Balkan Civil Society Development Network

Donor Support, Civic Space, and the Future of Civil Society in the Western Balkans

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Authors:

Biljana Spasovska, Anja Bosilkova-Antovska

Balkan Civil Society Development Network

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Balkan Civil Society Development Network
Address: Macedonia Street 43-1/9, 1000 Skopje, Republic of North Macedonia
Phone: +389 2 6144 211
Email: executiveoffice@balkancsd.net
Website: www.balkancsd.net | www.monitoringmatrix.net

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Abbreviations

AA	Auswärtiges Amt / Federal Foreign Office (Germany)
ACT	Together for an Active Civil Society
AFD	Agence Française de Développement
AWEN	Albanian Women Empowerment Network
BCSDN	Balkan Civil Society Development Network
BiH	Bosnia and Herzegovina
BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (Germany)
BOS	Belgrade Open School
CCI	Centers for Civic Initiatives
CFI	Canal France International
CI	Civic Initiatives
MM	Monitoring Matrix on Enabling Environment for Civil Society
CO	Country Office
CRPM	Center for Research and Policy Making
CRTA	Center for Research, Transparency and Accountability
CSF	Civil Society Facility
CSO	Civil Society Organization
DAC	Development Assistance Committee (OECD)
DG ENEST	Directorate-General for European Neighbourhood and Enlargement Negotiations
EED	European Endowment for Democracy
EESC	European Economic and Social Committee
EFB	European Fund for the Balkans
EMFA	European Media Freedom Act
EU	European Union
FCDO	Foreign, Commonwealth and Development Office
FEF	Fonds Équipe France
FSTP	Financial Support to Third Parties
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GNI	Gross National Income
GONGO	Government-Organized Non-Governmental Organization
HRF	Human Rights Fund (Netherlands)
IDM	Institute for Democracy and Mediation

IPA	Instrument for Pre-Accession Assistance
ISF	Integrated Security Fund
KCSF	Kosovar Civil Society Foundation
M&E / MEL	Monitoring, Evaluation and Learning
MCIC	Macedonian Center for International Cooperation
MEAE	Ministère de l'Europe et des Affaires Étrangères
MFF	Multiannual Financial Framework
NGO	Non-Governmental Organization
NCEU	National Convention on the European Union (Serbia)
NOK	Norwegian Krone
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
SDC	Swiss Agency for Development and Cooperation
SECO	State Secretariat for Economic Affairs (Switzerland)
Sida	Swedish International Development Cooperation Agency
SLAPP	Strategic Lawsuit Against Public Participation
TACSO	Technical Assistance to Civil Society Organizations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
USAID	United States Agency for International Development
WB	Western Balkans
WFD	Westminster Foundation for Democracy
WBF	Western Balkans Fund
EUR	Euro
USD	U.S. Dollar

Executive Summary

Civil society in the Western Balkans is at a critical juncture. Independent organizations remain indispensable actors for democratic accountability, citizen participation, and protection of rights, yet their survival is more precarious than ever. Legal guarantees for freedoms of association, assembly, and expression persist on paper, but political hostility, smear campaigns, and restrictive laws are eroding the space in which CSOs operate, while formal consultation mechanisms remain tokenistic. Domestic funding is scarce, fragmented, and often politically manipulated.

Against this backdrop, international assistance continues to be the lifeline for civil society. But donor practices themselves are shifting in ways that will shape whether civic actors emerge from this period fragile and donor-driven or resilient and citizen-rooted - if they manage to survive this period at all.

This study examines how major bilateral and multilateral public donors – EU, Sweden, Switzerland, Norway, Germany, France, and the UK – are supporting civil society in the Western Balkans amid geopolitical upheaval and global aid contraction. Drawing on official documents, quantitative data, and 22 interviews, the research captures a turning point: the abrupt suspension of USAID assistance in 2025, which halted more than $120 million in active programs across the region. This single event exposed the overreliance of the civic sector on a few large donors and triggered layoffs, stalled initiatives, and a wave of smear attacks that undermined public trust in NGOs.

Beyond the U.S. withdrawal, European donors face their own constraints. Resources are being redirected to Ukraine, migration, and security, while development budgets tighten. As a result, funding for democracy and human rights – once considered a long-term investment – is increasingly treated as a short-term expense. The research situates these shifts in a donor landscape that is at once indispensable and fragile: indispensable because foreign support remains the only lifeline for independent organizations, and fragile because its volatility threatens to undo decades of democratic progress.

Donor Landscape: What is happening?

International assistance remains indispensable but fragile. The EU is now both the anchor and the test case for democracy support. Through the IPA III CSF and Media Programme, it provides the largest and most stable envelope through 2027. Yet its procedures remain heavily project-based and centrally managed. Delegations on the ground see the value of local CSOs and recognize the limits of relying on international intermediaries, but their ability to adapt programming to context has been reduced by a lack of capacities and a growing centralization in Brussels. This misalignment between EU headquarters and field offices risks weakening the very localization agenda the EU promotes, while the system remains ill-suited to provide the core, flexible support CSOs need. In contrast, the European Endowment for Democracy rapid-response, ecosystem-based approach has become a model for more flexible and context-aware assistance.

Among bilateral donors, Sweden and Switzerland stand out for their long-term, trust-based engagement that strengthens resilience and civic participation. Sweden remains one of the few donors providing consistent core support, while Switzerland focuses on flexible, multi-year programmatic partnerships. Both, however, are reducing overall envelopes and, in some contexts, preparing to phase out. The Netherlands and the UK are implementing steep aid cuts that drastically narrow the space for democracy and civic-space funding, while other traditional partners are tightening their portfolios. Norway continues to provide principled support to watchdogs and media, avoiding costly intermediaries but at modest scale. Germany, France, and the Netherlands maintain selective, often sectoral programs – important but less conducive to sustaining independent civic actors. Common trends still include shorter funding cycles, substantial reliance on intermediaries, and limited space for flexible or multi-year support.

The consequences are structural. When funding becomes fragmented and bureaucratic, civil society shifts from mission-driven advocacy to donor-driven delivery. Smaller and grassroots organizations, particularly outside capitals, are squeezed out. The USAID freeze amplified this fragility: without coordination or transition planning, entire ecosystems lost their stability overnight. These shocks also embolden governments that view donor retrenchment as a license to intensify pressure on NGOs. The episode underscores the urgent need for rethinking civil society resourcing, diversification, sustainability, and coordination to prevent further destabilization of civil society in the region.

Why does this matter?

The Western Balkans are once again high on the EU's political agenda through the Growth Plan and renewed enlargement momentum. Yet democratic transformation cannot advance without a strong, independent civil society capable of holding power to account. Donor contraction, centralization, and risk aversion are not just administrative problems – they are political ones. If the current trajectory continues, external assistance may sustain institutions but lose legitimacy with citizens, leaving democracy without defenders.

Civil society in the Western Balkans is being asked to carry the heaviest burden for defending democracy and resisting authoritarian drift at the very moment when the lifeline of international support is being pulled back. This contraction of resources is expected to intensify in the near and medium term, as global security pressures and shifting geopolitical priorities further reduce the space for civil society funding. The urgency is therefore twofold: civil society actors must learn to do more with less, while donors must fundamentally rethink how they resource democracy support.

What next? Our Recommendations

To maintain credibility and impact, donors must rethink how they fund, not just how much they fund.

1. **Expand flexible and core support.** Donors should scale up multi-annual core grants and trust-based partnerships that allow CSOs to plan strategically and respond quickly to threats. These modalities have proven most effective in sustaining watchdog roles and public engagement, as well as withstanding political pressures and building constituencies.
2. **Empower local intermediaries.** Shift from international implementers to trusted regional or national re-grantors that combine CSO funding with infrastructure and capacity-building embedded in local accountability. This ensures ownership, cost-effectiveness, and outreach to smaller groups.

3. **Coordinate and plan responsibly.** Establish structured, transparent donor-coordination platforms to align timelines, avoid overlaps, share risk, and collectively plan responsible exit strategies to prevent destabilizing the sector.
4. **Integrate protection, rapid response and diversity in support.** Embed small, flexible emergency funds into donor portfolios to safeguard activists and human-rights defenders against physical, digital, or legal threats. Adopt mechanisms make resources accessible to medium and smaller CSOs, including outside capitals.
5. **Safeguard civic space and the independence of CSOs.** Condition assistance on clear civic-space benchmarks and avoid channeling funds to government-organized NGOs or partisan proxies.

The **choice is stark**: either reinforce dependency and fragility, or build sustainable, citizen-rooted, and resilient civil societies that can anchor democracy in the Western Balkans. The OECD DAC framework explicitly recognizes this responsibility, calling on donors to ensure that their own practices do not inadvertently restrict civic space or weaken local ownership.

Introduction and Background

Civil society in the Western Balkans operates in an increasingly constrained and volatile environment. While the legal frameworks across most countries continue to formally guarantee freedoms of association, assembly, and expression, their implementation is uneven and undermined by political hostility, administrative burdens, and smear campaigns. **Democratic backsliding has intensified in recent years**, with governments in Serbia, Bosnia and Herzegovina, and Türkiye leading efforts to stigmatize independent actors as "foreign agents" or "enemies of the state". Across the region, activists face harassment, strategic lawsuits against public participation (SLAPPs), surveillance, and restrictions on protest, while watchdog organizations encounter bureaucratic suffocation and exclusion from decision-making processes. [1]

Despite these pressures, **civil society has demonstrated resilience**. In Serbia, for example, mass protests against corruption, environmental degradation, and state negligence have persisted even in the face of violent crackdowns, arrests, and intimidation. In Albania, environmental movements successfully mobilized communities and international allies to protect the Vjosa River, culminating in its designation as Europe's first wild river national park in 2023 – a rare case where grassroots action directly shaped national policy. In Bosnia and Herzegovina, persistent advocacy by women's groups secured the 2022 Brčko District law recognizing children born of wartime sexual violence, while more recently CSOs pushed forward the first draft anti-SLAPP law in the Federation of BiH, providing a potential model for the region. Together, these examples demonstrate that, even under shrinking civic space and

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[1] BCSDN (2025) Monitoring Matrix Regional Report on Enabling Environment for Civil Society in the Western Balkans and Türkiye: https://monitoringmatrix.net/bcsdns-2024-monitoring-matrix-report-reveals-alarming-shrinkage-of-civic-space-in-wb-and-turkiye/

mounting pressure, civil society continues to generate breakthroughs that defend rights, preserve public goods, and expand democratic norms.

Shifting geopolitical context

The pressures on civic space cannot be separated from broader geopolitical dynamics. Russia's aggression against Ukraine, the rise of illiberal actors globally, and competing foreign influences in the Balkans have sharpened the geopolitical stakes of democracy support. Enlargement has regained momentum, with the EU's Growth Plan and Reform and Growth Facility intended to accelerate integration and convergence. Yet, this renewed attention also risks prioritizing stability and short-term geopolitical gains over structural democratic reforms. **Civic space remains sidelined** in accession benchmarks, despite being essential for meaningful reform.

Meanwhile, global funding shifts have deeply affected the region. The abrupt suspension of U.S. foreign assistance in early 2025 disrupted more than $53 million in active civic programs in Serbia alone and over at least $120 million in the Western Balkans region, halting multi-year initiatives, causing layoffs, and emboldening nationalist narratives that delegitimize civil society. In parallel, European donors are reprioritizing resources toward Ukraine, migration, and security, often at the expense of long-term democracy support in the Balkans. This convergence of geopolitical crisis management and donor retrenchment threatens to leave CSOs without the sustained backing needed to resist authoritarian pushbacks.

Why donors matter

Donors continue to play a decisive role in shaping the civic environment in the Western Balkans. With domestic funding scarce, fragmented, and often politically manipulated, with governments in places such as Serbia and Bosnia and Herzegovina channeling resources to government-organized NGOs (GONGOs) that mimic civil society, marginalize independent watchdogs, and distort public dialogue, international assistance remains the primary lifeline for independent organizations. Yet donor practices themselves are subject to mounting critique: short funding cycles, reliance on international intermediaries, and complex bureaucratic requirements undermine the sustainability and autonomy of CSOs. The credibility of international support is weakened when resources bypass local actors or reinforce governments that restrict civic freedoms. By contrast, flexible, core, and long-term support has proven essential to sustaining watchdog roles and enabling CSOs to withstand political pressures. Such modalities indisputably support civil society in achieving meaningful impact and fulfilling its democratic mission.

A recent analysis also highlights an often-overlooked dimension of donor support: **emergency and rapid-response** resources for activists and organizations under attack.[2] Unlike bilateral and EU instruments – whose project orientation, slow procedures, and formal eligibility criteria make them ill-suited for emergencies – private foundations and re-granting organizations (such as Trag, KCSF, CI, MCIC, EFB, EED, Civil Rights Defenders, and Front Line Defenders) have stepped in to provide fast and flexible assistance. This includes not only financial bridging but also legal defense, digital and cybersecurity support, relocation, physical protection, and even psychological care. The report finds that new groups (environmental activists, gender and women's rights defenders, and watchdog organizations facing corporate or state pressure) are increasingly reliant on such mechanisms. Yet access remains limited, often confined to existing partners of private donors, leaving the most vulnerable actors exposed. The study recommends pooled emergency funds, better donor coordination, and integration of holistic security (combining self-care, digital, and organizational security) into standard donor practice. This underscores a broader conclusion of this research: while international assistance remains indispensable, its sustainability and credibility hinge on greater flexibility and responsiveness to the rapidly evolving threats civil society faces.

These developments unfold within a **broader international framework that sets clear expectations for donor behavior**. In 2021, members of the OECD Development Assistance Committee (DAC) adopted the *Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance*[3] - the first global standard committing aid providers to respect, protect and promote civic space, and to treat CSOs as independent development actors in their own right. Although adopted before the most recent geopolitical disruptions, the Recommendation has only gained salience as donors confront contracting budgets, securitized aid agendas, and

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[2] PeaceNexus Foundation (2024) Supporting Activism in Times of Crisis Emergency Resources for the Western Balkans: https://peacenexus.org/partnership/supporting-activism-in-times-of-crisis-emergency-resources-for-the-western-balkans/

[3] OECD 2021, "DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance": https://one.oecd.org/document/DCD/DAC(2021)29/en/pdf

democratic backsliding. Its provisions – calling for direct, flexible and predictable funding; meaningful dialogue with CSOs; and stronger donor co-ordination to prevent restrictions on civic space – provide a normative benchmark against which current practices in the Western Balkans can be assessed. Yet, as this study will also show, implementation across DAC members remains uneven, and the gap between commitment and practice continues to widen.

