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Fifth, the EU needs **to pay more attention to the regulatory environment for civil society in ENP/EaP countries**. This issue has received too little attention from the EU, while the regulatory environment for CSOs in practically all EaP countries has deteriorated in the past years. The EU should enhance its support to projects helping to build a better operating environment for CSOs.

Sixth, the EU needs **to introduce targeted conditionality and couple it with media resonance**. For instance, the EU could link the delivery of budget support to the effective involvement of CSOs in the policy process.

Seventh, the **EU needs to better join efforts with other international organisations**, particularly the Council of Europe. The latter has strong expertise where democracy and human rights issues are concerned, but it does not enjoy the same leverage and degree of influence as the EU. It is therefore suggested to make an increased use of joint statements, while joint assistance projects should take place only when there is a clear added value to avoid duplication as well as additional administrative costs. This entails taking effectively into account the respective expertise, the comparative advantages and the experience gained by the EU and the Council of Europe in the neighbourhood.<sup>43</sup> In light of the revised ENP approach which makes cooperation with the Council of Europe even more important, the EU should commission a study with a view to mapping and assessing joint projects across the neighbourhood.

## **4. PROPOSALS FOR IMPROVEMENT OF EU PROCEDURES FOR CSOS AND ASSESSMENT OF RECENT REGULATIONS PROPOSALS**

### **4.1 Problems in EU procedures/EU support to civil society**

#### **4.1.1 Problems in the EU's procedures and practices in relation to support for civil society**

*Major problems in EU procedures and practices in relation to support for civil society experienced by CS actors*

Current processes seem to build on the assumption that a wide-enough spectrum of CSOs has the capacity to engage in the competition process on fair grounds. This assumption conflicts with the authors' impression that there is widespread frustration among CSOs over the fact that only a few of them have a real chance to gain access to EU funding.

Support for building the institutional and organisational capacity of targeted segments of Community-Based Organisations (CBOs) should be the first challenge to address, as a way to primarily widen access to EU assistance funds, and beyond this, to promote the voice and standing of a truly diverse and representative local civil society in public debates.

A number of provisions in the current regulations already give the opportunity to mitigate some of the identified obstacles. Under specific circumstances, 100% funding for grants to CSOs are made possible ; non-registered CSOs can be eligible for funding ; sub-granting of funds by a beneficiary partner to

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<sup>43</sup> For example, in the reform of the judiciary for the EU (especially in the South Caucasus).











- Has it achieved important impact-level change via its various projects?
- Does it have internal procedures (board meetings, policies and procedures handbook etc) which help an outsider to determine whether it is mission-driven?

Those CSOs which do not pass the test should be included in a 'black list' which preferably should be made public.

There are, however, some 'façade' criteria, which should not be taken into account while distinguishing GoNGOs from non-GoNGOs, such as the CSO leader's:

- English language skills (lack of such skills does not necessarily mean that he/she is a genuine grassroots representative),
- informal relations with the government (quality and extent); capability of implementing large-scale events, such as a conference in which high level government officials agree to deliver speeches;
- public profile and media exposure (quality and extent).

Lines on which CSOs may be classified should be further explored and on the basis of classifications, specific schemes could target each CSO segment with adapted and separate tools.

At the same time, it is important to remember that, as mentioned above, the GoNGO problem derives from the regional situation. It is not the major obstacle to EU-promoted changes in the neighbourhood. The primary problem relates to citizens' mistrust towards the state. Therefore, it is crucially important to include tested CSOs in EU-Partner countries relations. The points above demonstrate that not only should the EU be wary of funding GoNGOs; it should also convince societies that it is not funding GoNGOs, but the best of the best CSOs. The general public is indeed suspicious towards every aspect of external funding-related operations.

#### 4.1.3 Possible EU responses to other obstacles put up by authorities trying to curb CSO activities

As mentioned above, official registration of CSOs is not a pre-requisite for accessing EU funds when considering the financial regulations. However, eligibility rules and guidelines in many calls for proposals actually imply that only registered CSOs are eligible.

