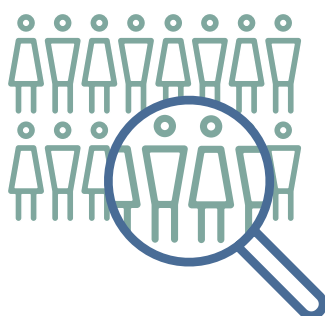




BALKAN
CIVIL
SOCIETY
DEVELOPMENT
NETWORK

GROWING PRESSURE ON CIVIL SOCIETY AND WHAT TO DO ABOUT IT?

Regional Report on the trends
in the enabling environment
for civil society development
in enlargement countries
2017/2018



Based on the framework
of the Monitoring Matrix for
Enabling Environment for
Civil Society Development

October, 2019



ABOUT THE PUBLICATION

To monitor the health of the legal, regulatory, and financial environment in which CSOs in the Western Balkans and Turkey operate, in 2012 BCSDN developed a comprehensive tool of 152 indicators – The Monitoring Matrix for Enabling Environment for Civil Society Development, which is the basis for this regional report. While the full Monitoring Matrix methodology was not implemented in all countries due to lack of joint funding, in the last two years BCSDN members have still worked on closely monitoring the enabling environment, and have followed and reported on the major developments in the legal framework and in practice. This report aims to fill the information gap regarding the developments in the civil society environment in the Western Balkan countries and Turkey during 2017 and 2018. The full Monitoring Matrix methodology will be implemented for the 2019 reporting period.

The report also reflects the information submitted by BCSDN members (Partners Albania for Change and Development – Albania, Center for Promotion of Civil Society (CPCD) – Bosnia and Herzegovina, Kosovar Civil Society Foundation (KCSF) – Kosovo, Macedonian Center for International Development (MCMS) – Macedonia, Center for Development of NGOs (CRNVO) – Montenegro, Civic Initiatives – Serbia, and Third Sector Foundation (TUSEV) – Turkey) participating in the third Monitoring Round within the Global Partnership for Effective Development Cooperation (Indicator II). It is part of BCSDN's activities under the European Region Work Plan 2018 within the CSO Partnership for Development Effectiveness (CPDE): "Grounding

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EXECUTIVE SUMMARY

During the past two years, changes in the legal framework affecting CSOs' **freedom of association** were introduced in most of the countries of the Western Balkans and Turkey: the anti-money-laundering and financing of terrorism laws in several countries, the debates around the Law on Freedom of Association in Kosovo, and the draft laws on social enterprises adopted in Serbia, Kosovo and Albania. Positive developments in practice were noted in relation to CSO registration processes, which were made easier in Kosovo and Bosnia and Herzegovina, while Albanian CSOs still face burdensome registration procedures. Restrictive measures towards CSOs, such as closing of organizations and seizing their assets, have been most prominent in Turkey, with the State of Emergency finally being lifted in July 2018. 2018 also marked the closure of the targeted inspections against 22 CSOs in Macedonia that started in 2017 and, positively, the investigation did not reveal any illegal action on the side of CSOs.

Numerous gatherings, protests and citizens' initiatives on diverse social and political issues, and a rise in grassroots movements throughout the region, have taken place on national and local level in all countries, in most cases enabled by the police and without major violations. A worrying exception is Turkey where the **freedom of peaceful assembly** was severely restricted under the State of Emergency, particularly when exercised by anti-government groups, either through long-term bans on public gatherings or excessive use of force by the police. In terms of the legal

framework, positive developments were noted in Albania and Macedonia, related to laws or procedures on policing public assemblies.

Freedom of expression has been the mostly restricted basic freedom throughout the region, with similar violations – smear campaigns, media pressures and public discrediting – taking place in most of the countries, while the most serious ones were noted in Turkey and Serbia. Most worryingly, threats and attacks against the critical voices have increased in the past two years. Moreover, such cases have lacked thorough investigation and fair prosecution, creating a culture of impunity and an atmosphere of fear.

The **financial environment for civil society** has not changed significantly in most of the countries. Some improvements are seen in Macedonia, mainly because of the amendments in the tax legislation concerning CSOs, and certain changes introduced in relation to the state support for CSOs. In Bosnia and Herzegovina, the failure of the Parliament to adopt the Law on Income Tax and the Law on Corporate Tax has further contributed to a weak financial viability of CSOs. In Turkey, there has been no room for improvements in the framework for CSO financial viability and sustainability, and no major developments were noted in Albania either, with the issue of VAT reimbursements for non-profit organizations still to be resolved. The state support for CSOs in most of the countries continues to be a potentially significant source of financing, but most often state funds are distributed in a non-

transparent manner. A positive development regarding public funding systems for NGOs was noted in Kosovo with the adoption of the first national policy that regulates public funding distribution for NGOs. CSOs also rely on human resources to sustain their activities, but volunteer work has not been regulated in most of the countries, with the exception of recent positive developments in Kosovo.

The legal framework for **cooperation between civil society and governments** has improved in several WBT states in the past two years. Strategic documents were drafted and/or adopted in Macedonia and Kosovo, and new bodies/mechanisms for cooperation were established in Macedonia, Bosnia and Herzegovina, Turkey (despite the relations between civil society and the Turkish government deteriorating under the State of Emergency) and Montenegro (although the new council is considered to lack functionality, interest by CSOs and even legitimacy). National strategic efforts towards a more enabling environment for civil society development have been realized in Albania, with the update of the Roadmap and Action Plan 2019-2023, and in Montenegro, where a new Strategy 2018-2020 was adopted, however without adequate financial means for implementation. Serbia is the only country where a national EE strategy has not been adopted yet, despite the document being properly prepared and consulted.

Improvements in the **legal framework for civil society participation** have been introduced in Macedonia, Serbia and Kosovo - most notable with the adoption of the Regulation on Minimum Standards for Public Consultation. In practice, however, in addition to the problematic implementation of the regulations, a worrying trend of simulating public consultations has emerged in Serbia, due to the rise of GONGOs and creation of a parallel civil sector. On the contrary, Macedonia witnessed a positive atmosphere where government institutions proactively and substantially included CSOs in policy-making processes at all stages by using various methods. Civil society representation in cross-sector bodies has been a problematic issue in Serbia and even more in Montenegro, where many CSO representatives were removed from relevant working bodies in an unjustified and politicized manner.

The conditions concerning the **service provision of CSOs** in the region have not changed significantly; CSOs providing services that have commercial character generally have the same regime as any other legal entity engaged in this activity, showing the lack of understanding and recognition by the Governments of the benefits and specificities of CSOs.