Current donor landscape

Currently, **EU funding** through the IPA III Civil Society Facility and media instruments represents the most stable stream until 2027. Its portfolio remains largely project-based, complemented by selective core or institutional support (e.g., Serbia's National Convention on the EU, North Macedonia's framework grants) and some reliance on intermediaries such as EED, UNDP, or UNESCO. The abrupt **exit of USAID** in early 2025 created a major funding vacuum—especially in Serbia, Kosovo, and Bosnia and Herzegovina—that no donor has been able to fully replace, though the EU and others have attempted to mitigate gaps with bridge funding and/or coordination in some cases through EED. Among bilateral donors, **Sweden** (Sida) and **Switzerland** (SDC) remain the most consistent providers of long-term and flexible support, including core funding to watchdog organizations, though both face budgetary constraints and strategic shifts (e.g., Sida's regional program reductions, SDC's planned phase-out from Albania). **Norway** has prioritized direct support to watchdog CSOs and media, avoids international implementers, and signals a stronger turn to core support in future cycles. **Germany** (via GIZ), the **Netherlands**, the **UK**, and **France** maintain more selective or sectoral portfolios, mostly through short-term or project-based mechanisms, with limited space for core support.

Taken together, these shifts reveal a donor landscape that **is simultaneously indispensable and fragile**: indispensable because international support remains central to civil society survival, and fragile because cuts, shifting priorities, and bureaucratic constraints threaten to weaken local ownership, autonomy, and resilience at a moment when civic space is under intensifying pressure.

Emerging Non-Traditional Actors

While this research focuses on traditional and EU-aligned donors, it is important to acknowledge the increasing presence of non-traditional actors – including Russia, China, Iran, and Türkiye – whose influence in the Western Balkans is expanding. Their financing approaches, thematic priorities, and communication strategies, though outside our core donor portfolio, carry growing potential to reshape CSO incentives, partnership choices, and public narratives.

Typically, these actors engage through state-led or semi-official institutions, blending development cooperation with diplomatic, religious, or cultural influence. Russia and China tend to prioritize infrastructure, media, and educational exchanges tied to strategic or economic interests, while Iran and Türkiye often operate through humanitarian, faith-based, or cultural organizations.

Although their direct funding to independent CSOs remains limited, their approaches can produce indirect spillover effects: strengthening government-organized NGOs (GONGOs), normalizing state-controlled "civil society," and promoting narratives that challenge EU norms on democracy, rights, and pluralism. Monitoring these dynamics is therefore essential, as they increasingly shape the broader ecosystem in which local civil society operates – influencing not only access to resources, but also public trust, legitimacy, and the terms of civic engagement.

The U.S. Withdrawal: Turning Point for Civil Society Support

Before the abrupt suspension in early 2025, USAID was a cornerstone of civil society support across the Western Balkans, anchoring multi-year initiatives in governance oversight, media freedom, human rights, youth engagement, anti-corruption, and direct service delivery. The programs it financed were not only strategic but sustained – forming essential infrastructures of democratic resilience. The 2025 freeze of US funding came as a seismic shock to CSOs. Evidence from MCIC's study in North Macedonia discloses the scale of disruption: out of approximately $74 million in live USAID-supported programming, nearly $40 million had already been committed to Macedonian partners (both CSOs and local companies) when the freeze hit. Dozens of organizations found themselves without crucial resources to continue operations or uphold their mandates. Critical initiatives in anti-corruption, media literacy, youth empowerment, economic development, and justice were halted mid-stream. This withdrawal wasn't a temporary freeze – it acted as a financial rupture, dismantling ongoing projects, generating widespread fatigue, reputational harms, and operational instability.

Reflections from national surveys and assessments facilitated by BCSDN members and several BCSDN-led regional discussions further reinforce this reality. Across Albania, Kosovo, Serbia, Montenegro, and Bosnia & Herzegovina, organizations reported having to cancel grants mid-implementation, initiate staff layoffs, or entirely suspend essential services, particularly in domains such as social protection, democracy education, and human rights advocacy. In Albania, more than half of surveyed NGOs risked survival for only one to three months without funding. In Kosovo, out of the $28.22 million in active US-funded contracts, estimated losses reached $11.6 million, with immediate staff departures and an urgent six-month survival funding need approaching $1.66 million. In Bosnia & Herzegovina, the picture is mixed, but threats loom large: many organizations projected only a few months of operational viability, especially those serving minorities, media actors, and civic education.

The evidence lays bare a systemic **overreliance on a single external donor.** For many CSOs, USAID accounted for 10–30% of annual budgets. Its withdrawal therefore didn't just pause funding, it compromised core viability, administrative continuity, and strategic foresight.

The suspension produced immediate, tangible consequences: staff layoffs, pay cuts, halted advocacy campaigns, and disrupted programs reaching the most vulnerable. In areas where CSOs historically filled gaps left by under-resourced governments (e.g. protecting trafficking survivors or providing legal aid) the consequences are even more pronounced. The pause has not been perceived neutrally in domestic arenas. Across the region, most notably in Albania, Serbia, and Bosnia & Herzegovina, political actors and aligned media have used the funding freeze for **amplifying the "foreign agent" narratives and employed smear campaigns to delegitimize organizations previously supported by USAID**.[4] This has eroded not only funding but public credibility, potentially silencing dissent among wary CSOs with shrinking public trust.

Pre-freeze, many organizations operated with multi-year strategic plans, assuming funding stability. Post-freeze, a **sharp pivot to survival mode is evident**: emergency fundraising, curtailed advocacy, and abandonment or postponement of long-term

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[4] Balkan Civil Society Development Network (2025) https://balkancsd.net/fallout-of-the-us-funding-freeze-puts-western-balkans-civil-society-under-attack/

initiatives. This shift saps the sector's capacity to sustain democratic vigilance. Those outside capital cities and formal networks have suffered disproportionately. In Albania, for example, NGOs in smaller towns were significantly more impacted. Grassroots groups, youth organizations, inclusive sports clubs, and anti-trafficking groups—already marginalized—face amplified risk due to limited alternative funding avenues.

The suspension of the US funds in the region accelerated a shift in how donors operate. Other donors were also influenced by the "cost-effectiveness and value–for–money" narrative, as well as the reputational risk of smear attacks affecting both CSOs and donors. In light of this, some donors have been considering channelling funds through intermediaries or international implementers, issuing fewer open calls, and consolidating contracts – a trend local actors interpret as reducing transparency, local ownership, and accountability.

The interruption has forced a **reconfiguration of the donor landscape**. EU institutions and bilateral donors like Switzerland, Norway, the UK, and Germany have stepped in in some cases, but their capacity is limited by procedural delays and constrained flexibility. There is, however, a growing consensus among CSOs that funding going forward must prioritize flexibility, local anchoring, and support for core operations, not just project outputs.

In summary, USAID's suspension inflicted **multifaceted wounds on civil society: financial, operational, reputational, and strategic**. Evidence coherently shows that this is more than a temporary disruption – it is a fault line. The gravity of the consequences challenges CSOs to rethink dependency, modalities of support, and resilience strategies. Whether the region's civil society emerges weakened or emerges with adaptive strength will depend on whether future support structures, both local and international, incorporate lessons about diversity, agility, legitimacy, and long-term sustainability.

Scope and Contribution of this Paper

This paper provides a comparative analysis of how major international donors are currently supporting civil society, with a focus on their strategic orientations and funding modalities. Rather than examining a single funding instrument, the study reviews the approaches of a broad range of donors – including key multilateral programs (such as the EU's IPA Civil Society initiatives) and numerous bilateral aid agencies – to capture the full landscape of external support to civil society.

This paper deliberately focuses on **bilateral and multilateral public donors -** particularly the EU and European bilateral agencies – given their systemic role in shaping the region's civil society ecosystem. **Private and philanthropic foundations are not within the scope of this research**. While they play a vital role, especially in providing core and emergency support and are increasingly expected to absorb some of the funding gaps left by exiting bilateral donors such as USAID, their operational logic, funding sources, and grant-making modalities differ substantially from public donors and thus require separate analysis. Their mention in this paper serves only to contextualize the broader funding environment, not to assess their strategies or impact.

By examining donors side-by-side, the paper identifies **common trends and shifts in practices**, such as an increasing use of regional programs and re-granting through intermediaries. It also explores how recent global and regional developments prompted donors to adjust their priorities, and what these changes imply for the **outlook** of civil society funding.

The contribution of this research lies in synthesizing both quantitative data and qualitative insights to paint an up-to-date picture of the donor landscape. In particular, the paper leverages new evidence (including direct input from donor representatives) to highlight emerging challenges and opportunities in donor–CSO relations.

This comprehensive approach yields a timely resource for civil society and policymakers: it not only documents the current state of donor engagement, but also sheds light on evolving strategies and future commitments – for example, noting that despite recent disruptions, most donors intend to maintain or even increase their involvement in the Western Balkans, with a growing emphasis on regional cooperation and synergy. By capturing these shifts and forward-looking plans, the paper adds valuable insight into how external support for civil society is likely to unfold in the coming years, and it offers a basis for more informed dialogue between donors and local stakeholders on improving aid effectiveness.

Data Sources and Methodological Approach

The study employs a mixed-method approach, drawing on multiple data sources to ensure both breadth and depth of information. Key components of the methodology include:

Desk Research of Donor Documents: An extensive review of official documents from a wide array of donors was conducted. This included strategic plans, policy papers, program guidelines, and publicly available reports from major bilateral donors (e.g. development agencies of countries such as Sweden, Norway, Switzerland, the United Kingdom, etc.) and multilateral donors (most notably the European Commission's DG NEAR for IPA funding). Through this review, the research mapped out each donor's stated priorities, funding frameworks, and modalities of support to civil society. Examining these official sources provided insight into overall program budgets and strategic directions, allowing for a comparative understanding of how different donors position their civil society assistance.

Quantitative Funding Data Analysis: The paper incorporates analysis of available quantitative data to discern funding trends. For instance, OECD statistics on Official Development Assistance (ODA) were used to gauge the volume of aid directed to civil society by various donors (and the share of aid benefiting CSOs). In addition, specific program data – such as the EU's Civil Society Facility allocations under IPA for 2021–2023 – were examined to compare funding levels across countries relative to population size and number of CSOs (using data compiled by BCSDN and partners). This helped in identifying which donors are providing significant resources for civil society and how these resources are distributed, as well as highlighting any gaps between donor rhetoric and actual financial support (e.g. the proportion of ODA going directly to domestic CSOs).

Interviews with Donor Representatives: To complement the document review and data analysis, the research team carried out semi-structured interviews with donor agency representatives (please see Annex 1). In total, 22 interviews were conducted with key informants from various bilateral donor organizations. These interviews, conducted confidentially, probed deeper into donors' current practices, rationales, and future plans. Donor officials were asked about their experiences in supporting civil society, any recent shifts in their funding modalities (for example, moves toward engaging intermediaries or providing core funding), and their outlook on continuing or changing support in the near future. The insights from these conversations were invaluable for understanding nuances that are not evident in written strategies – such as internal constraints, coordination efforts, and perceptions of what is working or not in the field. They also helped validate and contextualize the trends observed in the quantitative data and official documents. (Where certain specifics – like exact future funding amounts for CSOs – were not clearly stated in public sources, the interviews helped fill some of those information gaps, albeit often with qualitative indications.)

BCSDN Survey and Consultations: A distinctive element of the methodology addresses the recent USAID funding suspension and its implications. For that portion of the analysis, the paper draws on data gathered through a survey-based research conducted by BCSDN members and partners. Between March and June 2025, BCSDN's member organizations across the region conducted national surveys to assess the impact of the halt in USAID assistance on civil society, and to capture local stakeholders' perceptions of donor responses. The findings from these surveys (including one provided by Partners Serbia, and a financial analysis by Catalyst Balkans) were synthesized into a regional overview. Moreover, BCSDN facilitated several follow-up discussions (both within its network and with other civil society actors) to qualitatively enrich the survey data – these discussions provided additional insights into how organizations are experiencing shifts in donor support on the ground. Incorporating this feedback enabled the authors to reflect not just the donors' perspective, but also the perspective of civil society recipients. This mixed-source approach ensures that the section on "USAID implications" is grounded in evidence: it combines the empirical survey results with anecdotal examples and commentary from those directly affected, painting a clearer picture of the repercussions of donor shifts and how other donors or actors might be adjusting in response.

Triangulating Information from Varied Sources – official donor publications, quantitative funding databases, interviews with donor officials, and civil society surveys – the methodology provides a robust and balanced foundation for the paper's findings.

Each source played a role in cross-verifying the others: for example, publicly stated donor budgets were cross-checked against interview insights, and survey trends were compared with funding data to ensure consistency.

While data gaps and limitations were encountered (as detailed in the research process, some donors do not publish detailed breakdowns of civil society funding, and not all approached interviewees could disclose specifics), the combination of sources allowed the researchers to overcome many of these gaps. The result is a well-rounded methodological approach that enhances the credibility of the analysis: the quantitative data illustrate the "big picture" trends, the document review provides the policy context, the interviews offer explanation and nuance behind the numbers, and the BCSDN survey inputs inject grassroots-level reality about the effects of donor actions. This approach aligns with and builds upon prior donor mapping efforts in the region, including the *PeaceNexus study on emergency support for activists in the Western Balkans* and the *Catalyst Balkans/BCSDN financial analysis of philanthropic and donor flows*[5], continuing a tradition of evidence-based examination of donor strategies and practices. All findings presented in the paper are thus derived from – and supported by – this comprehensive amalgam of data and insights, ensuring that conclusions about shifting donor approaches and future outlook are firmly grounded in documented evidence and stakeholder experience.

