BRIEF - NATIONAL STRATEGIES FOR CIVIL SOCIETY ORGANIZATIONS IN THE EU CONTEXT: WHAT IS IN COMMON

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November, 2013.
INTRODUCTION

The brief encompass the overview of nine countries and their experience in strategic processes for inclusion and communication with civil society organizations over the span of almost 20 years. The countries include: one EU candidate country (Montenegro) six new member states (Czech Republic, Hungary, Estonia, Latvia, Poland, Croatia) and two old EU member states (Denmark and Great Britain). The countries were selected based on the accessibility of data, and due to the fact that each and every one at certain point of time was viewed by others as a country featuring innovation in the field of state cooperation with civil society.

Hungary was a champion in Eastern Europe in launching policy innovations with regards to CSOs enabling environment and legal framework. Poland was the first to develop strict compliance standards for CSO with the Public Benefit Law. Poland and Czech Republic integrated CSO development needs into their National Development Plans applying different approaches.

Latvia and Estonia represent the model in which Parliament is more involved in the development and implementation of the civil society strategy than in other countries. Strings between CSOs and Parliaments in these countries are seemingly stronger than between CSOs and governments.

Hungary and Czech Republic were among the first counties that introduced national foundations for funding civil society organizations with Hungary introducing the National Civil Society Fund (1% mechanism), and Czech Republic pursuing the Foundation Investment Fund. Croatia pursued simpler and more targeted approach learning from other countries.

Denmark and UK as two old member states represent the model where the principle of subsidiary is heavily reflected in all state policies, while other countries included in the brief have chosen more centralized model. All these countries’ policies have been challenged and changed over time, with inconclusive answer of the real impact on CSOs on national policy processes of democratization, human rights and economic and social development.

The brief relied on the UNDP analytical review “Monitoring the Effectiveness of State Policies on Civil Society Development- European experience” from 2011, and extensive internet search.

1. NATIONAL POLICIES ON CIVIL SOCIETY DEVELOPMENT

Every country in this analysis has adopted some kind of an overarching policy document over the past two decades relating to the development of civil society and the CSO sector. These documents range from mutual agreements between the government (UK, Croatia) or parliament (Estonia) and the CSOs, to parallel agreements with both government and parliament (Latvia) and to unilateral strategies adopted by the government (Hungary, Poland, Denmark, Czech Republic, Montenegro). Half of the countries reviewed or renewed their policy documents within the course of 10-12 years; in some cases (Hungary, Estonia) this was a scheduled review, while in others it was linked to a change in government (most notably in the case of the UK),
to a change in implementation timeline (Poland), or expiry of the document (Croatia, Montenegro). Latvia and the Czech Republic have more recent documents that are scheduled for review in the coming years. In some new EU member states, reviews are also linked to the programming cycles of the National Development Plans¹ (as in Poland and Latvia).

The countries ensure implementation in different ways. Several have adopted one or more policy documents that have the function of an implementation plan (Estonia, Denmark – for development cooperation², Hungary, Poland, Croatia); while others don’t have a specific overall implementation or operational plan but implement the policies based on detailed annual plans of the responsible persons or bodies (Czech Republic, Latvia, UK.). In addition, some countries (UK, Croatia, Estonia, Montenegro) adopted further policy documents relating to a thematic or procedural issue as part of the implementation – most typically, principles or guidelines (“codes”) on funding procedures, on CSO participation and on local development. Besides implementation plans and policy documents, countries also ensure implementation of their civil society policies through governmental programs: most typically funds and foundations (Croatia, Czech Republic, Denmark, Hungary, Estonia, Montenegro), but also capacity building and community development programs (UK), and the so-called Operational Programs, which are funded from the EU Structural Funds as part of the National Development Plans in EU member states (Hungary, Poland).

2. NATIONAL STRATEGY AREAS – COUNTRIES IN PERSPECTIVE

Aims of the strategies can be boiled down to the following: enhancing the role of CSOs in democratic society, rising awareness of public on the role of CSOs, enhancing dialogue between national and local administrations and CSOs, improving strategic and legal framework for CSO work, improving CSOs financial standing, contributing to various policy areas where CSOs are seen as means to the goal.

In the text below the key areas in latest CSOs strategies in the nine selected countries are presented.


**Czech Republic:** Improvement of the regulation relevant for pursing public interest, Improvement of the strategic framework, Financing of CSOs, Compact between the government and CSOs (2009).

**Denmark:** Strengthened innovation and development in social action, Promoting active citizenship and volunteering culture, Strengthened voluntary organizations, Strengthened cooperation between sectors (2010).