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I N T R O D U C T I O N

The global trends of shrinking of civic space and deteriorating of the civil society enabling environment have not surpassed the Western Balkans and Turkey. Not neglecting certain positive developments that have also happened in the past two years, in many of the countries politicians in power have created a hostile environment, with CSOs smeared as foreign agents, and journalist and activists targeted for their (investigative) work. In comparison to previous years, despite the existing legal protection, freedoms of association, assembly and expression have been increasingly under attack in practice. Civil society and media have been increasingly targeted by government propaganda and control in Serbia and Montenegro, and journalists have been facing pressure and harassment from authorities in Kosovo, Bosnia & Herzegovina and Albania. In Kosovo, amendments to the Law on Freedom of Association in CSOs have sparked a backlash, with over 300 civil society groups mobilizing to reject the proposed changes, while just over a year ago in Macedonia both pro-government media and state institutions carried out an orchestrated attack and smear campaigns against 22 CSOs critical of the previous government, accusing them of serving foreign interests to politically destabilize the country.

With all the pressure towards formal civil society, grassroots initiatives have risen and citizens have taken to the streets to fight for their rights. Environmental activists and concerned citizens in Albania, Macedonia, Montenegro and Serbia have been protesting the building of small hydropower plants on

the Balkan rivers and the devastating effects planned construction projects could have on their livelihoods. In Bosnia and Herzegovina, people have bridged the divisions among ethnic lines in order to ask for justice and loudly voice their dissatisfaction with the corrupted government actions, while in Macedonia a polarized political climate has created a tense atmosphere with heated protests taking place both for and against the name change and the referendum. Students have taken the streets to protest high education fees in Albania, parallel to the anti-government protests in the country, similar to the ones in Montenegro and Serbia that have been getting more intense since the beginning of 2019.

Common encroachments in the basic freedoms appear in most of the countries and have led to deterioration in the involvement of CSOs in the decision-making processes across the region. Despite the existing legislative and policy mechanisms across the region, the dialogue between the governments and the civil society remains to be underdeveloped and not meaningful enough. Governments across the region are still reluctant to recognize and treat civil society as a crucial component of the democratic system. Restrictions under the umbrella of security and anti-money laundering regulations, intervention in CSOs' internal affairs, negative narratives, and other forms of harassment have become the new normal, making pressure to civil society to adapt in order to survive.



KEY DEVELOPMENTS

AREA 1: BASIC FREEDOMS

Freedom of association

DURING THE PAST TWO YEARS, CHANGES IN THE LEGAL FRAMEWORK AFFECTING CSOS' FREEDOM OF ASSOCIATION WERE INTRODUCED IN MOST OF THE WBT COUNTRIES: THE ANTI-MONEY-LAUNDERING AND FINANCING OF TERRORISM LAWS IN MACEDONIA, SERBIA, ALBANIA AND KOSOVO, THE DEBATES AROUND THE LAW ON FREEDOM OF ASSOCIATION IN KOSOVO, AND THE DRAFT LAWS ON SOCIAL ENTERPRISES ADOPTED IN SERBIA, KOSOVO AND ALBANIA. POSITIVE DEVELOPMENTS IN PRACTICE WERE NOTED IN RELATION TO CSO REGISTRATION PROCESSES, WHICH WERE MADE EASIER IN KOSOVO AND BOSNIA AND HERZEGOVINA, ALTHOUGH ALBANIAN CSOS STILL FACE BURDENSOME REGISTRATION PROCEDURES. RESTRICTIVE MEASURES TOWARDS CSOS, SUCH AS CLOSING OF ORGANIZATIONS AND SEIZING THEIR ASSETS, HAVE BEEN MOST PROMINENT IN TURKEY, WITH THE STATE OF EMERGENCY FINALLY BEING LIFTED IN JULY 2018, AFTER TWO YEARS AND SEVERAL EMERGENCY DEGREES THAT HAD A DIRECT EFFECT ON CSO OPERATIONS. 2018 ALSO MARKED THE CLOSURE OF THE TARGETED INSPECTIONS AGAINST 22 CSOS IN MACEDONIA THAT STARTED IN 2017 AND, POSITIVELY, THE INVESTIGATION DID NOT REVEAL ANY ILLEGAL ACTION ON THE SIDE OF CSOS.

Anti-money-laundering and financing of terrorism laws were introduced in Albania, Kosovo, Macedonia, and Serbia, with the aim of harmonization with the EU regulations. The laws, however, have not taken into account the specificities and nature of CSOs, which might affect the freedom of association in practice, especially if certain provisions in the laws lack specificity and thus are subject to interpretation. With the aim to comply with the **FATF recommendations** for registering the persons managing CSOs' resources, in Macedonia a new Law on money laundering and financing of terrorism and a set of bylaws were adopted in 2018. The law prescribes the "real owner" of an organization to be registered in a specific register (providing a specific set of data and documents) or be subjected to very high fines, disproportional to the economic value of the NGO sector, if not complying with the law. Similarly, in Serbia, the Act on the Central Record of Real Owners, adopted in 2018, prescribes that various data (such as data on representatives, members, capital, etc.) of all legal entities – including CSOs – need to be registered in a separate register managed by the Business Registries Agency. In Albania, these laws were also amended in 2019, followed by the Instruction no.19 of the Ministry of Finance and Economy "for the inspection of non-profit organizations with regard



to the anti-money laundering and financing of terrorism". Following the classification of the NGO sector as being a high-risk sector for abuses related to financing terrorism, governments and civil society in Kosovo and Serbia, have taken concrete steps to address this. In Kosovo, a process for clarification of the risk assessment for CSOs was started in 2017, after long-term pressure of civil society, and in Serbia a document on Risk Assessment of Money Laundering and Financing Terrorism and an accompanying Action Plan were adopted in June 2018.

In Kosovo, a **new Law on freedom of Association** was being prepared in consultation with the civil society since 2014. In 2016, the NGO Department presented the first draft of the Law characterized by restrictions related to state interventions on internal matters of NGOs and financial reporting. Resulting from the intense advocacy activities by civil society, the draft law approved by the Government in December 2017 was clear from all the restrictive provisions, and was furthermore considered more favorable in comparison to the existing law. Afterwards, however, the Committee on public administration, local governance and media proposed several amendments for which civil society was not consulted nor notified and at the end of the 2018, the Kosovo Assembly approved the draft Law on Freedom of Association with 37 amendments – 20 of them considered problematic by civil society. This mobilized over 300 civil society groups to reject the amendments making the law highly restrictive. After an intensive advocacy campaign, on 15 April 2019, the Kosovo Parliament voted on the NGO Law, in line with best international standards and practices, and civil society demands.

In **Albania**, a new Law on Accounting and Financial Statements approved in 2018 has increased the burden and interference from the state towards CSOs, with the introduction

of new reporting and publishing requirements for CSOs with a value of assets and/or income at 30 million ALL (approx. 240.000 EUR). In addition, the CSO **registration process** is still problematic in Albania because of its centralization at the Tirana District Court, presenting lengthy and costly procedures for CSOs, especially for those residing outside of Tirana. While Albania has no electronic register for CSOs yet, the registration processes was finally made easier in Kosovo and in Bosnia and Herzegovina. In Kosovo, the Ministry of Public Administration launched the first online platform for NGO registration in 2017, and in Bosnia and Herzegovina the first collective e-Register of associations and foundations was presented in 2018, unifying all 18 registers in the country, 22 years after the post-war registration of CSOs commenced.