Limitations

Three main limitations apply. First, the timeframe: the research was conducted in mid-2025, while several donors (e.g. Sweden, SDC, UK) were still finalizing new strategies, making some outlooks provisional. Second, the perspective bias: most evidence derives from donor representatives, which risks underplaying CSO perspectives. This was mitigated by incorporating BCSDN's regional survey on the USAID withdrawal, CSO-facilitated discussions, and independent monitoring reports. Third, the data environment: limited transparency and incomplete figures on civil society allocations required triangulation across documents, interviews, and CSO assessments. Despite these constraints, the study offers a robust comparative analysis of donor strategies and their implications for civil society in the Western Balkans.

[5] https://balkancsd.net/donor-strategies-in-a-time-of-paradigm-shift-mapping-of-the-donors-active-in-the-western-balkans/

Donor Overview

With domestic funding scarce and often politicized, external assistance remains the lifeline for independent organizations. Donor choices on modalities (direct support vs. intermediaries), time horizons (core, multi-year vs. project), and thematic priorities (watchdog roles, media, gender, anti-corruption, etc.) directly condition CSOs' ability to act autonomously and endure pressure.

According to OECD DAC data, total disbursements to democracy and human rights–related sectors in the Western Balkans exceeded USD 2.4 billion between 2020 and 2023. The EU accounted for the largest share, followed by the U.S., while Sweden and Switzerland remained steady and long-term bilateral supporters.

Table 1. Total Official Development Assistance to Democracy and Governance, Including Civil Society, Government Institutions, and Multilateral Programmes in the WB (2020–2023)[6]

Donor	*Total 2020–2023 (USD m)*
EU Institutions	1,170
United States	427
Sweden	250
Switzerland	238
Germany	172
France	67
Norway	40
United Kingdom	26
Netherlands	5

[6] ***Source:*** *Own calculations based on* ***OECD DAC Creditor Reporting System (CRS)****, using gross disbursements (constant USD) for the following purpose codes: 15113 Anti-corruption organisations and institutions; 15150 Democratic participation and civil society; 15151 Elections; 15153 Media and free flow of information; 15160 Human rights; 15170 Women's rights organisations and movements, and government institutions; 15180 Ending violence against women and girls; and 151 Government and civil society, general. Data cover Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia, 2020–2023.*

Profiles and positioning

The EU's portfolio is institutionalized through IPA III/CSF and increasingly linked to enlargement and reform monitoring. The United States' 2025 suspension created an immediate gap difficult to offset in scale. Sweden and Switzerland distinguish themselves by often providing flexible, trust-based funding and re-granting via credible local intermediaries; Germany, Norway, the UK, France, and the Netherlands maintain smaller, often sectoral envelopes.

Cross-cutting trends

Across donors we see four converging tendencies:

(i) reallocations toward Ukraine/humanitarian and security priorities;

(ii) greater reliance on local intermediaries (regional or local re-grantors) and cascading Financial Support for Third Parties (FSTP) to reach smaller actors;

(iii) a gradual retreat from multilateral implementers such as UNDP and other UN agencies for civil-society-aimed funds, in favor of more direct partnership with local actors; and

(iv) the fragmentation of bilateral portfolios, heightening EU centrality.

These dynamics reflect parallel strategies: while some donors consolidate contracts or rely on international implementers to manage administrative burdens (e.g., DG ENEST through UNDP and EED, Germany through GIZ), others have been shifting away from UN agencies toward local and regional re-grantors (e.g., SDC in North Macedonia, Kosovo and Serbia, EU Delegations in some countries, Norway and Sida through regional programmes) or direct partnerships with CSOs (e.g. Sida and Switzerland).

Table 2. Comparative Overview of Key Bilateral and Multilateral Donors Supporting Civil Society in the Western Balkans (2025)

Donor	Strategic Priorities	Modalities	Core vs Project Funding	Role of International Actors	Exit / Outlook
EU	Participatory democracy, rule of law, media freedom, civil society watchdog role, and EU accession fundamentals	Mainly direct management of grants (incl. sub-granting via CSOs); some outsourcing to intermediaries (e.g. a re-granting project via UNDP)	A few core grants but mostly action/project grants and sub-grants (FSTP)	Some involvement of internationals (UNDP, TACSO, UNESCO, EED), trending toward direct local funding	Civil society funding stable through 2027 (current IPA III cycle); post-2028 outlook uncertain amid expected aid cuts
Sweden	Democracy, human rights, rule of law, gender equality; Peaceful and inclusive societies; Environment; Inclusive econdevelopment	Mix of direct bilateral support and funding via Swedish CSO partners or pooled funds	Combination of project grants and core support to select key CSOs	Often channels funds through Swedish NGOs (e.g. Kvinna till Kvinna) but a growing share delivered directly to local CSOs	A new strategy is under development. Regional programs are being phased out by mid-2026. Bilateral country support likely to remain but with anticipated cuts as Sweden's ODA is reduced
Switzerland	Good governance, anti-corruption, local development, migration management	Project-based grants, sometimes via local re-granting mechanisms	Very limited core funding; mostly project/program support	Frequently through international implementers in partnership with local groups	Phasing out bilateral aid to Albania by 2028; slight downsizing in Bosnia & Herzegovina (~8%) as part of overall aid reduction, while funding for Kosovo stays roughly stable
Norway	Independent media, watchdog NGOs, human rights advocacy	Direct embassy grants (often invitation-only calls)	Some core funding to select CSOs, alongside project grants	Avoids large international implementers (costly/low-impact); favors local consortia (SMART Balkans) Recent media assistance channeled via EED as an exception	Budget beyond 2025 is uncertain (cut ~NOK 55 million from 2024–25 Balkan programs), but continued support for investigative media and accountability initiatives
Germany	Governance and rule of law, environmental protection, fact-checking & media literacy	Mainly GIZ-implemented projects and service contracts; some small grants to local CSOs	Project-based only	Tends to engage German/international contractors or NGOs to execute programs, who support/involve local CSOs	No dedicated civil society program; future CSO support unclear and likely to be part of sectoral programs rather than standalone funding
Netherlands	Rule of law, anti-corruption, independent media, EU integration reforms (Cluster 1)	MATRA program grants; Human Rights Fund (until 2026); support for dialogue platforms	Mostly project funding; very limited core support	Implements via a mix of local CSOs and international partners	Human Rights Fund to wind down by 2026; MATRA continuing at reduced scale. Major Dutch aid cuts (~€1 billion less for civil society from 2026) will constrain future support
UK	Democratic governance (lower emphasis in Albania), security, cybercrime, migration	Project grants, often with initial implementation by international partners and later handover to locals	Project-based only	Typically via international NGOs or contractors, transitioning to local organizations over time	ODA shrinking sharply (0.3% of GNI by 2027) with reduced democracy/ civil society aid in WB. Future support likely focused on security and stability
France	Youth engagement, civic participation, environment, cultural heritage	Regional Project – grants, national micro-grants and capacity-building	Project-based support	Often implemented with French partners in cooperation with local actors	BOOST program (€3.7 million via AFD) runs through 2027; funding beyond 2027 not yet determined + Shared Horizons program (€2 million via French operators)

Deep Dive: Approaches to Civil Society Support in the WB by Main Donors

The European Union

The European Union is the single largest donor to civil society in the Western Balkans. Under the IPA III Civil Society Facility and Media Programme (2021–2027), it has allocated approximately €500 million for civil society and media across the region and Türkiye. While Turkey receives the largest absolute share, comparative data show that smaller Western Balkan states such as Montenegro, Kosovo, and North Macedonia benefit more on a per-capita basis, whereas Serbia and Albania absorb the largest envelopes in absolute terms. In contrast to the retrenchment visible among many bilateral donors, the EU has in fact scaled up its calls. In Serbia, for example, the Delegation merged two years of Civil Society Facility funds with two years of Human Rights and Democracy allocations to launch a €7.9 million call for 2025–2026, which is significantly larger than in earlier programming rounds.

Table 3. EU Civil Society Funding in the Western Balkans: Scale and Distribution (2021–2025)

	Country	Contribution in EUR	EUR per capita	EUR per CSO
2021-2023	Albania	9,500,000.0	3.4	826.1
	BiH	8,800,000.0	2.7	382.6
	Kosovo	7,250,000.0	4.0	805.6
	Montenegro	6,000,000.0	10.0	1,333.3
	North Macedonia	9,000,000.0	5.0	580.6
	Serbia	17,200,000.0	2.5	521.2
2023-2025	Albania	8,000,000.0	2.9	695.7
	BiH	8,000,000.0	2.4	347.8
	Kosovo	7,000,000.0	3.9	777.8
	Montenegro	5,000,000.0	8.3	1,111.1
	North Macedonia	6,000,000.0	3.3	387.1
	Serbia	12,000,000.0	1.8	363.6

Strategic Priorities, Modalities, and Implementation

The EU has retained a strong emphasis on democracy, rule of law, human rights, civic engagement, media freedom and civil society enabling environment that have emerged as main priorities also from the consultations with CSOs. These priorities are increasingly framed within the **Growth Plan for the Western Balkans** and the broader enlargement methodology, which ties support more explicitly to reform benchmarks. In addition, the EU Guidelines for Civil Society in Enlargement Countries (2021–2027), set out priorities for enabling environment, participation in policy-making, and CSO sustainability.

Civil society is thus not only funded for its watchdog and advocacy roles but also positioned as a partner in monitoring and communicating reforms to citizens. This reflects a subtle but important shift in how the EU conceives of civil society's role in accession.

EU Delegations are gradually moving toward **fewer but larger contracts**, often in the range of €3–5 million, usually involving consortia with re-granting obligations. In some cases, Delegations have considered outsourcing implementation to reduce administrative burden and improve flexibility—partnering with a member state agency or an international organization with specialized expertise to ensure a more coordinated approach across countries. While less common, capable local CSOs may also serve as implementers, though this is viewed as less likely under current practice. The European Endowment for Democracy (EED) complements these instruments by offering flexible, rapid-response support, particularly for media freedom and human rights defenders, and has become indispensable since the USAID withdrawal, filling sensitive gaps the EU's standard procedures could not quickly address.

A particularly noteworthy trend, raised by several Delegation staff and implementing partners, is a growing discussion about the extent to which reliance on UN agencies as intermediaries for civil society funds is suitable in the long term. While Delegations continue to use UNDP and similar agencies for their administrative capacities and coordination with local authorities, several respondents pointed to concerns regarding cost-efficiency, sustainability, and the limited contribution of this model to local civic ownership. These reflections remain uneven across the region, but they highlight an emerging question within parts of the donor community about how intermediary-driven approaches can be better aligned with the objective of strengthening domestic civil society.

This points to a broader structural issue: the increasing centralization of decision-making within the Commission has reduced the agency of national Delegations, limiting their ability to adapt programming to local contexts and feedback from civil society. The resulting misalignment between Brussels-level policy narratives, technical staff priorities, and Delegations' field experience risks undermining the EU's own localization and partnership goals. This discrepancy – observed in interviews with both EU staff and implementing partners – should be seen as a critical governance challenge rather than a procedural one: it reflects the gap between the EU's stated commitment to local ownership and the actual constraints under which its Delegations operate.

This emerging consensus reflects a deeper understanding of the need for **localization, ownership, and long-term sustainability**. Delegations increasingly acknowledge the distortive effects of relying on UN implementers—such as high overhead costs, weak transfer of ownership to CSOs, and limited constituency building—and are moving towards direct partnerships or re-granting through trusted local foundations. This marks an important evolution in EU practice that aligns more closely with the calls of civil society networks across the region.

Both Delegation staff and Brussels counterparts acknowledge **the value of more direct, long-term, and flexible support**. Core/Institutional grants allow organizations to focus on their core mission and development rather than constantly adapting to short-term calls, thereby increasing stability, strategic planning, and long-term impact. In Serbia, however, practical challenges remain: current direct management of core grants (around €0.5 million/year for seven organizations) has created too many individual contracts, and EU procedures are too rigid to scale this model. One possible solution discussed is to channel core support through larger intermediaries with re-granting capacity, although civil society actors stress that such mechanisms must expand ownership rather than concentrate resources.

Consultation and engagement practices remain uneven. Delegations do organize consultations with civil society, sometimes in the form of sectoral dialogues or surveys prior to launching calls. However, interviews revealed weak feedback mechanisms, selective invitations, and the tendency for participation to be limited to well-established actors. For many CSOs, the process feels ad hoc rather than institutionalized, which undermines both the inclusiveness and the impact of these exchanges. Despite regular consultations, both civil society and EU staff underline weaknesses in the current model. DG ENEST officials openly recognize that there is no single, structured forum where CSOs can provide consistent and long-term recommendations and have suggested that such a mechanism could be anchored in cooperation with the EESC, but sustained funding would be required to ensure continuity throughout the year. This inconsistency suggests the need for minimum consultation standards and mechanisms to ensure that civil society's input is not merely symbolic but has real influence on programming.

The European Endowment for Democracy (EED) plays a complementary and increasingly strategic role within the EU's civil society architecture. Established to fill funding gaps left by traditional instruments, the EED operates with exceptional flexibility, enabling it to act swiftly in crises and sustain actors that standard EU procedures cannot reach. Its earmarked funding from EU Delegations in Serbia, Bosnia and Herzegovina, and Montenegro allows for close coordination while preserving operational independence. Through this arrangement, EED provides Delegations with critical field intelligence, ensuring that EU strategies remain grounded in on-the-ground realities rather than designed in a "theoretical vacuum."

The EED's ecosystem-based approach – supporting actors based on their role and relevance rather than project type – has made it an indispensable bridge between donors and civil society. This role has been particularly visible in the media sector, where EED has become one of the largest implementers since 2020. EED's ability to link actors' needs (such as core support) with EU administrative requirements offers a model for reconciling flexibility with accountability. However, challenges remain: democracy support is often misapplied as social service delivery, and political sensitivities (especially in Serbia) still deter donors from backing critical watchdogs. EED's experience suggests that sustainability discourse should shift toward *viability*, recognizing that lasting independence is impossible without structural public funding frameworks.

These insights underline that the EU's partnership with EED not only expands access to sensitive or hard-to-fund actors but also provides a learning model for more responsive and context-aware EU civil society funding. Scaling up such flexible mechanisms, without compromising accountability, could be one of the most effective ways for the EU to sustain democracy support in politically constrained environment.