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¹ A National Development Plan is the overarching national policy – with and approved by the European Commission - that governs the spending of EU structural and cohesion funds in the member states of the EU

² Development cooperation - also called foreign or international aid Official Development Assistance (ODA) is financial aid and technical assistance given by governments of developed and multilateral agencies (e.g. World Bank, IMF) to support developing countries
**Estonia:** Principles of cooperation and values, Ways of achieving goals (with a focus on acknowledgement and representation, partnership, development of policies, and resources). The EKAK concept is 10 pages long (2002)

**Great Britain:** Strong, diverse and independent civil society, Effective and transparent design and development of policies, programmes and public services, Responsive and high-quality programmes and services, Clear arrangements for managing changes to programmes, and services, An equal and fair society (2010).

**Hungary:** Public Participation and government – CSO partnership (involving CSOs in decision-making in a more organized manner), Legislative review to address the identified issues in current legislation, Promotion of effectiveness of CSOs, Making state grants mechanisms more CSOs friendly, Promoting CSO participation in provision of government services (2006).

**Latvia:** Cooperation between CSOs and various governmental and local government bodies, Capacity and effectiveness of Civil society, Mechanisms for ensuring CSOs and public participation in decision making processes (2008).

**Montenegro:** Institutional framework for cooperation with non-governmental organizations (NGOs) in Montenegro, Participation of NGOs in creation and implementation of public policies, Financial sustainability of NGOs, Enabling environment for the work of NGOs (Voluntarism, Involvement of NGOs in realization of the informal and life-long learning and education, social entrepreneurship, physical access of persons with disabilities, statistics and evidence base relevant for NGOs, the role of NGOs in EU Accession Process, Capacity development of NGOs in Montenegro) (2013).

**Poland:** Participation of citizens in public life, Development of institutions of civil society, Functioning of the state in relation to CSOs and citizens. The main focus however is the realization of the Civic Initiatives Fund, which aims to support activities initiated by NGOs in the area of public benefit, support cooperation between the CSOs and public sectors, provide financial support to CSOs, promotion of good practices, model solutions in the area of subsidiary rule implementation (2009).

### 3. MONITORING MECHANISMS FOR CIVIL SOCIETY DEVELOPMENT POLICIES

#### I. Who is responsible for monitoring state policies?

**Joint committees/councils.** In the majority of countries (all except Denmark and Hungary) there is some kind of a joint government – CSO or parliament – CSO committee or council that fulfills a key role in the implementation and monitoring of the policy documents governing state – civil society relations. These committees usually have at least half of their members from among CSOs, and these are most often elected by their peers.
Parliament. In Estonia and in Latvia the Parliament plays a key role in the implementation and monitoring process, as in both countries the parliament adopted policy documents. The Parliament will usually have annual or biannual hearings at which progress reports are presented; designated parliamentary committees play the key liaison role in between such hearings.

Governmental Office. In majority of the countries (Croatia, Czech Republic, Estonia, Latvia, Montenegro) the main responsibility for implementation and monitoring also lies at the governmental level with the cabinet or prime minister’s office. These offices often serve as a secretariat to the government – CSO councils described above.

Ministry Office/Ministry In the other countries (Denmark, Hungary, Poland, UK) the main responsibility for implementation and monitoring lies with an office within a ministry; or in the case of the UK, a separate ministry itself. These ministry offices have a governmental mandate to coordinate the work of other ministries in relation to the implementation and monitoring of the policy documents.

Ministries. While there is usually a designated office as the main focal point in implementation and monitoring, ministries play an important role in this as well. For example, in Hungary policy development is decentralized and each ministry must prepare its plan for CSO cooperation; while in other countries (Latvia, Poland) the central level assigns specific tasks to the particular ministries on which they have to report.

Ministry of Finance. The Ministry of Finance, or Treasury is a key actor in the UK where it conducts so-called cross-cutting reviews on budgetary issues related to the implementation of the Compact (e.g. on effectiveness of grants and contracts to CSOs). The Ministry of Finance also provides important budget information for the monitoring of implementation in almost every country where an analysis of public funding of CSOs has been conducted (e.g. Croatia, Hungary, Czech Republic).

Audit Office. The national audit office whose task is to ensure effective and efficient government spending plays an important role in Poland, Hungary, Denmark and in the UK, making them more transparent and more effective.

Tax Office. The national tax authorities also play a role in monitoring policy implementation especially where tax benefits (UK) or tax designations of the so-called percentage laws (Hungary, Latvia, Poland) have been part of the policy planning.