Restrictive measures towards CSOs have been most prominent in Turkey, ever since the July 15, 2016 failed coup. Under the **State of the Emergency**, prompted by the coup attempt in July 2016, until July 2018, the government closed 1784 foundations and associations by decree (207 of them later reopened) and seized the assets of organizations that are allegedly linked to Fethullah Gulen Terrorist Organization (FETÖ) and other terrorist organizations. All movables and real estate as well as all assets, receivables and rights, and documents and papers of those associations were seized and transferred without compensation to the Treasury and of those foundations to the General Directorate of Foundations. As of March 26, 2018, the Government has issued thirty-seven emergency degrees, of which seven have a direct effect on CSO operations. The Turkish government lifted the nationwide State of Emergency on July 18, 2018.

The past couple of years were turbulent also for CSOs in Macedonia. In 2016 and the first half of 2017, CSOs were target of government sponsored smear campaigns and at the end



of 2016, **targeted inspections were launched against 22 CSOs in Macedonia** funded by Open Society Foundations, USAID and some of the foreign embassies. The organizations under the inspections work in areas such as human rights protection and democratization, and have publicly opposed the policies of the then ruling political party. The inspections were closed down by the new government in March 2018 without revealing any illegal action on the side of CSOs.

Legal framework on social entrepreneurship

Draft laws on **social entrepreneurship** were recently adopted both in Serbia and in Kosovo, however, with contrasting reception by CSOs in the two countries. The approved draft Law on social enterprises in Kosovo has been welcomed by CSOs since it the first Law of this kind in the country that sets the rules that defines the principles, establishing and functioning of social enterprises. On the other hand, CSOs in Serbia have strongly appealed against the Draft Law on Social Entrepreneurship published in November 2018, saying it limits the legal forms of social enterprises and narrows social entrepreneurship down to only “work integration”. Drafted in such manner, the law does not recognize citizens’ associations, foundations and unions as carriers of socio-entrepreneurship activities, despite them making the majority of social entrepreneurship in Serbia and employing more than 10,000 people. Its adoption in this form may lead to excluding the majority of the existing social enterprises from the future legal framework.

For over almost two and a half years after the approval of the **Law on Social Enterprises in Albania**, the legal package has been completed with the required bylaws

only at the beginning of 2018. The Law on Social Enterprises is, however, very problematic in some aspects, such as: (1) it has a restrictive approach to the forms that can take the status of a social enterprise (received only by CSOs, leaving out all other forms of social enterprises); and (2) it limits the social enterprises in regards to economic, social and reinvestment criteria. The law sets out conditions on the minimum number of full time employees (at least 3), the mandatory percentage of income that should come from economic activity (at least 20% for the second year and 30% for the third year), and a condition that employees should come from marginalized groups (at least 30%). The Law on Social Enterprises also stipulates that the full profit should be reinvested for the development and expansion of its activity, while not being provided any fiscal relief - the profit would be taxed applying the same fiscal requirement as private business. Overall, the legal framework on social enterprises needs to be amended, addressing the actual legal barriers and needs presented by entities operating as social enterprises.

Freedom of assembly

NUMEROUS GATHERINGS, PROTESTS AND CITIZENS’ INITIATIVES ON DIVERSE SOCIAL AND POLITICAL ISSUES HAVE TAKEN PLACE ON NATIONAL AND LOCAL LEVEL IN ALL COUNTRIES, IN MOST CASES ENABLED BY THE POLICE AND WITHOUT MAJOR VIOLATIONS. A WORRYING EXCEPTION IS TURKEY WHERE THE FREEDOM OF PEACEFUL ASSEMBLY WAS SEVERELY RESTRICTED UNDER THE STATE OF EMERGENCY, PARTICULARLY WHEN EXERCISED BY ANTI-



GOVERNMENT GROUPS, EITHER THROUGH LONG-TERM BANS ON PUBLIC GATHERINGS OR EXCESSIVE USE OF FORCE BY THE POLICE. THE PAST TWO YEARS WITNESSED A RISE IN GRASSROOTS MOVEMENTS THROUGHOUT THE REGION, SUCH AS THE PROTESTS AGAINST THE BUILDING OF SMALL HYDRO POWER-PLANTS ON THE BALKAN RIVERS AND OTHER ENVIRONMENTAL AND LOCAL COMMUNITY ISSUES IN SEVERAL COUNTRIES. IN TERMS OF THE LEGAL FRAMEWORK, POSITIVE DEVELOPMENTS WERE NOTED IN ALBANIA AND MACEDONIA, RELATED TO LAWS OR PROCEDURES ON POLICING PUBLIC ASSEMBLIES.

Turkish citizens witnessed excessive use of force by the police, including beating, during peaceful demonstrations in 2016-2019. In addition to prohibiting a large number of peaceful gatherings, all kinds of publicly open events in various kinds of publicity have been totally banned for weeks or months. Cases of restriction include the LGBT Pride Parade, Feminist March, and others, with restrictions not being limited only to marches and demonstrations, rather affecting activities of all rights-based CSOs, prohibited for “safety reasons.” The Ministry of Interior reported that between January 20 and February 26, 2018, 845 people were taken into custody for participating in protests to oppose Turkey’s military operation in the northwest Syrian district of Afrin.

Unlike in Turkey, there have been positive developments regarding freedom of peaceful assembly in Albania and in Macedonia. During 2018, the Ombudsman of the Republic of Albania issued recommendations to the State Police to take necessary measures for preparation of standard notification templates for organizing assemblies on public places, as well as to publish those on the General Directorate Police State website and enable online notifications for organizing an assembly.

Positively, the General Directory of State Police approved the internal procedure “Planning of police services during the development of assemblies” which sets standard procedures for police officials before the organization of assemblies, general procedures for the management of the assembly and its services, procedures to ban and diffuse an assembly, and other procedures.

The freedom of assembly in Macedonia was further guaranteed by introducing changes in the Law on Police, where rubber bullets and electric paralyzers are no longer part of the police equipment for crowd dispersion. In addition, changes were announced in the legislation in terms of stronger monitoring the work of the police. In practice the freedom of assembly was also enabled and most of the gatherings were peaceful, with the exception of nationalist groups entering the Parliament on 27 April 2017, and the protest related to the country name change in June 2018, when the police used shock bombs and tear gas to disperse the crowd, leading to injuries and detentions, as well as media persons been unable to cover the protest.