Category	Regional Actions			Country Actions		
Period	2021–2023	2023–2025	2025–2027	2021–2023	2023–2025	2025–2027
Strategic Framing	Classic CSF: EE, participatory democracy, capacity-building; twin CSO/media pillars;	Reframed post-Ukraine war; aligned with 2021–2027 Guidelines + DSA/EMFA/SLAPP	Consolidates "security–democracy"; tied to Growth Plan & macro-financial convergence	All six framed around participatory democracy & EU integration via CSOs/media	Standardized approach: participatory democracy + EU accession anchoring	Anchoring CSOs into reform monitoring frameworks at national level
Notable Shifts	Continuity with IPA II; moderate innovation; stable geopolitical context (COVID noted)	Narrative becomes geopolitical/security; focus on resilience vs authoritarian pushback, disinfo, shrinking civic space; gender cross-cutting	Integration into economic governance & enlargement conditionality; CSOs as watchdogs of reforms	Broad, capacity-oriented support; uneven design; procurement heavier in BiH & MNE	From broad support to consolidation of roles in governance/EU strategies; leaner budgets	Country allocations not yet fully detailed; heavier reliance on intermediaries and reform monitoring
Civil Society Support	Enabling environment; CSO–government dialogue; CSO capacity; transparency; regional networks	Sharper emphasis on shrinking space, foreign agents laws, diversification of funding, gender policies	Linked to monitoring Growth Plan reforms; watchdog role in socio-economic reforms	Albania €9.5m; BiH €8.8m; Kosovo €7.25m; Montenegro €6m; N. Macedonia €9m; Serbia €17.2m	Albania €8m; BiH €8m; Kosovo €7m; Montenegro €5m; N. Macedonia €6m	Kosovo FPAs 2024 (multi-year). Serbia direct awards: Press Council, NCEU. Others framed in reform-monitoring.
Media Support	Media literacy; self-regulation; journalist professionalism; sustainability of independent media	Pluralism; quality standards; combating disinfo; journalist safety & labour rights; support to non-registered actors	Aligned with EU law (EMFA, SLAPP, DSA); sustainability models; cross-border investigations, fact-checking	Watchdog journalism in Kosovo; Media Strategy monitoring in Serbia; general media freedom	Montenegro indirect mgmt via IOs (UNESCO-type); others focus on independence & pluralism	Media tied to EU law compliance (EMFA/SLAPP/DSA); sustainability and investigative journalism promoted
Modalities	Direct mgmt (grants/procurement); indirect (UNDP, UNESCO, GIZ); EED partnerships	Direct mgmt; limited indirect (UNESCO); more direct awards (EED, WB Fund); expanded FSTP	Intermediaries central (cascading micro-grants); FSTP as primary tool; multi-annual core; gradual retreat from UN	Grants dominate; procurement limited (BiH €1m, MNE €0.5m, Kosovo €0.05m). FSTP in Serbia/Kosovo. Monitoring Matrix in Albania & N. Macedonia	Direct mgmt (grants + small procurement everywhere); only Montenegro retains indirect mgmt (media). Budgets smaller but proportionate	Multi-annual core via intermediaries; cascading FSTP; direct awards in select cases

Response to USAID's Withdrawal

The EU was the only donor with the capacity to mobilize substantial new resources after the abrupt suspension of USAID's assistance in early 2025. In Kosovo, additional funding was earmarked to help address the funding gap, while in Serbia Delegations frontloaded envelopes from future years to issue larger calls sooner. Although this could not fully compensate for the U.S. exit, it helped stabilize several organizations and demonstrated the EU's role as a backstop. In many cases, Delegations broadened the thematic scope of calls (for example, to include anti-corruption and media sectors traditionally supported by the United States) ensuring that affected organizations could compete within the EU's strategic and legal framework. The EU also assumed responsibility for donor coordination in the aftermath of the withdrawal. While this was essential to avoid duplication and fill gaps, some stakeholders criticized the process as uneven and insufficiently effective, underscoring the need for more structured and transparent coordination mechanisms in the future.

Outlook Beyond 2027

For the remainder of the current MFF (until 2027–2028), EU civil society funding in the region is secure. According to DG ENEST officials, the Action Document for 2026–2027 is intentionally structured more flexibly, leaving space to respond to critical or emerging issues. The real uncertainty begins after 2028, when negotiations for the next financial framework will take place under conditions of global aid pressure, competing security and migration priorities, and growing Member State influence on budget lines. The likely trajectory is a further **shift away from fragmented, small-scale projects toward larger, reform-linked support** that aligns directly with enlargement objectives. EU officials also signal openness to experimenting with **new financial tools**, including models that blend grants with revenue-generating activities or social enterprise financing, to encourage sustainability. Moreover, future calls may shift more toward country-level programming, given the limited impact of past regional grants, as perceived by Brussels officials.

The European Union thus enters the next budget cycle as **both the anchor and the test case** for civil society democracy support in the Western Balkans. It is the anchor because, unlike other donors facing contraction, the EU retains the scale, predictability, and political mandate to stabilize the sector through 2027. At the same time, it is the test case because the credibility of its support will depend less on volume and more on whether future allocations genuinely strengthen independent civic actors. This requires conditioning funding on clear civic space and democratic benchmarks, ensuring that resources are not captured by GONGOs, business-oriented CSOs, or other actors that undermine civic space, and designing re-granting mechanisms that expand ownership rather than concentrate resources among a few large players. If these conditions are met, the EU can play a transformative role in sustaining democratic resilience in the region; if not, even its substantial investments risk being diluted in the face of ongoing democratic backsliding.

Sweden

Sweden, primarily through Sida, has long been one of the most consistent bilateral donors to civil society in the Western Balkans. Its engagement is anchored in Sweden's broader foreign policy identity as a strong advocate of democracy, human rights, and gender equality, with the EU accession process seen as a key driver of long-term reform. Unlike many bilateral donors who frame their aid in terms of migration or security concerns, Sida maintains a clear normative orientation: civil society is understood as a political and democratic actor, not primarily as a service provider.

Strategic Orientation

Sweden's Western Balkans and Türkiye Reform Cooperation Strategy (2021–2027) identifies civil society as central to democratic transformation and EU integration. Its priorities include four main areas: 1) Democracy, human rights, rule of law, gender equality; 2) Peaceful and inclusive societies; 3) Environment and climate; and 4) Inclusive economic development. Sweden's long-standing commitment to gender equality embedded in its regional Strategy has had a visible impact in the region: women's rights organizations and feminist networks are systematically supported even in highly polarized and hostile environments. Embassy staff emphasized that, despite Sweden's global reprioritization toward Ukraine and humanitarian crises, there is no deprioritization of democracy and rights, which remain "non-negotiable pillars" of Sweden's approach. As Embassy staff underlined, Sweden explicitly defends civic space as a right in itself and considers it a fundamental condition for EU accession.

Modalities and Funding Practices

Sida's distinctive added value lies in its **long-term, flexible, and often core support** to watchdog CSOs and trusted re-granting intermediaries. While Sida has traditionally relied on Swedish NGOs such as Kvinna till Kvinna, Diakonia, and Civil Rights Defenders, interviews show a gradual shift toward more **direct support to local organizations**. Sida deliberately avoids burdensome co-funding requirements and keeps bureaucracy light, enabling smaller and grassroots CSOs to access funding.

Re-granting remains a hallmark of Sida's approach. The most prominent national model is the **Kosovar Civil Society Foundation (KCSF)**, which Sida and SDC helped transform into a regional reference point for flexible, risk-managed re-granting. At the regional level, Sida funds the **BCSDN Civil Society Development Hub**, designed to defend freedoms of association, assembly, and expression across all six Western Balkan countries. These instruments have proven particularly effective in reaching smaller organizations and sustaining advocacy work in politically sensitive areas. Embassy staff consistently underlined that Sida prefers working with local and regional actors whenever possible, as this builds ownership and long-term sustainability. Over-reliance on international implementers carries risks: duplication of funding (e.g. the same CSO receiving funds directly and through a UN agency), loss of flexibility due to multilaterals' bureaucratic procedures, and reduced ownership by local CSOs. At the same time, Sida is known to be conservative in establishing partnerships: as several interviewees noted, becoming a "trusted partner" requires extensive processes and a long track record, which can slow down access for newer or less formalized local actors. Nevertheless, Sida acknowledges that in some contexts international partners remain necessary—particularly when local CSOs lack the capacity to manage re-granting.

Regional Patterns

Sida's civil society portfolio displays several consistent features across the Western Balkans:

- **Watchdog roles and reform partnerships:** In Serbia, Sida funds established watchdog and advocacy groups such as CRTA (monitoring democratic processes and elections) and BOS (policy analysis and civic participation). These organizations are widely recognized as leading voices in defending democracy in an increasingly hostile political environment.
- **Gender equality mainstreaming:** In Albania, Sida's support to the Albanian Women Empowerment Network (AWEN) has strengthened its role as a national advocacy platform, enabling it to shape debates on gender equality and respond to rising anti-gender narratives. Through regional support to the Gender Budgeting Watchdog Network, Sida has strengthened a cross-border coalition that advances gender-responsive budgeting, equips CSOs and journalists with evidence-based tools, and engages ministries of finance to embed gender equality in public spending, thus helping counter rollback narratives with data and practice.

- **Direct institutional support:** In North Macedonia, the core grant to Eko-svest, with two more in the pipeline, illustrates Sida's willingness to invest in the sustainability of strong watchdog CSOs working on environmental justice and EU integration. In Bosnia and Herzegovina, too, core support is also extended to independent media CSOs (BIRN BiH, CIN, BUKA, Capital) and key watchdog organizations (e.g., Transparency International BiH, CCI, Sarajevo Open Centre), underscoring that this modality is regional rather than country-specific.
- **Re-granting and sustainability:** In Kosovo, Sida's partnership with KCSF is widely seen as a flagship of donor best practice: it combines flexible core funding, strong accountability mechanisms, and outreach to small, rural, and minority organizations.
- **Regional advocacy infrastructure:** Sida's support to the BCSDN Civic Space Hub provides regional monitoring and advocacy, ensuring that civic space issues are addressed not only nationally but also at the EU policy level.

Evaluations further confirm Sida's added value in enabling CSOs to influence policy. The *Heritage for People* programme in Albania linked cultural heritage with civic participation, broadening civil society's constituency base. Evaluations of Sida's support to BCSDN (2019–2022) highlighted how flexible funding helped strengthen the network's watchdog role and its ability to coordinate regional advocacy for civic space.

Shifts and Outlook

Like other donors, Sida is under pressure to reallocate budgets. The budget for 2025 has implied on average around 10% reductions compared to 2024, while Sida's regional mechanisms – long a distinctive strength – will phase out by mid-2026. Sida staff themselves note the paradox: regional programmes are often the most effective in politically sensitive areas, but they are being discontinued because they offer less "visibility" to the Swedish government.

Looking forward, Sweden's next strategy (from 2026) will guide Sida's operation in the region. At this stage, the forward-looking perspective of Sweden's engagement in the Western Balkans remains uncertain. Without a new regional or country strategy adopted, it is difficult to anticipate future thematic or geographic priorities, levels of funding, or modalities of engagement. It is however expected that Sweden will continue its bilateral reform cooperation to support the Western Balkan countries' EU accession, in line with long-standing policy commitments and the emphasis on democratic transformation.

Future directions for Swedish development cooperation will be guided by the Government's reform agenda outlined in Development Assistance for a New Era[7]. The agenda defines the overarching priorities for all development assistance, including a strong focus on democracy, rule of law, and civil society, as well as enhanced linkages between trade and development, and between migration and development. It also emphasizes long-term effectiveness, transparency, and results, alongside a continued commitment to supporting civil society as a key partner for democracy and human rights globally. Embassies in Tirana and Skopje confirmed that democracy, rights, and civic space do remain important, recognizing the need for more support for efforts aimed at improving the enabling environment for CSOs than in the past. Funding commitments extend to 2028, though the longer horizon remains uncertain.

In summary, Sweden remains one of the very few bilateral donors in the Western Balkans consistently prioritizing civil society as a normative actor in democratic life. Sida's distinctive contribution lies in its long-term, core, and flexible funding, its investment in re-granting models like KCSF and the BCSDN Civic Space Hub, and its long-term priority to work towards gender equality, recognizing the importance of funding women's rights organizations. Examples such as AWEN in Albania, Eko-svest in North Macedonia, KCSF in Kosovo, and CRTA and BOS in Serbia illustrate Sida's systemic approach to watchdog support and constituency building. However, the impending end of regional programmes by mid-2026 and broader budget uncertainties after 2028 highlight key vulnerabilities: without Sida's cross-border mechanisms, smaller CSOs may lose one of the few funding streams designed to defend civic space at a regional level—at the very moment when authoritarian pressures increasingly transcend national borders.

[7] Sida (2023), Development Assistance for a New Era: https://www.government.se/contentassets/b4067f9e566b4e4e8c621087f2225a0b/development-assistance-for-a-new-era--freedom-empowerment-and-sustainable-growth-brochure.pdf

Switzerland

Switzerland has been one of the most steady and long-term bilateral partners of the Western Balkans, with over three decades of engagement in the region. Through the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO), its support is rooted in Switzerland's broader foreign policy goal of fostering stability, prosperity, and European integration in its neighborhood. While Swiss assistance covers multiple sectors, its civil society support stands out for strengthening democratic governance and resilience, often in ways that complement and sometimes counterbalance EU modalities.

Strategic Orientation

Swiss cooperation consistently frames civil society as an essential driver of democratic consolidation and social cohesion. Across the region, Swiss priorities include:

- Strengthening democratic institutions and the rule of law by anchoring CSOs in processes of accountability and citizen participation.
- Supporting inclusive and participatory governance, with strong attention to local democracy and municipal accountability.
- Promoting social cohesion and inter-ethnic dialogue, particularly in fragile contexts.
- Ensuring that marginalized groups – women, youth, minorities – are both represented and empowered through civic engagement.

In interviews, CSO representatives underlined that Switzerland's approach is perceived as more flexible and trust-based than most bilateral and multilateral donors. Swiss support is less bureaucratic, more open to dialogue, and more responsive to emerging needs, which allows CSOs to adapt and sustain their missions despite shrinking civic space. This flexibility, especially in times of political instability, has been crucial to maintaining watchdog functions and civic participation.