Government restrictions on external funding are not easy to address. While joint donor advocacy to prevent such legislations should be the first step, once enacted, restrictions are unlikely to be amended. Each legislation being different, the EU should explore ways to continue support to local organisations without putting them at risk. Depending on local constraints, this may take the form, for example, of channelling funds through national foundations with specific status (for instance like the Eurasia Foundation Network<sup>52</sup>).

## 4.2 Assessment of proposed regulations

### 4.2.1 Assessment of the emerging new overall architecture for the EU's financial support for civil society (CSF, EED)

The newly stated EU intention to foster a "partnership with societies" in its neighbourhood translates into **a stronger emphasis on support to local society actors**. It is worth noting that in the 2007-2009

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<sup>52</sup> <http://www.eurasia.org/network>

period, only 1.4% of EU funding to the Eastern neighbourhood went to CSOs<sup>53</sup>. Complementing existing instruments, new mechanisms are being set up in the frame of the revised ENP. In order to make EU support more accessible to CSOs, a dedicated Civil Society Facility (CSF) has been established within the ENPI. Simultaneously, a European Endowment for Democracy (EED) is foreseen to support political parties, non-registered CSOs, trade unions and other non-state actors and social partners. These new mechanisms need to articulate with the ongoing thematic instruments such as the EIDHR, the IfS and the DCI/NSA-LA in a consistent manner. The creation of these new mechanisms is part of the response to the widely observed need for further differentiated support schemes for CSOs.

### The Civil Society Facility

Unlike other instruments, the CSF is exclusively dedicated to CSOs. Its objective is to support development of CSOs' advocacy capacity and to increase CSOs ability to monitor reform and to participate in policy dialogue<sup>54</sup>. As a first step, €22 million were allocated in 2011<sup>55</sup>. There were *or* are 3 components: 1) support to CSOs to promote reform and public accountability; 2) Support to CSOs through regional or country projects; 3) Support to the involvement of CSOs in sector policy dialogues between the EU and partner countries and in the implementation of bilateral programmes. Capacity building needs of beneficiary CSOs are taken into account through the development of a set of training modules adapted to specific needs. One of the CSF purposes is to reduce the bureaucratic burden so as to allow small and medium as well as non-traditional CSOs to access funds.

The CSF may help **raise the EU profile** among civil societies in the neighbourhood, provided that it **actually succeeds in reaching wider segments of the civil societies**. For this, **adjusting implementation modalities** so that they match the capacities of a majority of CSOs is key.

Despite a focus on relevant issues, the CSF has started using the standard funding mechanisms. Calls for proposals at central and national levels, together with technical assistance, are the two channels introduced. In the last call for proposals, the facility has been made part of the larger ENPI call for proposals for NSA. This situation does not lead to any qualitative change and it is confusing for CSOs.

To serve its objective, the CSF regulations should:

- allow for greater financial flexibility with increased opportunities to commonly fund projects up to 100%; consider the possibility of pre-financing, taking into account the hardship incurred by the current disbursement procedures;
- combine calls for proposals at a national level (i.e. set up a decentralised system involving a national Contracting Authority) and at a centralised level (i.e. managed by the European Commission);
- Consider developing possibilities for increased sub-granting<sup>56</sup> mechanisms, e.g. through national civil society development foundations, thus allowing for a broader support and multiplying small grants.

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<sup>53</sup> We could not find any figure for the Southern neighbourhood. However, we do not expect figures to significantly differ for those found for the Eastern neighbourhood.

<sup>54</sup> HR / VP-Commission Joint Communication, *A partnership for democracy and shared prosperity with the Southern Mediterranean*, 2011

<sup>55</sup> *Action Fiche for Neighbourhood Civil Society Facility 2011*

<sup>56</sup> Sub-granting is the process whereby, where the action so requires, a [grant](#) may be re-allocated to third parties (usually smaller CSOs). Sub-granting concerns pre-defined activities to be carried out by entities not identified at the time of submitting the application but which will be selected by the [beneficiary](#) of the grant

























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