Nationalists groups or right-wing organizations and political parties in Serbia, on several occasions, have targeted and tried to prevent public events such as the “Miredita, Dobar Dan” festival, organized by the Youth Initiative for Human Rights, aimed at presenting contemporary Kosovo culture in Belgrade as a way to bridge the gap between Kosovo and Serbia. In Serbia, the declining confidence in political representatives and institutions, as well as raising awareness about the importance of engaging citizens in solving problems on the local level, in the past two years have led to an expansion of civic movements and grassroots initiatives, such as “Don’t let Belgrade d(r)own”, “Mame su Zakon”, “Defend the Stara Planina rivers”, etc. In Bosnia and Herzegovina, there were two significant civil movements active in 2018, initiated by the ill-fated murders of

two young men, gathering large numbers of citizens and gaining massive support on social networks. At the end of December 2018, police in Banja Luka prevented the regular gathering of citizens in the central square with violent measures - beatings, arrests and detention measures against activists. There have been cases of prevention of public gatherings in Montenegro as well, issued to certain unions and organizations.

Freedom of expression

FREEDOM OF EXPRESSION HAS BEEN THE MOSTLY RESTRICTED BASIC FREEDOM THROUGHOUT THE REGION, WITH SIMILAR VIOLATIONS TAKING PLACE IN MOST OF THE COUNTRIES, WHILE THE MOST SERIOUS ONES WERE NOTED IN TURKEY AND SERBIA. CSOS, ACTIVISTS AND INDEPENDENT JOURNALISTS IN ALMOST ALL COUNTRIES HAVE BEEN EXPOSED TO GOVERNMENT SMEAR CAMPAIGNS, MEDIA PRESSURES AND PUBLIC DISCREDITING. MOST WORRYINGLY, THREATS AND ATTACKS AGAINST THE CRITICAL VOICES HAVE INCREASED IN THE PAST TWO YEARS. MOREOVER, SUCH CASES HAVE LACKED THOROUGH INVESTIGATION AND FAIR PROSECUTION, CREATING A CULTURE OF IMPUNITY AND AN ATMOSPHERE OF FEAR. POSITIVE DEVELOPMENTS WERE NOTED ONLY IN MACEDONIA, AFTER THE CHANGE OF GOVERNMENT PUT A STOP TO THE SMEAR AND NEGATIVE CAMPAIGNS AGAINST CIVIL SOCIETY AND MINOR CHANGES IN THE LEGISLATION TOWARDS IMPROVED FREEDOM OF EXPRESSION WERE ADOPTED.

Most of the countries in the Western Balkans have been facing lack of media independence and pluralism, mostly because of government control of state media or (self-) censorship

due to political or economic influences. Journalists, media and CSOs working in the areas of investigative journalism, human rights or corruption have been seriously threatened by officials in Turkey, Bosnia and Herzegovina, Serbia and Montenegro, with civil society activists often being exposed to smear campaigns in pro-government tabloids, branded as “foreign mercenaries” or “enemies of the state”. In Montenegro, media pressures on CSOs have continued especially in regard of their financial status, after the Central Bank of Montenegro shared alleged information that 45mil EUR is currently on saving accounts of non-profit organizations. This has been used for smear campaigns and pressures on CSOs targeted at influencing CSOs relationship with the citizens. Critically oriented CSOs in Montenegro are being targeted through non-formal channels that are hard to prove and identify.

The last two years in Serbia were marked by threats and attacks against think tanks, human rights organizations and activists, which have seriously lacked investigations and prosecutions, while the ones accused for the attacks and threats have been released in most cases. Humanitarian organizations and foundations have been accused of embezzlement without any evidence, thus inflicting the people working in those organizations. Reporters without Borders registered Serbia’s freedom of expression decline for 10 ranks in 2018 as one of the major world downfalls. In Turkey, the freedom of expression was eroded by arbitrary and restrictive interpretations of legislation and by harassment, dismissals and frequent court cases against activists, journalists, academics and social media users. In the wake of the failed coup attempt, executive decrees brought the closure of 169 media organizations and the detainment of more than 100 journalists and media workers in the period of a month. As of March 2018, there were 135 journalists and media workers behind bars in Turkey.



AREA 2: FINANCIAL VIABILITY OF CSOS

THE FINANCIAL ENVIRONMENT FOR CIVIL SOCIETY HAS NOT CHANGED SIGNIFICANTLY IN MOST OF THE COUNTRIES. SOME IMPROVEMENTS ARE SEEN IN MACEDONIA, MAINLY BECAUSE OF THE AMENDMENTS IN THE TAX LEGISLATION CONCERNING CSOS, AND CERTAIN CHANGES INTRODUCED IN RELATION TO THE STATE SUPPORT FOR CSOS. IN BOSNIA AND HERZEGOVINA, THE FAILURE OF THE PARLIAMENT TO ADOPT THE LAW ON INCOME TAX AND THE LAW ON CORPORATE TAX DUE TO POLITICAL CONFLICTS AND A CAMPAIGN PERIOD HAS FURTHER CONTRIBUTED TO A WEAK FINANCIAL VIABILITY OF CSOS, DIFFICULTIES TO SECURE AND DIVERSIFY FUNDING AND RELIANCE ON INTERNATIONAL DONOR SUPPORT. IN TURKEY, THERE HAS BEEN NO ROOM FOR IMPROVEMENTS/REFORM IN THE FRAMEWORK FOR CSO FINANCIAL VIABILITY AND SUSTAINABILITY, AND NO MAJOR DEVELOPMENTS WERE NOTED IN ALBANIA EITHER, WITH THE ISSUE OF VAT REIMBURSEMENTS FOR NON-PROFIT ORGANIZATIONS STILL TO BE RESOLVED. THE STATE SUPPORT FOR CSOS IN MOST OF THE COUNTRIES CONTINUES TO BE A POTENTIALLY SIGNIFICANT SOURCE OF FINANCING OF THE CIVIL SECTOR, BUT MOST OFTEN STATE FUNDS ARE DISTRIBUTED IN A NON-TRANSPARENT MANNER. A POSITIVE DEVELOPMENT REGARDING PUBLIC FUNDING SYSTEMS FOR NGOS WAS NOTED IN KOSOVO WITH THE ADOPTION OF THE FIRST NATIONAL POLICY THAT REGULATES PUBLIC FUNDING DISTRIBUTION FOR NGOS. CSOS ALSO RELY ON HUMAN RESOURCES TO

SUSTAIN THEIR ACTIVITIES, BUT VOLUNTEER WORK HAS NOT BEEN REGULATED IN MOST OF THE COUNTRIES, WITH THE EXCEPTION OF RECENT POSITIVE DEVELOPMENTS IN KOSOVO.