Modalities and Funding Practices

The Swiss model relies heavily on programmatic partnerships, combining direct institutional support to selected organizations with broader sectoral interventions. In Serbia, the flagship *ACT – Together for an Active Civil Society* program has created a rare, systemic framework for channeling resources to a wide range of CSOs, including grassroots groups outside the capital. ACT deliberately fosters civic activism, local accountability, and constituency building – addressing one of the most pressing sustainability gaps in the region's civil societies.

In Kosovo, Switzerland has been instrumental in promoting enabling legislation for CSOs and in setting up multi-donor funds for civil society empowerment. Its support to inter-community dialogue and dealing with the past – including backing initiatives around reconciliation and survivor recognition – has reinforced the legitimacy of CSOs as actors of peace and trust-building. Moreover, SDC is active in Kosovo across governance, culture and women's programming.

In North Macedonia, Swiss support has directly strengthened the integrity and influence of nearly 80 CSOs through codes of conduct and accountability initiatives. By investing in municipal performance grants and participatory budgeting, Swiss cooperation created channels where CSOs and citizens hold authorities to account, reinforcing civic space from the bottom up.

In Bosnia and Herzegovina, Switzerland's flexible funding for governance reform and local initiatives has allowed CSOs to play an important mediating role in deeply fragmented political structures. Currently, civil society support is implemented by a consortium of two international organizations working with local partners—a model chosen due to legal and procurement regulations. Embassy staff acknowledged its limitations and noted that, while international implementers are still necessary under present rules, the long-term aim is to shift toward more locally-led cooperation. Interview insights confirm that Swiss support in BiH is valued for sustaining independent civic voices in a context where donor-driven fragmentation and heavy political capture often leave CSOs sidelined.

In addition, Switzerland's multi-phase Mental Health Project in BiH demonstrates a long-term, results-oriented donor model built on trusted local partnerships, joint strategy-setting, and systematic monitoring. The programme contributed to a nationwide network of community Mental Health Centres and measurable service improvements. Highlighting this model would underscore how results-based core collaboration can be replicated beyond health.

On the other hand, Albania, where Switzerland has long been one of the largest bilateral donors, remains a special case. While Swiss cooperation has enabled civic engagement in local governance, strengthened oversight institutions, and supported social service delivery with a "leave no one behind" lens, the current country program

(2022–2025) is expected to be the last in its present form. In line with Albania's EU candidate status and upper middle-income classification, Switzerland plans to phase out traditional ODA, moving towards a different partnership model. CSOs interviewed expressed concern that the end of Swiss bilateral support could leave a critical gap, as Swiss funding has been one of the few consistent sources enabling long-term, rights-based civic engagement. However, not all Swiss engagement will stop: State Secretariat for Economic Affairs (SECO) is expected to remain beyond 2028, along with continued presence of the Swiss Embassy.

Regional Patterns and Impact on Resilience

Across all Western Balkan countries, Swiss cooperation reinforces the watchdog and participatory role of civil society rather than reducing CSOs to service delivery. Its long-term, partnership-based approach has had several systemic effects:

- **Resilience:** By providing institutional support, performance-based grants, and predictable multi-year funding, Swiss cooperation allows CSOs to withstand political pressure and financial volatility.
- **Sustainability:** Swiss emphasis on constituency building, particularly through programs like ACT in Serbia and municipal participation schemes in North Macedonia and Albania, directly addresses CSOs' dependency on foreign donors.
- **Civic Space:** Switzerland's support helps safeguard civic space in fragile contexts, ensuring that CSOs remain at the table in reform processes. In Kosovo and Bosnia and Herzegovina, this has included explicit backing for reconciliation and human rights agendas. In Serbia, Switzerland remains one of the few bilateral donors enabling civic activism at the local level despite the government's increasingly restrictive stance.

Shifts and Outlook

Looking ahead, the trajectory of Swiss support will diverge within the region. In Albania, the end of the current cooperation program will mark a turning point, with risks of reduced civic space unless EU or other bilateral actors step in. In Serbia, the continuation of the ACT program's new phase suggests a deepening of Swiss investment in local civic resilience. In North Macedonia and Kosovo, Swiss priorities align closely with EU reform agendas, but Swiss practices continue to distinguish themselves through their pragmatic, low-bureaucracy, and trust-based approach. In Bosnia and Herzegovina, the challenge will remain how to sustain civic voices in a fragmented state, where Swiss neutrality and credibility are assets that could gain even greater importance. Although the overall development budget for Bosnia and Herzegovina has been cut by 8% this year, with further reductions expected as part of wider global cuts across Swiss programs, the Swiss office is committed to maintaining its civil society support program. This renewed focus on civic space is particularly significant in the current context of shrinking international support, underscoring Switzerland's intent to preserve its role as a reliable partner for independent CSOs.

In summary, Switzerland's contribution to civil society in the region is distinctive for its **long-term perspective, local anchoring, and focus on enabling watchdog and participatory roles**. Its support has demonstrably improved the resilience and sustainability of CSOs and strengthened civic space across the region. However, the upcoming phase-out in Albania and broader pressures on donor budgets highlight the fragility of this model, underscoring the need for Swiss partners and regional CSOs to consolidate the gains and diversify their support base in the coming years.

Germany

Germany is a long-standing partner to the Western Balkans, but its approach to civil society support differs significantly from that of Sweden or Switzerland. While Sida and SDC are recognized for providing direct, flexible, and often core funding to CSOs, Germany primarily channels its democracy-related assistance through GIZ—an implementing agency mandated by the Federal Ministry for Economic Cooperation and Development (BMZ)—or via the Federal Foreign Office (AA). This means that, in most cases, German funds do not flow directly to CSOs but are embedded in large-scale technical assistance projects or channeled through German political foundations, with CSOs engaged as partners, contractors, or grantees within project frameworks.

Strategic Orientation

Germany frames its support around stability, rule of law, and European integration, aligning closely with EU accession benchmarks. BMZ designates the Western Balkans as "transformation partners," where governance and democracy reforms are considered prerequisites for EU membership. Its governance pillar explicitly includes civil society, media, rule of law, and social inclusion. The AA complements this with more explicitly rights-based initiatives in areas such as human rights, transitional justice, and media freedom, often implemented through political foundations or international NGOs.

This approach positions civil society less as an autonomous political actor and more as a stakeholder within broader governance reform. Unlike Sida or SDC, whose strategies begin with a normative commitment to civic space, Germany's model is more technocratic and state-centered, anchored in cooperation with partner governments and the EU framework. Priorities and topics and intervention approaches/projects are negotiated with partner governments. The result is that democracy support is often instrumentalized to serve accession-driven reforms, rather than grounded in an explicit agenda of civic empowerment.

Modalities and Funding Practices

Germany also has a different approach in how it funds civil society:

- **Implementation model:** GIZ does not act as a donor but as an implementer of BMZ and EU programs. CSOs may receive grants or local subsidies, but these are tied to project activities rather than long-term institutional needs.
- **Funding channels:** BMZ relies heavily on German intermediaries—political foundations, international NGOs, and German CSOs—who then partner with local organizations. This peer-to-peer model promotes knowledge transfer but limits local ownership. Yet, as officials note, the goal of GIZ, as an intermediary, is setting up functional national systems that involve both government and CSOs instead of replacing them, and providing credibility in countries where governments lack trust.
- **Types of grants:** Two modalities exist: (i) local subsidies with tight reimbursement controls, which are declining as organizations' capacities are increasing; and (ii) "real grants" with greater flexibility, increasingly piloted for

trusted CSOs. BMZ does not – nor intends to – provide open-ended or multi-year core support. Funding is projectized, often linked to EU reforms, watchdog functions, or fact-checking.

- **Decision-making:** All CSO grants require BMZ approval, with priorities defined top-down in alignment with government negotiations and German foreign policy.

This creates a model where CSOs are often subcontracted into donor-driven agendas, which strengthens technical expertise but undermines financial viability, autonomy, and long-term sustainability. Many organizations remain dependent on repeated project cycles without the flexibility to build constituencies or pursue independent strategies.

Regional Patterns

Across the Western Balkans, German-funded programs reach CSOs but in ways that differ from other donors' models:

- **Watchdog roles framed by projects:** Support for fact-checking, judicial reform, and media pluralism exists but is embedded in governance programs rather than dedicated civil society strengthening.
- **Structural bias toward professionalized CSOs:** GIZ distinguishes between "donor economy NGOs" skilled in donor language and genuine advocacy-based civil society, yet notes that system itself sometimes inadvertently favors the former because of procurement rules and administrative convenience. This contributes to projectization and weakens the development of representative, constituency-based civic movements.
- **The AA niche:** The Foreign Office plays a complementary role by funding smaller, rights-focused initiatives, often with political foundations, particularly in transitional justice and memory. The regional pattern reflects Germany's preference for strengthening systemic governance reforms and regional networks over direct, bottom-up empowerment of local civic actors.
- **Multi-stakeholder approach as cornerstone:** GIZ emphasizes that sustainable reforms require joint action by government institutions, civil society, and the private sector. Their programming is designed to convene these actors around sectoral change processes, positioning CSOs as part of systemic solutions rather than isolated project implementers.

Shifts and Outlook

Germany's civil society support is evolving, though structural limits remain. With BMZ's development budget shrinking by 5–10% annually, Western Balkans allocations may contract, though less sharply than in other regions. BMZ has requested more governance proposals, including media and civil society components, as part of a modest governance rebalancing following USAID's withdrawal. German officials admit that BMZ and GIZ cannot fill the funding gap left by USAID, given their role as implementers rather than donors. Some experimentation with "real grants" to NGOs is underway, but no structural move toward flexible core or "survival" support is visible. Looking ahead, BMZ may increasingly incorporate feminist development principles and human rights priorities into its Western Balkans portfolio. Moreover, BMZ's new Civil Society Strategy (2023) signals intent to simplify procedures and place more responsibility in the hands of local actors, potentially opening opportunities for less bureaucratic engagement. Yet, unless modalities change significantly, CSOs will continue to face constraints in securing predictable, long-term support.

In summary, Germany is a significant democracy donor in the Western Balkans, but its implementation-heavy, state-centered model contrasts sharply with the trust-based, core-funding approaches of Sweden and Switzerland. While German support ensures that critical issues such as rule of law, media freedom, and civic participation remain on the agenda, its reliance on intermediaries and project funding limits the autonomy and sustainability of CSOs. Organizations often become skilled contractors in EU-oriented reform processes but lack the financial viability and ownership needed to build resilient democratic constituencies. Germany's approach thus sustains reforms at the technical level but risks weakening civil society's role as an independent democratic actor. The key question is whether BMZ (the Federal Ministry for Economic Cooperation and Development) will adapt its modalities to provide more flexible, long-term, and constituency-based support—or whether German aid will continue to treat civil society primarily as a delivery mechanism within state-centered reform agendas.

Norway

Norway has traditionally been a smaller donor in the Western Balkans compared to Sweden and Switzerland, but it has carved out a distinctive niche in supporting civil society, particularly in the areas of media freedom, rule of law, and watchdog functions. Its engagement reflects Norway's broader foreign policy emphasis on democracy, peacebuilding, and human rights in Europe's neighborhood. In recent years, Norway has sought to adapt to a more hostile civic environment by making its funding more flexible and strategic, while coordinating closely with EU and like-minded donors.

Strategic Orientation

Civil society support remains a central part of Norway's portfolio in the Western Balkans. A major vehicle for regional engagement has been **SMART Balkans**, a five-year, €12.6 million (approx. NOK 125 830 000) program funded by the Ministry of Foreign Affairs of Norway and implemented by CPCD together with IDM Albania and CRPM. Launched in 2022, it covers all six Western Balkan countries, with over 250 sub-grants to CSOs and media expected by 2026. The program strengthens civil society's role in promoting participatory democracy, human rights, and security, while also fostering regional cooperation and trust-building.

In 2024, Norway allocated, and awarded o an additional 18 million NOK specifically for media support with a focus on **media diversity, freedom of expression, and the protection of journalists** in the Western Balkans, with the European Endowment for Democracy (EED) chosen as the implementation partner. This initiative emphasizes safeguarding editorial independence, preventing censorship, and improving digital and physical security for journalists, particularly women and other vulnerable groups.

Beyond media, Norway also prioritizes **democracy, rule of law, and human rights**, treating watchdog CSOs as essential in contexts where government working groups and formal consultative mechanisms have become dysfunctional. In interviews, Norwegian officials described the civic environment in the region as "worse than ever," citing smear campaigns, SLAPP lawsuits, and a growing public hostility towards NGOs. This political climate makes Norway's consistent normative orientation toward watchdog and advocacy actors particularly significant.

Modalities and Funding Practices

Norwegian funding is modest in scale but distinctive in its **focus on direct support**. Embassy staff confirmed that international implementers are generally avoided: they are seen as too costly and with limited field impact. Instead, Norway prefers to fund **local and national CSOs directly**, providing them with space to continue advocacy and watchdog roles. When capacity limits prevent the embassy from managing many small grants, intermediaries may be used pragmatically, but this is considered a second-best option.

Another defining feature is that most Norwegian funding is distributed through **closed calls or direct invitations**, rather than open calls. This reflects both limited embassy capacity and a desire to reduce reputational risks in a polarized political environment where donor visibility can make grantees more vulnerable. Interviews emphasized that Norway is keen to move toward **core, long-term support** for selected organizations with proven track records, rather than short-term projectized funding.

Regional Patterns

SMART Balkans represents Norway's largest single investment in the region's civil society to date, complementing embassy-level funds by enabling broader, long-term, and locally-managed grantmaking. While highly significant in scale – with more than 600 sub-grants expected to CSOs and media – interlocutors also noted that SMART Balkans operates through a projectized framework. With the programme currently under review, its continuation is not guaranteed, as Norway may shift to other models, but it remains central in their portfolio and complementary to other instruments. Its long-term impact will depend on whether lessons are translated into more direct, core, and sustained support beyond 2026.

On country level, Norway's footprint is most visible in **Serbia**, where it works with independent media and democracy watchdogs, and has supported governance and anti-corruption initiatives through embassy-managed projects. With USAID's withdrawal, Norway could not fill the funding gap in scale, but it contributed via EED as a rapid-response mechanism to stabilize critical actors. Donor coordination with the EU and Switzerland has become more systematic, particularly in sensitive areas like investigative journalism.

