation of the Concept note in 2022 and 2023, CSOs and their comments were ignored in the law drafting process. Challenges remain also in ensuring that government policies on volunteering are, too, aligned with CSO needs and contributions. Furthermore, efforts are underway to establish a more transparent financial reporting system for CSOs, aimed at combating accusations of financial mismanagement and to



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increase public trust, as well as to improve access to banking services, such as e-commerce solutions for online donations.

Despite long-standing expectations, [North Macedonia](#) is experiencing setbacks in its state funding reforms. The [ongoing boycott](#) of the Council for Cooperation between the government and civil society further hinders progress toward fair and transparent funding practices. Similar to other countries in the region, the allocation of state funds often [lacks transparency](#), with unclear criteria and undisclosed recipient names or fund utilization details, raising concerns about potential misuse and corruption. [Serbia](#) has also witnessed significant instances of misused funds and non-transparent open calls, including the allocation of public money to religious organizations through CSO calls, as well as to newly established organizations without prior experience in the funded topic.

Overall, due to lack of harmonization of tax and NGO legislation, as well as lack of adequate implementation mechanisms, very few cases of tax benefits are reported in practice in most of the countries. Similarly, individual, and corporate giving is poorly practiced in the region. Furthermore, legislation in most countries neither hinders nor promotes volunteering or employment within the civil society sector, highlighting a neutral stance on this aspect of CSO sustainability.

AREA 3: Government – CSO Relationship

Cooperation between civil society and governments in the Western Balkans faces numerous challenges, resulting in a lack of systematic, genuine, and meaningful collaboration. Although strategic documents exist in all countries, their implementation, particularly in Albania, Bosnia and Herzegovina, and Kosovo, is generally unsatisfactory, with a lack of effective monitoring frameworks.

Intersectoral cooperation and trust have deteriorated notably in several countries, particularly in Montenegro and North Macedonia, where the Councils for cooperation have been inactive for over two years. In Montenegro, six attempts to appoint CSO representatives to the Council have failed, hampering dialogue between the government and civil society. Similar challenges persist in other bodies like the OGP multi-stakeholder forum, which has yet to be formally established despite six unsuccessful attempts to appoint its members.

CSOs in North Macedonia, involved in the Council for Cooperation between the Government and Civil Society, [have voiced strong discontent](#) with the government's approach toward the council and civil society as a whole. They highlight deteriorating cooperation, lack of substantive communication, and disregard for the council's recommendations. This frustration led to a boycott of the council by CSOs starting in March 2022, which persists over two years later due to perceived government inaction regarding their concerns.

A stalemate in the work of the Councils is also noted in Albania, Kosovo and Bosnia and Herzegovina. In Serbia, considering that one of the Council's key duties is to monitor the inclusion of CSOs in the process of creating public policies by reviewing reports on consultations conducted by state administration bodies and making recommendations for improving the standards and practices of the consultation process with interested parties, CSOs are hopeful that the practice of engaging CSOs in decision-making processes will be enhanced. It is expected that legitimate and relevant CSOs will be involved, and their inputs will be discussed and adopted.

While institutionally aligned with European standards, public participation in decision-making remains largely formal rather than meaningful across all countries. Kosovo is the exception, where civil society continues to actively engage in policymaking and monitoring. In other countries, consultations often amount to "tick-the-box" exercises, with limited opportunities for broad engagement and expedited procedures, sometimes enabling the influence of government-organized non-governmental organizations (GONGOs).



The [WeBER Monitor](#) finds that governments in the Western Balkans face challenges in ensuring public access to information, especially in Albania, North Macedonia, and Kosovo. Moreover, CSOs perceive government decision-making as lacking transparency, with limited use of evidence from external sources and inconsistent inclusion of civil society input in policy development processes.