Tax treatment for CSOs and their donors

When it comes to tax legislation concerning civil society organizations, the most notable changes happened in Macedonia, namely the amendments to the Personal Income Tax Law and the Profit tax law – as part of a wider overall tax reform – with active involvement of civil society throughout the process. Namely, in 2017, the Personal Income Tax Law was amended to provide tax exemption for all costs (accommodation, food and travel) related to people’s participation at events organized by a CSO as part of its main activities, as well as for travel costs of CSO representatives participating in an educational activity abroad. In another positive development in 2018, associations and foundations got exempted under the Profit Tax Law. According to the new Profit Tax Law, the total revenue of a CSO will be taxed 1% on the exceeding amount, if the organization generates annual revenue of more than 1mil MKD (approx. 16,000 EUR) from performing an economic activity within the framework of its non-for-profit activities. The reason for this is to avoid unfair competition against entities whose profit generated from performing an economic activity is taxable.



In Albania, a similar threshold of approx. 15,000 EUR (2 mil ALL) for registering as a taxable entity and declaring VAT is prescribed with the Law on Tax Procedures of 2018, while the annual revenues from the economic activity should not exceed 20% of the total annual income. In Serbia and Bosnia and Herzegovina, the tax treatment of civil society organizations has not changed significantly over the past two years, despite the regular advocacy campaigns to improve the tax system for non-profit organizations, as well as to provide incentives for philanthropy through a more stimulating tax policy.

In Kosovo, a draft law on passive investments prepared by the Ministry of Finance was approved by the Government in August 2016. However, by the end of the same year, again it was the Government that decided to remove the draft law from the annual legislative agenda alongside a number of other draft laws. Even though the Minister of Finance at that time stated that work on the project law would continue during 2017 in order to enable the use of privatization assets, the law was not included in the legislative agenda of 2017.

State support to CSOs

A positive development regarding public funding systems for NGOs was noted in Kosovo, where in May 2017, the first national policy that regulates public funding distribution for NGOs was signed—the Regulation MF - NR-04/2017 on criteria, standards and procedures on public funding for NGOs. The Regulation applies to all governmental institutions both in central and local level. The new Regulation for the first time has built the decentralized system of public funds distribution for NGOs, thus making each public institution responsible for distribution of its own funds in accordance with the relevant strategic documents and their priori-

ties. There were positive developments noted also in Macedonia, where the new Strategy for Cooperation of the Government with Civil Society, 2018-2020, emphasized the need to reform and introduce a fund to provide institutional support for CSOs and co-financing for EU projects - a strong commitment to be implemented in 2020. Furthermore, the new Government acted upon alleged misuses of funds for associations and foundations, and stopped the controversial allocation of funds from the Government Secretariat Unit for cooperation with NGOs.

In Bosnia and Herzegovina, local authorities often do not publish public calls or do not carry out adequate procedure of selection based on a public call, sometimes not making payments for the granted funds even upon signing of contracts or carrying out of the activities. They do not carry out monitoring and evaluation of the implementation process, nor require program and financial reports for the spent funds nor do they assess influence and changes. The majority of these funds are distributed to a considerable extent by the discretionary power of various ministries, and go to sport clubs and organizations arising from the war, such as associations representing veterans, disabled soldiers, and families of fallen soldiers. To address the problematic issues, after the signing of the Agreement on Cooperation with Civil Society in 2017, the Council of Ministers of BiH began the process of drafting a document to regulate transparent financing of CSOs from the budget. Following a similar situation in Serbia, the Government of Serbia adopted a new Regulation on the Resources for Supporting Programs or Providing Co-financing for Programs of Public Interest that are Implemented by Associations (the Regulation), which is being amended since March 2018. The basic changes to the Regulation are reflected in increasing the transparency of the process of allocation of funds, introducing anti-corruption

measures etc. however, they key issues that have been for years pointed out by CSOs as problematic (e.g. no list of areas of public interest, detailed procedures for appeals, evaluation procedures and reports etc.) have not been removed.

In Albania, The Agency for the Support of Civil Society remains the main mechanism at the national level for distribution of public funds to CSOs. In 2018, the Agency has awarded 45 CSOs' projects, while institutional supports were provided to 14 CSOs. The Call for Applications for institutional support was not made public and the proposal template for such application is missing. It remains unclear what have been the criteria based on which the decision on the institutional support were made. In Macedonia, for the first time, in 2018, all state institutions had open calls for proposals and the amount and/or scope of support has increased. For example, the Agency of Youth and Sports announced to distribute funds also to youth organizations, instead of only providing funds to sports associations as it did before, while the Ministry of Defense widened the possibility for different CSOs to apply, unlike before when only one organization per year received the Ministry's funds. The Ministry of Justice noted the biggest increase in funding distributed via budget line 463-Transfers to nongovernmental organizations, however, it was provided mostly to political parties. This shows the wide definition the government still keeps when it comes to the civil sector, and paints an unrealistic picture that significant amounts of money from the budget go to NGOs.

Similarly, in Kosovo, according to the Report on public funding for NGOs, out of the approx. 16mil EUR disbursed from the state budget to NGOs during 2017, around EUR 6.6 mil were actually allocated to NGOs, after subtracting from the total sport clubs and federations, NGOs providing services on behalf of public institutions, or public institutions that were (by

mistake) recorded as NGOs. The publication of the second Report on public funds delivered to NGOs by the Office of the Prime Minister/Office of Good Governance, however, is considered as a positive development in itself, as it offers information on the amounts distributed by both central and local Government to CSOs, altogether with the names of the beneficiaries and the actual amounts.

In Montenegro, the local self-government still lacks a strategic approach to CSOs and needs new cooperation and funding models. A burning topic in Montenegro are also the issues with non-financial support, since the government and local municipalities tend to provide this kind of support to certain CSOs with no clear criteria. Such support varies from providing office space to 3000m2 of land on a permanent basis with no compensation or taxation. Similarly, a worrying tendency of granting funds to projects that only further the interests of small groups of people with close ties to politicians is noted in Bosnia and Herzegovina and in Serbia. A trend in Serbia, reaching worrying proportions in the last few years, is the proliferation of organizations established mainly to fulfil the goals of officials or the ruling party, such as corruptive use of public money through open calls, or even simulating support to the authorities and their initiatives. For example, numerous irregularities followed the open calls of the Republic Ministry of Culture and Information and the City of Belgrade, where almost a third of the money was allocated to organizations that were not registered to engage in culture activities or were re-registered a few days before the open calls, while being represented by individuals supportive or close to the government.

Human resources

Aside of financial resources, benefits and incentives, CSOs rely on human resources to sustain their activities. For the first time in Kosovo, the rights, duties and benefits for youth **volunteers** have been defined with an Administrative Instruction on youth volunteering, which defines incentives for volunteers, training and education for volunteers, and regulates the contractual relationships between volunteers and providers of volunteer work. In addition, in 2017, a volunteer's database has been launched that aims to ease recruiting of volunteers for providers of volunteer work by supporting online volunteer registration, recording volunteering hours and issuing certificates. In Montenegro, a draft law on volunteering has been in the making for several years and CSOs repeatedly called upon the Government to adopt it, yet with no clear end result.¹ In Albania, no sub-legal acts on the Law on Voluntarism were adopted almost three years after its approval, leaving CSOs to face uncertainties and difficulties when engaging volunteers - until the beginning of July 2019, when the Code of Ethic for Volunteers was approved.