Beyond Serbia, Norway intends to **extend some support to North Macedonia and Montenegro**, though at a smaller scale, with emphasis on country-specific "burning issues" such as media independence and protection of rights defenders. In Bosnia and Herzegovina, Norway has supported civil society initiatives in reconciliation, transitional justice, and local governance through embassy project funds. Across all contexts, watchdog and advocacy organizations are prioritized over service-provision NGOs, reflecting Norway's assessment that democratic checks are urgently needed.

Shifts and Outlook

Norwegian officials stress that the future of civil society funding in the region will depend on budget decisions in Oslo, which will only be finalized after early 2026. Current regional programmes are set to end in 2025, creating uncertainty about scale and continuity, while overall support to WB civil society is shifting in part towards Ukraine, Gaza, and CSOs within the EU. Nevertheless, the embassy in Belgrade expressed strong commitment to continue supporting democracy and rights, even if envelopes remain relatively small.

Looking forward, Norway aims to **expand core and long-term funding** for key organizations, deepen coordination with EU and other bilateral donors, and retain flexibility by using mechanisms like EED to respond to crises. Interviewees acknowledged that Norway lacks capacity to run broad consultations with CSOs on its own, but expressed openness to engaging in structured, thematic dialogues through platforms like BCSDN.

In summary, Norway is a modest but strategically important donor for civil society in the Western Balkans. Its distinctive contribution lies in its **normative commitment to watchdogs and media freedom**, its **preference for direct support to national CSOs over international implementers**, and its willingness to provide **core and long-term funding** to organizations with proven capacity. By channeling new resources through EED, it has demonstrated responsiveness to shrinking civic space and growing threats to journalists. However, the uncertainty of funding beyond 2025 and the reliance on small, embassy-managed portfolios highlight the fragility of Norway's role. For civil society actors, Norway remains a trusted ally whose credibility comes less from the volume of its funds than from the clarity of its democratic priorities.

France

France's support for civil society in the Western Balkans is guided by a foreign policy that links development, human rights, and democratic governance. France relies on a combination of diplomatic instruments, targeted funds, and development cooperation through the French Development Agency (AFD).

Strategic Orientation

France frames democracy support as inseparable from human rights and inclusive governance. Its **Human Rights and Development strategy** and **Feminist Diplomacy** emphasize the protection of rights defenders, gender equality, and civic participation as pillars of sustainable development. In the Western Balkans, France's bilateral strategy highlights reconciliation, youth engagement, media freedom, and preparing societies for EU accession.

Modalities and Funding Practices

The Ministry for Europe and Foreign Affairs (MEAE) channels funding primarily through:

- FEF (Fonds Equipe France) embassy-managed, short-term projects from 1 year to 2 years (up to €1m) supporting civil society innovation in democracy, human rights, and media.
- **PISCCA funds:** small grants to grassroots CSOs, prioritizing emerging actors and coalitions in areas like civic participation and rights.
- **Marianne Initiative:** protection and support for human rights defenders, combining in-country aid with training opportunities in France.

The **French Development Agency (AFD)** complements these tools with larger-scale programs. Through its **CSO Initiatives Fund**, AFD co-finances projects designed by NGOs themselves, with around €465 million committed globally in 2022, of which nearly a third targeted governance, human rights, and social sectors. AFD requires co-financing but involves both French and local NGOs, ensuring partnership with on-the-ground organizations. **Expertise France**, AFD's technical arm, implements capacity-building programs on governance, rule of law, and civil society participation, while **CFI (Canal France International)** focuses on media development and countering disinformation.

Regional Patterns

Across the Balkans, French support often comes in the form of embassy-led grants or pilot initiatives, sometimes later scaled by EU or multilateral donors. Embassies combine open calls with targeted partnerships, often identifying partners based on their track record and reputation, while also remaining open to organizations that proactively reach out. Typical areas include: civic education and youth engagement, media pluralism and journalist training, reconciliation and social cohesion, access to healthcare, women's rights and inclusive participation. Support is flexible at the small-grant level but remains project-based, short-term, and often limited in scale.

Shifts and Outlook

Since 2019 AFD has expanded into the Western Balkans, aligning French aid more closely with EU accession priorities and opening more opportunities for civil society engagement. New initiatives such as **Shared Horizons** (2024), a regional project tackling disinformation and hate speech through civil society partnerships, signal France's growing investment in democratic resilience. However, reliance on embassy-managed small funds and co-financing requirements means access remains uneven for weaker or grassroots groups. Moreover, annual funding for civil society is projected to decrease significantly in the coming years, with embassies having already cuts of around 30% in 2025, driven by shifts in French foreign policy priorities and ongoing government instability.

In summary, France's model combines **diplomatic agility** (embassy-managed funds, rapid support to defenders) with **development scale** (AFD co-financing and technical cooperation). Its distinctive features are the protection of rights defenders, feminist and youth-oriented diplomacy, and media development. Yet, unlike Sweden or Switzerland, France rarely provides flexible, multi-year core funding, and its mechanisms often favor more established organizations. France thus plays a valuable but complementary role in sustaining civic space in the Western Balkans—anchored in rights and EU integration but limited in depth and predictability of support to CSOs as autonomous actors.

United Kingdom

The UK's support for civil society in the Western Balkans is shaped by a foreign policy that tightly links democracy promotion to stability and security. The UK operates mainly through project-based funds under the Foreign, Commonwealth and Development Office (FCDO), delivered by intermediaries such as the British Council, Westminster Foundation for Democracy (WFD), or international NGOs. Civil society is viewed as an indispensable partner, but often positioned within donor-driven frameworks rather than supported as an autonomous development actor.

Strategic Orientation

UK assistance combines two streams: ODA funds for governance, gender, and transitional justice, and securitized ISF funds for media freedom, disinformation, and cyber resilience. Embassies stress that watchdogs and advocacy groups remain priorities, with particular emphasis on electoral monitoring, independent media, and think tanks. Yet, democracy support is generally deprioritized and increasingly framed through security and migration agendas, while shrinking ODA (reduced from 0.5% to 0.3% of GNI) raises uncertainty about future allocations.

Modalities and Funding Practices

The UK applies a mixed economy model: large regional projects, embassy-run bilateral initiatives, and commercial frameworks. CSOs frequently participate as sub-implementers within bigger consortia, though embassies occasionally channel funds directly to local NGOs or re-granting foundations. For instance, in Serbia the UK supported the TRAG Foundation to re-grant to 85 grassroots groups. At the same time, international or UK-based intermediaries (such as the British Council or Westminster Foundation for Democracy) are sometimes preferred for their visibility and branding, with the UK often opting to showcase its expertise and profile, or in cases where reputational risks are linked to CSOs being perceived as overly political to avoid any appearance of partisanship. UK grants remain tightly results-driven, with little space for core, multi-year support due to earmarked/project-tied budgets.

Regional Patterns

The UK mixes thematic regional programmes with country-specific interventions. Regional projects cover media freedom, cyber-security, and transitional justice, while embassies support local priorities: election integrity in Montenegro, digitalization in North Macedonia, and parliamentary reforms in Albania. In Albania, the embassy highlights growing authoritarian tendencies, environmental degradation, and shrinking space, noting that CSOs need to re-examine their roles and strengthen grassroots connections. In North Macedonia, the embassy's approach prioritizes building local capacity and human capital by working directly with NGOs or through umbrella organizations - a conscious effort to avoid the pitfalls of outsourcing to international implementers, such as a lack of local ownership and duplication. Across the region, embassy officials underline the importance of donor coordination and structured consultations, including through the Berlin Process.

Shifts and Outlook

Interviews confirm that UK funding will contract, but civil society will not be deprioritised. Embassies are adapting by focusing on niche, high-impact projects (e.g. investigative journalism, feminist movements, electoral integrity) rather than broad sectoral support. The UK acted as a “shock absorber” after the USAID withdrawal, repurposing funds to keep partners afloat, but officials admit this was only a stop-gap, not a replacement for long-term stability. Looking ahead, the UK is unlikely to adopt core-funding models (and in some cases is purposely abandoning this mechanism) but will remain engaged through targeted, politically relevant interventions.

In summary, the UK plays a visible role in supporting democracy in the Western Balkans, especially in media freedom, electoral integrity, and counter-disinformation. Its strength lies in agility and political relevance, often stepping in quickly to stabilize partners or pilot new initiatives. However, reliance on project funding, international implementers, and securitized framing limits the sustainability and autonomy of local CSOs. Compared to Sweden and Switzerland, the UK treats CSOs more as implementers within donor agendas than as independent actors—a model that delivers outputs but leaves long-term resilience and financial viability under-supported.

Cross-Cutting Issues in Donor Approaches

Beyond the specific practices of individual donors, several structural issues recur across the Western Balkans and Türkiye. These challenges shape not only how international support is delivered but also how civil society can sustain itself in increasingly constrained environments. Interview evidence and program reviews consistently point to four areas that cut across donor strategies:

- **Core Support**: widely recognized as the most effective way to sustain watchdog roles and long-term impact; yet remains underused due to procedural and political constraints.
- **CSO Capacities and Perceptions**: donors often view local CSOs as fragmented, donor-dependent, and weak in constituency-building, which influences funding practices and conditionalities.
- **Intermediaries and Donor Coordination:** reliance on international implementers and UN agencies continues to dilute ownership and flexibility, though there is growing recognition of the need for locally led mechanisms. Pooled funding has been debated but remains unrealized.
- **Donor Exits and Long-Term Sustainability:** abrupt withdrawals and shrinking budgets (such as USAID's exit and Switzerland's planned phase-out in Albania) underscore the vulnerability of civic ecosystems to donor timelines.

These cross-cutting issues highlight the systemic tensions between donor risk management and the sustainability of civil society. They also provide a basis for more targeted recommendations, not only for donors but also for CSOs navigating these shifting landscapes.

Core Support

Among all funding modalities, core support – flexible, long-term institutional grants that cover staff, infrastructure, and strategic development – stands out as the most consistent factor enabling civil society to play a watchdog role and sustain democratic resilience. Across interviews, donors, CSOs, and embassy staff acknowledged that without core support, organizations are forced into short-term, donor-driven projects that weaken their strategic focus, undermine staff retention, and limit their ability to respond to emerging civic space threats.

Recognition vs. practice

While nearly all donors recognize the value of core funding, few apply it systematically. EU procedures remain too rigid: Delegations report that direct management of core grants (e.g. in Serbia, €0.5 million/year across seven organizations) creates too many contracts and strains administrative capacity. As one EU official noted, "policy intentions and procedures do not always align," leaving core support as the exception rather than the rule.

Sweden (Sida) and Switzerland (SDC) are notable for sustaining core support in the region. Sida's institutional grants reflect its deliberate commitment to defend civic space, as a right in itself where CSOs are recognized as development actors in their own right. Embassy staff in Skopje, Sarajevo and in Tirana underlined that democracy and rights remain "non-negotiable pillars," even amid Sweden's global reprioritization. Switzerland, meanwhile, combines core support with broader governance reforms, helping CSOs in the region to expand civic activism, foster local accountability, and build constituencies, while embedding stronger standards of transparency and organizational integrity. Yet even these bilaterals face pressures: Sida's budget cuts redirected to Ukraine and global humanitarian needs, and SDC reduced its BiH development budget by 8% in 2024 with further cuts anticipated.

Perceptions from the field

Interviewees from CSOs repeatedly highlighted the transformative effect of core support: it allows them to retain qualified staff, build coalitions, and take risks in politically sensitive areas such as anti-corruption, media freedom, and minority rights. One donor, however, stressed that core grants are reserved for "organizations with proven capacity and expertise" – a recognition that while core support empowers, it also risks concentrating resources among already established actors. Regional civil society networks like BCSDN and foundations and infrastructure support organizations, like BCSDN members are often seen as intermediaries capable of distributing core-like re-granting to smaller organizations, but this remains underdeveloped.

The strategic gap

The absence of broad-based core support leaves a structural gap: watchdog organizations with the greatest need for independence remain the most vulnerable to projectized, short-term funding. Donors acknowledge this but struggle to reconcile it with accountability requirements, risk aversion, and limited administrative capacity. The consensus across interviews is that expanding core support – whether through direct grants or trusted local intermediaries – is essential for sustaining civil society's democratic role in the Western Balkans. Beyond sustaining operations, core support should also be structured to drive organizational progress. A portion of institutional or multi-annual funding could be linked to clear, impact-oriented milestones – for example, strengthened internal capacities, adoption of innovative approaches, improved learning and MEL systems, or measurable growth in audience reach and policy influence. Such an approach would shift the emphasis from activity delivery to demonstrable results, ensuring that core funding does not merely maintain a quo but encourages continuous improvement, adaptation, and innovation. When framed in this way, core support becomes not only a lifeline for survival but also a lever for strategic growth and sector-wide learning.

OECD Perspective on core support: The OECD DAC Recommendation on Enabling Civil Society (2021) identifies core, flexible, and predictable funding as fundamental to treating civil society as an independent development actor. It calls on donors to move beyond short-term project logic by providing multi-annual, adaptive funding that covers institutional costs and enables strategic autonomy. The accompanying 2025 Co-ordinating Action for Civic Space Toolkit further urges donors to align internal procedures and risk frameworks to make core support administratively feasible, and to coordinate around shared standards that distribute responsibility for institutional funding across multiple actors. When applied in the Western Balkans, these principles would close the current strategic gap—transforming core support from an exception into a systemic feature of democracy assistance.

Donors' perceptions on CSO Capacities

Donors often view local CSOs in the Western Balkans as **fragmented, donor-dependent, and weak in constituency-building**. These perceptions directly influence funding practices, conditionalities, and the choice of intermediaries. While international partners acknowledge the resilience and activism of civic groups, the prevailing narrative is that CSOs struggle to build strong membership bases, sustain themselves financially, and translate project results into broader societal impact.

Donor perspectives

Interviews across embassies and donor agencies revealed recurring concerns:

- Many CSOs are seen as **elite-driven**, clustered in the capital cities, and insufficiently rooted in communities.
- Funding dependency is perceived as undermining CSO autonomy, with organizations adjusting agendas to donor priorities rather than pursuing long-term missions.
- Weak financial management capacities, particularly among smaller organizations, make donors reluctant to channel larger or more flexible resources directly.

As one embassy official put it, *"CSOs are good at advocacy projects but often fail to connect with citizens in ways that build lasting legitimacy."* This perception shapes donor strategies in two ways. First, it reinforces the view that many CSOs lack the broad social base needed to represent citizens effectively, which in turn makes donors cautious about granting them long-term political weight. Second, doubts about financial management capacities, especially towards smaller and grassroots groups, lead donors to rely on international or well-established intermediaries, which are seen as safer choices for administering funds.

CSO realities

Civil society actors counter that this framing underestimates the constraints under which they operate: political hostility, smear campaigns, shrinking donor envelopes, and short-term project cycles all make it difficult to build sustainable constituencies. In interviews, CSOs stressed that **long-term trust-building with citizens cannot be achieved on one-year project grants**. Several pointed to successful cases, such as grassroots mobilizations on environmental issues in Serbia, or watchdog initiatives in North Macedonia, that demonstrate the sector's potential when adequately supported.

Implications

The tension between donor perceptions and CSO realities shapes the funding landscape in two ways. One, it justifies heavy reliance on intermediaries and projectized support, further reinforcing dependency. Two, it risks sidelining watchdog and advocacy groups in favor of service providers or government-friendly organizations that appear more "stable" or "pragmatic." A related development is the rise of business-oriented CSOs that primarily implement donor-defined agendas, operating more as contractors than mission-driven actors. While often professional and efficient, their output-driven incentives can weaken ethical safeguards, accountability to citizens, and critical reflection—blurring the line between civic action and consultancy.

A trend worth noting is the **emergence of a growing category of business-oriented CSOs or service providers** that primarily execute pre-defined agendas for international actors, often functioning more as contractors than as mission-driven organizations. While typically professional, delivery-focused, and efficient in implementation, their incentive structures can result in limited critical reflection, weaker ethical safeguards, and reduced accountability to citizens. This blurring of lines between civil society and consultancy risks reinforcing donor-driven dynamics, where success is measured by project completion rather than societal change. It also challenges donors to distinguish between organizations that embody civic purpose and those that primarily operate within the donor economy. Addressing this gap is essential if donor support is to really strengthen the independence and resilience of civil society.

The way forward

A recurring theme in interviews is the need for CSOs themselves to **invest in constituency-building, diversify resources, and demonstrate accountability to citizens as well as donors**. Donors, for their part, must recognize that capacity gaps are partly produced by their own practices: fragmented funding, short cycles, and lack of core support. The challenge is not simply to "fix" CSOs but to **rethink donor modalities** so that local organizations can evolve beyond dependency and demonstrate their democratic value more visibly.

Intermediaries and Donor Coordination

A recurring theme across interviews is the **heavy reliance on intermediaries** in channeling donor support to civil society. Donors often turn to international organizations, UN agencies, or established INGOs to manage funds on their behalf. This reliance is driven by practical factors: limited donors capacity to manage numerous small grants, risk aversion in politically sensitive environments, and accountability requirements that favor actors with proven track records.

The role of international implementers

While intermediaries can provide administrative relief and a buffer against political pressure, their dominance raises concerns. Embassies staff in Skopje and Belgrade noted that **UN agencies and INGOs are often seen as too bureaucratic, duplicating funding streams, and reducing flexibility**. Local CSOs stressed that heavy use of internationals weakens ownership and sidelines grassroots actors, who often only reach donor resources through several layers of sub-granting.

It may also be useful to **flag a growing compliance risk linked to "contracting-by-grant."** In Bosnia and Herzegovina, for example, some intermediaries have occasionally published re-granting calls with highly specific Terms of Reference where the scope, deliverables, and pricing closely resemble service contracts, yet the instrument used is a grant agreement. This practice can blur legal distinctions between grants and procurements, exposing local organizations to tax, audit, and compliance risks, and potentially undermining the intent of re-granting as a flexible, participatory funding mechanism.

Shift toward local and regional re-grantors

Several donors, notably Sida and Switzerland, acknowledged that best practice is to entrust experienced local or regional actors with re-granting functions and current models supported by Sweden and Switzerland that deliver flexible, risk-managed funding closer to the ground. Embassy staff underlined that **working with local intermediaries strengthens legitimacy and builds long-term sustainability**, even though becoming a "trusted partner" requires extensive vetting processes.

Donor coordination

Coordination among donors remains uneven. In Bosnia and Herzegovina, a donor group has met regularly for two years, offering a promising model of structured exchange. In

Serbia, by contrast, coordination has existed for a decade but rarely produced results – sometimes even reducing "coordination" to merely avoiding overlaps, leaving CSOs dependent on a single donor.

The EU Delegations have facilitated to some extent donor exchange meetings. In Bosnia and Herzegovina, Switzerland and Sida have co-chaired a donor coordination group that provides a platform for information-sharing and alignment. Recently, the group moved toward a **rotating chairmanship model**, seen by interviewees as a step toward more equitable and collaborative coordination. Still, challenges remain: limited transparency, uneven participation, and the absence of a permanent mechanism for joint planning.

The basket fund debate

One of the most ambitious but unrealized coordination ideas has been the creation of a **joint basket fund for civil society in BiH**. While widely discussed, it has not materialized due to funding constraints, divergent donor priorities, and global pressures on aid budgets. Embassy officials admitted this was a "dream" that proved unrealistic under current conditions. Similar concerns appear in other contexts: pooled or joint funding mechanisms are recognized as efficient in principle, but difficult to operationalize in practice. At the same time, regional studies and interviewees suggested that, instead of one-off structural leaps, **pooled funding could still be piloted incrementally through existing local or regional intermediaries** to expand access for grassroots and informal groups. The case of KCSF in Kosovo can already be a starting example.

Implications

The choice of intermediaries — international, regional, or local — and the strength of donor coordination mechanisms significantly shape how resources reach civic actors. Current practice still favors internationals for reasons of risk and efficiency, but donors increasingly acknowledge the limits of this model. Recognizing this issue underscores the need for donors to ensure that delegated funding schemes maintain clear boundaries between procurement-like service delivery and genuine grant-based support for civil society initiatives. The unrealized basket fund in BiH highlights the structural difficulties of moving toward pooled financing, yet also keeps alive the debate about more collaborative and locally led approaches.

OECD perspective on intermediaries and coordination: The DAC Recommendation explicitly warns that excessive reliance on large international implementers or multilaterals can undermine local ownership and accountability. It encourages donors to "work as directly as possible with civil society actors" in partner countries and to ensure intermediaries *build* rather than *absorb* local capacity. It also stresses that donors' internal risk-management and audit rules must differentiate clearly between procurement and grant-based funding, to avoid turning CSOs into contractors. In regard to coordination, the OECD underscores that donor coordination should be systematic and multi-level. The OECD encourages donors to move beyond ad hoc information sharing and to institutionalize whole-of-government coordination – both across ministries and between headquarters and field offices. This includes joint context analyses, shared risk assessments, and collaborative funding mechanisms (like pooled funds or delegated co-financing), but also coordination with local CSOs as equal partners, not only as recipients. The OECD further urges "whole-of-government coherence," ensuring that trade, migration, or security policies do not inadvertently restrict civic space. Applying these principles in the Western Balkans would help donors move from ad hoc coordination toward coherent, locally anchored, and rights-based support for civil society.

Donor Exits and Long-Term Sustainability

The volatility of donor engagement emerged in interviews as one of the greatest structural risks for civil society in the Western Balkans. While individual programs may provide long-term stability, sudden political or budgetary decisions in donor capitals can abruptly reshape the landscape, leaving CSOs exposed.

USAID's withdrawal in 2025 was the starkest example: more than $53 million in active civic programs in Serbia alone were disrupted, with ripple effects across the region. Layoffs, suspended initiatives, and emboldened smear campaigns against CSOs demonstrated how dependent civic ecosystems remain on a few large external funders.

Sweden and Switzerland also face pressure from global reprioritization. Sweden's reallocation of €1.7 billion to Ukraine and humanitarian needs has reduced available envelopes for the Western Balkans, while SDC cut its development budget for BiH by

8% in 2024, with further reductions signaled. In Albania, the Swiss government announced the phase-out of its bilateral cooperation program after 2025, raising concerns among CSOs that one of the few consistent and rights-based donors will exit without a clear successor. **Embassy officials acknowledged these risks.** Some stressed that donors rarely plan exit strategies in a coordinated or transparent way, leaving CSOs uncertain about future support. While SECO (Switzerland's State Secretariat for Economic Affairs) and diplomatic presences will remain, the shift away from development cooperation marks a turning point in how civil society is supported.

These developments highlight the fragility of a donor-dependent civic space. Exits or sharp cuts undermine long-term investments in constituency-building, watchdog functions, and accountability mechanisms. They also embolden governments hostile to independent civil society, who exploit donor retrenchment as evidence of irrelevance. A recurrent call during interviews was for donors to **develop responsible exit strategies, coordinate transitions, and signal changes early** so that CSOs can adapt and diversify. Without this, civil society risks cycles of boom and bust that erode credibility and sustainability.

OECD perspective on responsible exits and long-term engagement: The OECD DAC Recommendation on Enabling Civil Society and its Co-ordinating Action for Civic Space toolkit stress that donor exits should form part of a coordinated, strategic transition, not isolated project decisions. The Recommendation's "do no harm to civic space" principle calls on donors to anticipate the impact of withdrawals, maintain dialogue with CSOs, and plan transitions collectively. The 2025 toolkit explicitly notes that coordination among providers is a preventive measure against civic space deterioration, including that caused unintentionally by sudden funding shifts. It highlights early information-sharing, joint transition plans, and adaptable instruments to sustain key civil society functions until domestic or regional resources can take over. Continued, lighter political or financial engagement is advised to "keep the lights on" in restrictive contexts and preserve future re-entry points. In the Western Balkans, this means donors must plan exits transparently, strengthen CSO resilience before phasing out, and avoid signaling disengagement that could embolden restrictive actors. Applying the OECD's guidance turns exits into managed transitions that protect, rather than erode, civic space and local ownership.

Conclusions

This research demonstrates that civil society in the Western Balkans is both indispensable and endangered. Independent organizations remain the backbone of democratic accountability, mobilizing citizens, protecting rights, and exposing abuses. Yet their resilience is being eroded by hostile political environments, shrinking domestic resources, and increasingly fragmented and volatile donor support.

Focus of this research are bilateral and multilateral donors whose policies most directly shape civil society support in the Western Balkans. Thus, it does not examine private or philanthropic donors in any systematic way, whose flexible rapid-response models, often providing core, unrestricted, and emergency assistance, represent an increasingly important pillar of support to civic actors. Their mention is limited to illustrating gaps that institutional donors have yet to fill. Given that private funders are now expected to help absorb the loss generated by the withdrawal of major bilateral donors like USAID or – to a lesser, but still notable extent – the UK and the Netherlands, a separate, dedicated study would be needed to capture their evolving role.

The first conclusion relates to the **overall outlook for the donor landscape** – **entering a period of contraction, fragmentation, and insecurity**. The EU is currently the anchor donor – but with a time limit. With EU civil society funding stable through 2027 under IPA III, but uncertain beyond 2028 due to global aid pressures and competing priorities, **EU becomes both the stabilizer in the short term and the biggest unknown in the longer run. Bilateral donors are retrenching or exiting altogether**, narrowing their portfolios and reducing predictable support for watchdogs and democracy. By 2026–2028, one of the bilateral donors will exit entirely (Switzerland in Albania), while all seven bilaterals addressed in this research already plan – or are expected to – impose cuts. For example, in the case of UK, overall aid is reduced to historic lows (0.3% of GNI or ~60% cut compared to 0.7% baseline), while Netherlands is cutting €1 billion from the global civil society budget, pointing to a steep overall contraction. This suggests a medium-term scenario (2026–2028) where civil society funding in the Western Balkans contracts, becomes more fragmented, and shifts toward sectoral or security agendas, with watchdog and democracy support at risk.

A second conclusion is the **structural fragility created by donor dependence**. Domestic funding is scarce, fragmented, and in many cases politically manipulated, leaving international support as the lifeline for independent CSOs. This dependence has entrenched a donor-driven model in which CSOs adapt to external agendas rather than pursue their missions and constituencies. The abrupt suspension of US assistance in early 2025 revealed this fragility with unprecedented force. In most of the Western Balkan countries, long-term initiatives collapsed overnight, staff were dismissed, or political elites weaponized the withdrawal to delegitimize independent organizations as "foreign agents." This shock demonstrated how overreliance on a single donor weakens not only financial stability but also the political credibility of civil society.

Third, the research confirms that **donor modalities matter as much as funding volumes**. Projectized support, short cycles, and burdensome procedures undermine autonomy and sustainability. EU support remains largely project-based, with limited institutional grants and continued reliance on intermediaries – though there are signs of gradual retreat from UN agencies. Overreliance on international implementers adds high overheads, weakens ownership, and sidelines domestic capacity. By contrast, trust-based and flexible approaches—such as Sida's core grants and re-granting mechanisms, SDC's long-term partnerships, and Norway's direct support for watchdogs and media—have enabled CSOs to withstand political pressures and invest in constituency building. These examples illustrate a central point long advanced by BCSDN: civil society must be treated as a development actor in its own right, capable of setting priorities and accountable to citizens, not reduced to a subcontractor of donor agendas. Mission-driven organizations increasingly need predictable and flexible support, considering authoritarian pressures are intensifying across the region.

Fourth, the research underscores the **centrality of local intermediaries and resource centers** in building resilient civic ecosystems. The Kosovo Civil Society Foundation (KCSF) exemplifies pooled re-granting that is cost-effective, ensures ownership and accountability, and reaches grassroots groups outside capitals. Across the region, BCSDN members—including Civic Initiatives, MCIC, CPCD, and others—play similar roles as re-grantors, resource centers, and ecosystem builders. They combine funding with policy dialogue, accountability mechanisms, and capacity development—

functions international intermediaries cannot replicate. Donors have a successful precedent in Romania, where support thirty years ago helped establish the Foundation for Civil Society Development (FDSC) as a national foundation that today anchors the civic sector. A comparable long-term investment in community foundations across the Western Balkans could leave a similar legacy.