¹ Draft Law on Volunteerism has been published on 23.04.2019 and at the time of writing this report was put out for public discussion.

AREA 3: PUBLIC INSTITUTIONS - CSO RELATIONS

Framework and practices for cooperation

THE LEGAL FRAMEWORK FOR COOPERATION BETWEEN CIVIL SOCIETY AND GOVERNMENTS HAS IMPROVED IN SEVERAL WBT STATES IN THE PAST TWO YEARS. STRATEGIC DOCUMENTS WERE DRAFTED AND/OR ADOPTED IN MACEDONIA AND KOSOVO, AND NEW BODIES/MECHANISMS FOR COOPERATION WERE ESTABLISHED IN MACEDONIA, BOSNIA AND HERZEGOVINA, TURKEY (DESPITE THE RELATIONS BETWEEN CIVIL SOCIETY AND THE TURKISH GOVERNMENT DETERIORATING UNDER THE STATE OF EMERGENCY) AND MONTENEGRO (ALTHOUGH THE NEW COUNCIL IS CONSIDERED TO LACK FUNCTIONALITY, INTEREST BY CSOS AND EVEN LEGITIMACY). NATIONAL STRATEGIC EFFORTS TOWARDS A MORE ENABLING ENVIRONMENT FOR CIVIL SOCIETY DEVELOPMENT HAVE BEEN REALIZED IN ALBANIA, WITH THE UPDATE OF THE ROADMAP AND ACTION PLAN 2019-2023, AND IN MONTENEGRO, WHERE A NEW STRATEGY 2018-2020 WAS ADOPTED, HOWEVER WITHOUT ADEQUATE FINANCIAL MEANS FOR IMPLEMENTATION. SERBIA IS THE ONLY COUNTRY WHERE A NATIONAL EE STRATEGY HAS NOT BEEN ADOPTED YET, DESPITE THE DOCUMENT BEING PROPERLY PREPARED AND CONSULTED.

The State of Emergency in **Turkey** made it very hard to find common ground with the public sector as well as a healthy atmosphere for cooperation within civil society, with the relations between civil society and the government deteriorating throughout 2016-2018. That said, with the Presidential Decree No. 17, which came into force in October 2018, a Directorate General for Relations with Civil Society under the Ministry of Interior was established. The regulation on its organization and duties puts forward targets to improve the civil society environment, including identification and development of strategies for relations with civil society, coordination and cooperation between the public and NGOs, enhancement of the effectiveness of CSOs and the improvement of service quality. In addition, the regulation defines the Civil Society Consultation Council as a new mechanism for participation, acting as an advisory body to give direction to the policy agenda. The Council brings together the Deputy Minister with representatives of the Directorate General, universities, public institutions and NGOs.

In **Macedonia**, the newly established Government has explicitly stated its intention of improving the engagement and cooperation with the CSOs, as well as to make efforts for development of the sector. These intentions were translated in two key achievements: the finalizing of the process of establishing the key mechanism for cooperation - the CSO Council for Cooperation, and drafting in a participatory manner a new Strategy for Cooperation of the Government with the Civil Society Sector 2018-2020, adopted in Government procedure in October 2018. As of April 16, 2018, the Coun-

cil – consisting of 31 members, 16 of which are CSO representatives – serves as a consultative body of the Government for improving cooperation and dialogue, and encouraging the development of civil society in Macedonia. Since its establishment, the Council has met eleven times (while minimum three are prescribed) and discussed various issues that were of interest of the civil society sector.

In **Montenegro**, a similar new council dealing with the cooperation between CSOs and the public administration was formed, but its four meetings only show the lack of its functionality and interest by CSOs, in addition to the issue of legitimacy of some of the CSO representatives. In addition, a new Directorate in charge for cooperation with CSOs has been formed, but this one also lacks visibility, human resources and recognition among NGO sector. The National Council for Civil Society in **Albania** has also performed poorly in the past two years in addressing key priorities of CSOs with regard to enabling environment and participation in policy-making processes. There is lack of engagement of and by CSO representatives in the Council and inability of its members to voice in a successful way the sector's issues and requests.

The process of drafting the Governmental strategy for cooperation with civil society in **Kosovo** started in 2017, with civil society representatives demanding greater involvement throughout the process. The new Strategy aims to strengthen the capacities and implementation mechanisms of the Regulation on Minimum Standards for public consultation and the Regulation on public funding for NGOs, set a system of public service provision by CSOs, build a co-financing scheme for EU funds for NGOs, defining usage of public property for public benefit purposes and volunteerism, etc. In **Bosnia and Herzegovina** in 2017, the Council of Ministers of Bosnia and Herzegovina prepared and signed an Agreement on Coopera-

tion with Civil Society, formally establishing an institutional mechanism for cooperation between CSOs and the government. Pursuant to the signed Agreement on Cooperation between the Council of Ministers and the CSOs, procedures have been initiated for the formation of an Advisory Body for Civil Society consisting of five representatives from CSOs.

Advisory bodies including civil society representatives were also established in Serbia by mid-2018, focusing on three areas of particular importance to CSOs: The Council for Monitoring the Implementation of the Action Plan for the Implementation of the Strategy for Prevention and Protection against Discrimination - 2014-2018, Council for Philanthropy and Council for National Qualifications Framework.

A Strategy for an Enabling Environment for the work of CSOs 2018-2020 has been adopted in **Montenegro**, but while the strategic framework has been created, responsibility of ensuring financial means for the implementation of its Action Plan and strategy was not adequately planned, and thus relies greatly on EU projects and EU funding. Only in **Serbia**, the National Strategy for an Enabling Environment for Civil Society Development has not been adopted after several years-long standstills, even after the document was properly prepared and consulted with all interested parties (CSOs and Ministries), for which there is still no explanation from the Office for Cooperation with Civil Society.

In Albania in 2018, the Prime Minister Office with the assistance of EU Delegation in Albania started a 9-month technical assistance toward more enabling environment for civil society development. The Terms of References for such assistance included the update of the Roadmap, detailed Plan of Actions for the period 2018 - 2022, followed by monitoring framework with measurement indicators and budget required for its implementation. The



public consultation for the revised document with CSOs took place between June and July 2018, utilizing electronic register for the public consultation. The Government approved the Roadmap in July 2019, publishing it in the Official Gazette.