Fifth, the research highlights the **failure of mainstream donor systems to respond to crises**. CSOs and activists face escalating threats – from smear campaigns and SLAPP lawsuits to surveillance, harassment, and physical attacks – yet traditional bilateral and EU instruments are too slow, rigid, and formalized to provide timely protection. The PeaceNexus study shows that it is private foundations and re-grantors such as KCSF, Trag, EED, Civil Rights Defenders, and Front Line Defenders that fill this gap with rapid and holistic emergency assistance. However, access to protection systems more broadly (including donor mechanisms and networks) remains uneven, often limited to established partners, leaving grassroots and informal initiatives outside protection systems. Unless institutional donors integrate emergency response and holistic security into their portfolios, civic actors will remain dangerously exposed.

Sixth, the analysis identifies **positive practices that should be reinforced rather than eroded**. Sida and SDC stand out for providing long-term, flexible support that sustains watchdog roles, constituency building, and resilience. Norway, while smaller in scale, adds value through its principled commitment to watchdogs, media freedom, and direct support to CSOs while avoiding costly international intermediaries. These approaches demonstrate that core support, pooled funding through local foundations, and sustained investment in resource centers are proven ways to strengthen legitimacy and resilience. They show that sustainable civil society ecosystems can be built when donors entrust resources and decision-making to domestic actors. Conversely, overreliance on international implementers and projectized outputs produces dependency and undermines civil society's credibility. While channeling grants through UN agencies and international intermediaries can ensure compliance, coordination, or scale, it often positions local CSOs as downstream service providers rather than as strategic partners, with limited influence over programme design, learning, or reflection cycles. Recognizing this pattern helps explain the current power dynamics within the donor ecosystem and reinforces the argument for more participatory, locally led modalities that provide CSOs with a substantive voice beyond implementation.

Seventh, a lesson from the research concerns the **importance of donor coordination**. Fragmented donor practices have contributed to duplication, uneven coverage, and increased transaction costs for CSOs. The interviews show that EU Delegations and bilateral donors often attempt to align support informally – most visibly after USAID's abrupt withdrawal – but structured mechanisms remain limited. Where coordination works, it not only prevents gaps but also strengthens political signaling, ensuring that donors speak with one voice in defending civic space. Some of the local organizations serving as infrastructure support or resource centers, have already proven their ability to serve as coordination platforms, aligning re-granting, capacity building, and advocacy support across multiple donors. A more systematic approach to donor coordination, with the EU in a convening role and in partnership with local CSOs, would significantly enhance the effectiveness and credibility of external support.

Finally, the findings reaffirm that **defending civic space must be donors' first responsibility**. Without guarantees of fundamental freedoms, and without governments that recognize CSOs as legitimate partners, no amount of project funding can sustain the sector. Donors' credibility depends not only on volumes of aid but on whether they are willing to stand up for civic freedoms, embed enabling environment benchmarks in enlargement frameworks, and visibly support CSOs under attack.

The findings of this paper **echo many of the priorities outlined in the OECD DAC Recommendation** on Enabling Civil Society and its implementation toolkit. The evidence from the Western Balkans demonstrates both the relevance and the fragility of these commitments in practice: while many donors have endorsed the Recommendation, its implementation remains uneven and largely declarative. Translating the OECD DAC commitments into practice would not only align donor operations with international norms but also provide a roadmap for sustaining civic space in an era of democratic backsliding.

In sum, **the research points to a decisive choice**. Donors can continue on a path of short-term projects, internationalized implementation, and fragmented agendas, producing a donor-driven civil society that is dependent, fragile, and politically vulnerable. Or they can build on proven practices – core support, local intermediaries, resource centers, and defense of civic space – to foster civil societies that are sustainable, citizen-rooted, and resilient in the face of authoritarian pressures. The future of democracy support in the Western Balkans depends less on the volume of aid than on donors' willingness to make this shift.

Recommendations

Building on the evidence and trends outlined in this study, the following recommendations aim to guide donors in aligning their policies and practices with principles that protect and expand civic space. All donors must ensure a **"do-no-harm" approach to civic space** – meaning that their broader foreign, trade, and security policies should not contradict development objectives related to civic space. In that line, the findings and recommendations of this paper echo many of the priorities outlined in the OECD DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance (2021) and its implementation toolkit *Co-ordinating Action for Civic Space* (2025). The Recommendation commits donors to respect, protect and promote civic space, provide flexible and predictable support to CSOs, and co-ordinate to avoid doing harm.

Integrating these principles into ongoing donor reforms – through preventive and coordinated action, whole-of-government coherence, and direct, long-term and flexible funding – would strengthen the coherence, predictability and sustainability of support to civil society in the Western Balkans. The OECD framework calls for coordinated, context-specific and preventive approaches that protect civic space and empower CSOs as independent development actors – aims that directly correspond to the recommendations below, structured by key audiences: the European Union, bilateral donors, and civil society organizations themselves.

To the European Union

1. **Consolidate the shift toward core and sustainable support**

The research shows that EU Delegations and CSOs alike recognize the value of long-term, flexible, and core funding. Future IPA programming should expand these instruments (earmarking a larger share for core, multi-annual grants and framework agreements to watchdogs, networks, and mission-driven CSOs), while addressing procedural bottlenecks that currently prevent scaling. Constituency-building, advocacy, accountability, and oversight should be explicitly recognized as eligible activities. Predictable institutional support must replace fragmented, project-driven cycles, to enable CSOs to plan strategically and act independently.

2. **Prioritize local intermediaries over international agencies**

The EU should avoid the distortive effects of channelling support through UN agencies or international contractors and continue moving toward partnerships with capable local CSOs and invest in creating long-lasting civic infrastructure. Where re-granting is needed, funds should be channelled through through long-standing and locally trusted resource centers and community foundations. This strengthens cost-effectiveness, constituency-building, and local ownership and leadership, while aligning with good-practice guidance under the OECD framework.

3. **Make protection operational**

Institutionalize rapid-response mechanisms within EU funding to protect human-rights defenders and retain flexible envelopes and reserve funds that can be mobilized rapidly in response to emerging crises. Delegations should have access to small, rolling emergency windows for legal defense, SLAPP response, digital/physical security, relocation, and bridge funding after donor exits. These should be accessible directly to CSOs without burdensome procedures.

4. **Prepare for post-2027 sustainability challenges and anticipate the next MFF**

With EU funding secure only until the end of the current Multiannual Financial Framework (MFF), the EU should start early planning for the next financial cycle. It should introduce a mechanism for monitoring and preventing overlaps between different civil-society envelopes (IPA, thematic programmes, and Growth Plan instruments) to ensure coherence and visibility of resources. Civil society must be engaged early in shaping the next MFF to safeguard continued democracy funding and to design more flexible, locally responsive instruments that avoid fragmentation and duplication, and to explore complementary models (e.g., blended finance, social enterprise tools) without undermining core support. \

5. **Strengthen donor coordination mechanisms, with the EU in a convening role**

Given its scale and centrality, the EU should lead in improving systematic coordination among donors in the enlargement region. More structured, transparent mechanisms are needed to align EU and bilateral support, avoid duplication, and ensure gaps are addressed effectively. This includes aligning IPA funding with bilateral support (Sweden, Switzerland, Norway, etc.), promoting joint standards on core support and re-granting through local intermediaries, and ensuring coordinated responses when CSOs are under political attack. Coordination should not be limited to donors alone: the EU can also support **local CSO-led coordination platforms and long-standing resource centers** that already play an ecosystem-building role, ensuring that aid is harmonized and locally owned.

6. **Institutionalize meaningful consultation standards**

The EU should establish minimum standards for civil society engagement and support the creation of a structured, continuous forum for dialogue. Standards should include timeliness of consultations, inclusivity beyond capitals, and mandatory feedback loops. Delegations should avoid legitimizing GONGOs in EU-funded consultations or dialogues. Structured and inclusive dialogue between donors and civil society is a cornerstone of effective development cooperation.

Within the EU – but also beyond – a more transparent and participatory approach to **setting priorities for civil society support** is needed. Donor strategies should be grounded in a clear framework that systematically assesses local community needs, integrates awareness of geopolitical and security dynamics, and involves ongoing, two-way consultation with civil society actors going beyond formal consultations to foster meaningful dialogue and co-creation of priorities with civil society and citizens. Such an approach would not only make aid more context-sensitive and legitimate but also help bridge the gap between donor-driven and citizen-driven agendas, ensuring that civil society support remains both locally rooted and strategically attuned to the region's evolving environment.

7. **Safeguard civic space**

EU allocations should be conditioned on civic space and democratic benchmarks, with re-granting mechanisms designed to expand, not narrow, ownership across the sector. EU Delegations should link IPA and Growth Plan tranches and political dialogue to credible progress on enabling-environment benchmarks (e.g. repeal/avoid "foreign agents" provisions; stop abusive AML/CFT practices; decriminalize defamation; curb spyware abuses), making civic space protection not only a political condition but also a funding requirement**.** When governments fail to meet rule-of-law or governance conditions under the Growth Plan, a small share of withheld funds (for example, 1%) should be redirected to support independent civil society and watchdogs**,** ensuring that unused resources continue to advance EU objectives through citizen oversight and accountability. Clear safeguards should also exclude government-organized NGOs (GONGOs) and partisan proxies from IPA eligibility, preserving the integrity and democratic purpose of EU assistance.

To other bilateral donors

Safeguard long-term, mission-driven support. Follow the best practices of Sida and SDC by maintaining flexible, core, partnership-based, and multi-year funding. Even smaller donors, like Norway, can amplify their credibility by prioritizing direct support to watchdogs and avoiding international implementers.

Invest in ecosystem builders. Strengthen trusted resource centers, pooled funds, and local intermediaries that combine re-granting with capacity and constituency building, accountability, and policy dialogue. These platforms expand reach to smaller and grassroots CSOs and ensure sustainability beyond project cycles.

Coordinate strategically with the EU, while strengthening donor coordination mechanisms at country level. Bilateral donors should align their support with EU frameworks but retain their added value – flexibility, risk-taking, and the ability to sustain sensitive watchdog roles that EU instruments often cannot reach. The move toward a rotating chairmanship of donor groups, as seen in Bosnia and Herzegovina, is a step toward more collaborative and equitable coordination.

Plan for viability, not abstract sustainability. Donors exiting should work with local partners and other donors to ensure that gains are not lost and that transition strategies protect civic space. The notion of *sustainability* must be treated realistically: in the Western Balkans, where transparent and fair public funding systems are still lacking, true sustainability cannot yet be achieved. Donors should thus focus on *viability*, ensuring that civic actors can remain functional, adaptive, and independent until such institutional frameworks exist – and to use their influence to help establish those frameworks, rather than expecting civil society alone to secure them.

Establish realistic pathways toward pooled funding.

Donors should build on existing regional initiatives and re-granting intermediaries to pilot pooled mechanisms that can expand access, reduce duplication, and channel resources to grassroots and informal actors often excluded from mainstream calls. Regional studies also underline the value of such pooled instruments as a way to sustain activism in crisis contexts and to lower transaction costs across the donor community.

These measures collectively reflect the OECD DAC guidance that donors should act as enablers of civic space through coordinated, context-specific, and locally led approaches, ensuring that funding and exit strategies do no harm to the independence or sustainability of civil society.

To civil society organizations (CSOs)

Diversify funding sources. Reduce vulnerability to single-donor shocks by developing broader funding mixes, including domestic philanthropy, community giving, and cooperation with responsible private sector actors.

Better communicate your value. Improve ability to clearly link the organization's missions to what citizens and societies need, and then connect those priorities to donor interests, rather than focusing solely on organizational survival. Show tangible public benefit and measurable social change, making contributions visible and relevant to citizens' everyday concerns.

Strengthen constituencies. Move beyond donor-driven agendas to build deeper roots in communities and constituencies. Legitimacy in the eyes of citizens is the strongest protection against both political attacks and donor volatility.

Invest in collective infrastructure. Support and sustain resource centers, networks, and foundations that provide services, re-granting, and advocacy coordination. These structures multiply influence and safeguard resilience. Shift from competition to collaboration, clarifying CSOs' respective added values and developing joint agendas that strengthen the sector as a whole.

Adopt holistic resilience strategies. Integrate digital security, legal defense, self-care, and psychological support into organizational planning. External threats are likely to persist, and resilience requires both political and organizational preparedness.

Claim political space. Assert CSOs' role as development and democratic actors, not merely service providers. Political instability often leads to civil society being labeled as partisan or oppositional which can make donors hesitant to engage. Addressing this requires both principled advocacy and transparent communication of CSOs' non-partisan public-interest role. Engage in dialogue, demanding accountability, and holding donors as well as governments responsible for their choices.

By diversifying resources, strengthening constituencies, fostering cooperation, and clearly articulating their democratic value, CSOs in the Western Balkans can enhance credibility, resilience, and collective influence. In doing so, they can also play an active role in monitoring and advancing the international principles on enabling environments and accountability for civil-society effectiveness.

ANNEX 1- List of institutions participating in the research

- British Embassy Belgrade
- British Embassy Skopje
- British Embassy Tirana
- Delegation of the European Union to Kosovo
- Delegation of the European Union to North Macedonia
- Delegation of the European Union to Serbia
- DG ENEST, European Commission
- European Endowment for Democracy
- Embassy of France in Albania (Tirana)
- Embassy of France in North Macedonia (Skopje)
- Embassy of Sweden in Albania (Tirana)
- Embassy of Sweden in Bosnia and Herzegovina (Sarajevo)
- Embassy of Sweden in Kosovo (Pristina)
- Embassy of Sweden in North Macedonia (Skopje)
- Embassy of Switzerland in Albania (Tirana)
- Embassy of Switzerland in Bosnia and Herzegovina (Sarajevo)
- Embassy of Switzerland in Kosovo (Pristina)
- Embassy of the Federal Republic of Germany Belgrade
- Embassy of the Federal Republic of Germany Skopje
- Embassy of the Kingdom of the Netherlands in Albania (Tirana)
- GIZ Bosnia and Herzegovina Office
- GIZ North Macedonia Office
- Royal Norwegian Embassy in Belgrade