Involvement in policy and decision making

IMPROVEMENTS IN THE LEGAL FRAMEWORK FOR CIVIL SOCIETY PARTICIPATION HAVE BEEN INTRODUCED IN MACEDONIA, SERBIA AND KOSOVO - MOST NOTABLE WITH THE ADOPTION OF THE REGULATION ON MINIMUM STANDARDS FOR PUBLIC CONSULTATION. IN PRACTICE, HOWEVER, IN ADDITION TO THE PROBLEMATIC IMPLEMENTATION OF THE REGULATIONS, A WORRYING TREND OF SIMULATING PUBLIC CONSULTATIONS HAS EMERGED IN SERBIA, DUE TO THE RISE OF GONGOS AND CREATION OF A PARALLEL CIVIL SECTOR. ON THE CONTRARY, MACEDONIA WITNESSED A POSITIVE ATMOSPHERE WHERE GOVERNMENT INSTITUTIONS PROACTIVELY AND SUBSTANTIALLY INCLUDED CSOS IN POLICY-MAKING PROCESSES AT ALL STAGES BY USING VARIOUS METHODS. CIVIL SOCIETY REPRESENTATION IN CROSS-SECTOR BODIES HAS BEEN A PROBLEMATIC ISSUE IN SERBIA AND EVEN MORE IN MONTENEGRO, WHERE MANY CSO REPRESENTATIVES WERE REMOVED FROM RELEVANT WORKING BODIES IN AN UNJUSTIFIED AND POLITICIZED MANNER.

Government institutions in **Macedonia** have proactively engaged with CSOs on numerous legal documents (Strategies, Action plans, Laws, funding priorities, etc.). Trends are also

positive in terms of inclusion in early stages and with substantive discussions and acceptance of others perspectives and feedback. In addition, in order to promote involvement of the organizations in the consultative processes, the deadlines needed for online consultations via the Unique National Electronic Register for Legislation (ENER) were changed from 10 to 20 days.

Regress in terms of public consultations has been noted in **Albania**, as most of the laws affecting CSOs were approved in 2018 with little or no consultation at all. The Manual for Citizen Participation in Decision-Making Process of the Albanian Parliament undermines the right of citizens and other interest parties to receive information without giving argumentation and the principles of equal treatment for all the interest parties to ensure this right. The electronic portal is not user friendly and does not enable notification via emails for new entries in the register.

The main development regarding involvement of CSOs and the general public in the policy and decision making process in **Kosovo** is the entry into force of the Regulation on Minimum Standards for Public Consultation on 1 January 2017. In 2017, the Government introduced two online platforms aiming to increase the participation of CSOs and citizen in decision-making. In the first part of 2017, the Prime Minister Office/Office of Good Governance, in cooperation with KCSF, launched public consultations platform allowing publishing of draft legislation and providing written input by CSOs and the public. By the end of the year, the Assembly of Kosovo has launched its first online Platform that targets in the first place CSOs whose focus of work is following and monitoring only the drafting of Assembly legislation. By the end of 2018, the Administrative Instruction no. 06/2018 on minimum standards for public consultation in municipalities has entered into force. In

the meanwhile, has commenced the work of adjusting the existing platform for public consultation in the central level to enable also public consultations in the local level.

In 2018, KCSF and 14 other CSO partners started the process of monitoring the implementation of the Regulation on Minimum Standards for the Public Consultation Process. Findings from the monitoring show that the overall implementation of the Regulation is still lagging behind, since only 60% of consultation documents include all necessary parts as ascribed by the Regulation, and only in 13% of the monitored cases the public institutions organized an initial public meeting, despite those meetings being mandatory.

In **Serbia**, the long-announced changes in the legislative framework that would allow greater participation of the public and CSOs in the process of passing laws and other regulations were adopted in 2018. The Law on the Planning System, as well as the Amendments to the Law on State Administration and the Law on Local Self-Government were adopted. Although a step forward has been made, an opportunity was missed to regulate this area completely and to halt the practice of non-existence of public debates and making laws without the participation of the public and by an accelerated procedure. Since the current Government's vote in June 2017, almost 40% of the laws have been passed under an urgent procedure, with the percentage being similar throughout the period from 2014 to 2018. There are no sanctions to other problems that accompany the implementation of regulations related to citizen participation in decision-making, such as: not publishing invitations to public hearings on the E-government portal, not publishing reports on public debates, or publishing very short information on public debates.

In addition, the rise of GONGOs that act publicly only to support authorities or target regime critics and the creation of a parallel civil sector in Serbia undermine public consultations and the whole process of civic participation, which can seriously jeopardize citizens' trust in the democratic processes and institutions. Worryingly, **simulating public debates** has been a common occurrence, whereby either CSOs are only formally invited at consultations, with most of their comments being rejected, or participation of GONGOs is presented as consulting civil society. According to CSOs, the entire procedure of drafting of the legislative amendments of the Law on Social Protection took place in a non-transparent process and without the involvement of relevant actors and CSOs that deal with the issues of social protection. A similar situation happened with the consultations on the Constitution, underway ever since 2006. Due to a non-transparent and orchestrated public debate process, where key proposals by civil society and experts have been continuously rejected, as well as the obvious unwillingness of the authorities to discuss substantive issues such as strengthening the independence of judiciary and prosecution, expert associations and CSOs refused in October 2017 to take further part in such consultations.

In Bosnia and Herzegovina, the e-consultation platform at the level of Council of Ministers was established in 2016, but has been fully used only since 2018. All draft laws must be posted on the platform and any interested member of the public can provide input on these drafts. By the end of 2018, 51 state institutions (up from 38 in 2017) on the level of the Council of Ministers of BiH had registered on the platform, 191 consultations were recorded, and 151 reports were published. Over a thousand individuals and organizations actively used the platform during the year.

CSO representation in cross-sector bodies

In **Montenegro**, numerous CSO representatives have been removed from relevant working bodies in which they represented civil society (Public broadcaster, Anti-Corruption Agency, Agency for electronic media etc.). Most of these removals were unjustified, politicized and were overthrown by local courts. However, CSOs representatives were not reinstated. Government has been reluctant to cooperate with CSOs on this matter and was re-directing CSOs protests to the Parliament. The Parliament has not followed legal models of selecting CSOs in various bodies but has selectively enforced regulations in this field. These precedents have harmed the relations between two parties and have brought a lack of legitimacy and transparency to the table. On the local level, CSO representatives in various local bodies are still being selected through problematic and often not transparent procedures.

In **Serbia**, 12 CSOs were selected as members of the working group for creation of a new Action Plan for the implementation of the Public Administration Reform Strategy for the period 2018-2020. A total of six representatives of CSOs were selected for membership in working group for the preparation of the third action plan of the Open Government Partnership 2018-20, and three CSO representatives were elected members of the ECOSOC Joint Consultative Committee. A Philanthropy Council of the Government of Serbia was established with the aim to further develop the philanthropic infrastructure and stimulate a culture of giving in Serbia. On the other hand, press and media associations decided to withdraw their representatives from the commissions of the Ministry of Culture and Information for evaluation of

media projects. The Ministry of Culture and Information ignored the process of concurrent co-financing in the field of public information by appointing a large number of compromised media and paramedical workers, unknown to the public or associations close to the authorities.

In **Kosovo**, there were issues regarding the invitation of CSOs to cross-sector bodies. The newly elected President at the time invited only some of the CSO members to attend the National Council on European Integration's meeting, without any justification. This prompted even those invited to boycott the meeting. During 2017, the National Council did not convene any meetings.

Colaboration In Service Provision

THE CONDITIONS CONCERNING THE SERVICE PROVISION OF CSOS IN THE REGION HAVE NOT CHANGED SIGNIFICANTLY; CSOS PROVIDING SERVICES THAT HAVE COMMERCIAL CHARACTER GENERALLY HAVE THE SAME REGIME AS ANY OTHER LEGAL ENTITY ENGAGED IN THIS ACTIVITY, SHOWING THE LACK OF UNDERSTANDING AND RECOGNITION BY THE GOVERNMENTS OF THE BENEFITS AND SPECIFICITIES OF CSOS.

There have been developments in regards the legislation of free legal aid in Macedonia and Serbia. In Macedonia, a new law on free legal aid was adopted in 2019, and in Serbia, after over 10 years of advocating for regulating the **provision of free legal aid**, the Government adopted a Draft Law on Free Legal Aid in November 2018. The new law in Serbia, however, is greatly conflicting with the actual needs of associations who have provided free legal aid to people at risk, victims, marginalized or minority

groups etc. for more than 20 years. Namely, the Government decided to exclude these associations from the circle of providers of free legal aid – except based on the Law on Asylum and the Law on Prohibition of Discrimination – prohibiting provision of legal assistance by any other entity, except attorneys and legal departments of local self-government units. This led to a drastic reduction in the circle of providers of free legal aid, while the circle of recipients has also been unjustifiably reduced only to people who meet the requirements for welfare or child benefits or could qualify for this after paying for legal services (which is susceptible to interpretation).

Service provision by CSOs in Kosovo continues to be poorly regulated in terms of legislation. In practice, in 2017, no CSOs were able to obtain a certificate that enables them to provide social services due to the ineffectiveness of the General Council for offering social services within the Ministry of Social Welfare in appointing new Council members that would continue the work of the body. To that end, the Ministry of Labor and Social Welfare amended the Administrative Instruction on organization and functioning of the Council, which now requires that the procedures for renewing the Council's mandate starts 60 days before the expiration of the members four-year mandate. In addition, by the end of 2018, several CSOs that provide social services in forms of shelters for victims of domestic violence had to dismiss their activities due to shortage of funds – a problem related with the lack of planning of long-term financing of public services. As a result, later that year the Ministry of Labor and Social Welfare initiated the process of changing the legislation on social services specifically aiming to create a specific grant scheme that would allow long-term financing for social services.



CONCLUSIONS AND RECOMMENDATIONS

Laws on basic freedoms are easily misinterpreted and misused; increased monitoring, oversight and affirmative actions are needed in promoting and protecting civic space in all countries

While the legal framework in almost all WBT countries guarantees the freedoms of association, peaceful assembly and expression of CSOs, and is in line with international and European legislation, the increased frequency of encroaching on these freedoms in practice shows the need for stronger focus on protecting and promoting civic space by all actors. Consistent oversight and early reactions by civil society are needed in order to call out on governments that undermine or override the laws and constitutions, national rights and international agreements and principles. Governments should put a stop to the smear campaigns and pressures, ensure that CSOs have the means and basic freedoms secured to do their work unimpeded, and recognize their role as a partner in the democratic and reform processes in all the countries.

CSOs specificities need to be reflected in the policies of the countries

Throughout the region, there has been a trend of focusing on regulating the environment for CSOs, yet it does not always reflect the specificities of CSOs. From anti-money laundering laws, social entrepreneurship laws, to tax policies, legislation seems to lack sensitivity to the nature of CSOs as well as lack of clarity and precise, appropriate definitions, leaving space for (wrongful) interpretation, which can threaten and/or overburden the work of

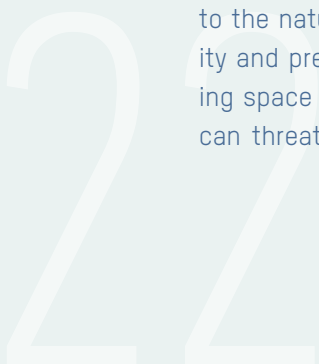
CSOs. Advocacy, awareness raising and activities to educate and inform all stakeholders on the specific nature of the functioning and the needs of CSOs for are necessary to be implemented in all countries.

Public support to CSOs needs to be transparent and accountable, efficient and systematically organized

State funding is an important factor to ensure a vibrant and sustainable civil society, but reforms toward transparent and accountable systems are still not visible in most of the countries. Comprehensive reforms of the public funding systems, which will introduce rules and procedures, are necessary throughout the region in order to improve the transparency of funds distribution and its effectiveness. Moreover, public funding needs to be reformed in a way that allows for strategic and result-oriented support to civil society. The amounts of funding intended for supporting CSOs should increase to allow for institutional support, co-financing of activities supported by other donors, as well as multi-year support, in order to overcome funding uncertainties. Systematic monitoring and evaluation of the public funding system needs to be carried out regularly.

The mechanisms for cooperation and the policies defining the process need to be made functional and of use for both governments and CSOs.

With the legal framework in place in most of the countries, the focus needs to be placed on the implementation of the strategic policies and the functioning of the mechanisms for



cooperation between governments and civil societies. Improved capacities, appropriate representation and sufficient resources need to be allocated in order to ensure and/or maintain a level of legitimacy, effectiveness and functionality that would make the mechanisms relevant for both the governments and civil society, and most of all - the citizens.

CSO involvement in policy and decision making should be increased through more effective and approachable public consultations and new venues for citizens participation should be promoted

Mechanisms for consultations exist in all of the WBT countries, but they are still insufficiently implemented – with a negative trend of adopting laws in urgent procedures – and are lacking a forward-looking approach. To increase CSO participation, draft laws should be promoted by mandatory and timely publication as well as by other available consultation mechanisms such as public debates or working groups for policy development, implementation and monitoring. CSOs need to be consulted at an early stage in the needs analysis and policy and legislative development. Civil society needs to be properly represented in cross-sector bodies, to ensure their relevance and legitimacy. Finally, governments should explore ways to make the public institutions and consultations more open also to activists, grassroots and all interested citizens.

Continuous monitoring on regional level is necessary to provide a comparative overview of trends in civil society development across the WBT countries and throughout the years

While this report gives a relevant update on the recent developments in the countries of the Westerns and Turkey, the different depths of information per country and the lack of research in some areas do not allow for a com-

prehensive comparable regional overview of the state of civil society in the region in 2017 and 2018. Continuous, standardized monitoring under the same methodology – implemented in full and on a regional level – is essential in order to provide a reliable and regular reporting of trends in civil society, allowing for both national and regional evidence-based advocacy for policy changes. Finally, such exercise is important, far and foremost, for informed decision-making by governments, decision-makers on different levels, donors, etc.