EU monitoring agencies. The agency monitoring EU development programs also provides monitoring information, especially when certain policy objectives relating to CSO development are linked to National Development Plans and Operational Programs (e.g. Hungary, Poland, Latvia)

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3 The Compact is the agreement between the UK government and the third sector (independent voluntary organisations, charities, community groups, etc.) which outlines a way of working that improves their relationship for mutual advantage.
Prosecutor Office. In Hungary the Office of the Public Prosecutor undertakes annual reviews of certain segments of the CSO sector as part of its regular task of ensuring legal compliance of CSOs. These reviews may also serve the purpose of monitoring policy implementation.

Non-state Actors. Although less typical, in some countries private actors are also part of the monitoring process. In Estonia and in Latvia the respective CSO umbrella organizations[^4] are officially delegated to several cooperation bodies and forums that serve as implementing and monitoring agencies of the policy process. In the UK, the government both funds and takes into consideration programs conducted by CSOs (charities) that aim at the monitoring and improvement of the Compact. In Denmark, the responsible governmental agency contracts out evaluations to ensure an independent review.

II. What do they monitor?

The formulation of the policy documents vary greatly, and therefore, the content of the monitoring, including indicators used, is also wide ranging. Overall, it can be said that at the more general level there are six typical areas in which the objectives of the policy documents are formulated:

- Legislative initiatives (laws and regulations affecting CSOs – new laws, harmonization, etc.)
- Funding of CSOs (in terms of amounts, mechanisms and procedures)
- Cooperation and participation (level and quality of CSO involvement with the public administration)
- CSO sector organizational development (infrastructure, capacity building, employment potential and similar)
- Civil society development (citizen participation, social capital, civic education, etc.)
- Broader policy goals (e.g. poverty reduction, social welfare, social enterprise development, etc. – here CSOs are seen as a key means to achieve the broader policy goal)

III. Typical indicators for monitoring

1. **Legislative initiatives**: laws/amendments initiated; drafted; proposed to the Parliament; adopted; regulations initiated, drafted, adopted; support received from CSOs to such initiatives.

2. **Funding of CSOs**: most typically, amounts of funding in various breakdowns – e.g. by source, by type of CSO, by type of program, geographic distribution, project vs. institutional funding etc.; in addition,
appropriateness of funding procedures may be measured – e.g., funds distributed with or without a call for applications, proportion of self-dealing⁵, on-time vs. late payments etc.

3. **Cooperation and participation:** rate of CSO participation in legislative initiatives; access to information by CSOs; rate of CSO participation in the work of the public administration and/or Parliament more broadly – e.g. attending events etc.; the number and quality of various cooperation agreements signed with CSOs; participation of public administration staff in CSO events; etc.

4. **CSO sector organizational development:** indicators related to CSO capacity, e.g. full time employed staff, technical equipment, budget size; and indicators related to the CSO sector as a whole, e.g., geographical differences (typically capital vs countryside), mix of financial resources, contribution of the sector to the GDP etc.

5. **Civil society development:** membership in associations, level of volunteering, level of citizen awareness of CSOs and their issues, level of citizen activity in general (e.g. petitions, protests), community organizing etc.

6. **Broader policy goals:** indicators will depend on the issue area; however, separate indicators are developed to measure the level to which CSOs contribute to the progress, e.g. number of CSO social service providers, number of their clients, CSO ratings in service quality compared to public sector providers etc.

**IV. How is monitoring of policies conducted?**

Monitoring bodies in the examined countries utilize a wide range of tools from e-based databases to in-person hearings. Usually a mix of the following tools is used:

**Annual Review.** Essentially all countries use some form of an annual reporting mechanism relating to the overarching policy for CSO development. In the annual review governments monitor progress in light of a more concrete implementation document (i.e. operational plan or annual workplan). They also set out the goals and tasks for the upcoming year. The Annual review is most often conducted by the government office on behalf of the joint committee that is entrusted with monitoring the implementation of state policies regarding CSOs (UK, Croatia, Estonia, Latvia).

**CSO Forum.** Several countries organize forums among the government/ministry/parliament and the CSOs. These forums usually serve as the place for the Annual Review to be presented; but they are also a key mechanism to engage in discussions on the most important issues between the various stakeholders (including high level government officials and other dignitaries who are typically invited as well). The CSO Forums have

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⁵ Self-dealing refers to funds that were granted to CSOs that are related to one or more members of the decision-making body and therefore subject to conflict of interest rules. For example, in Hungary board members of the National Civil Fund must declare the CSOs they are involved with and the Fund maintains a statistic on the number and amount of funds that went to CSOs related to these members.
a symbolic relevance in showing the commitment of the government or legislator to the realization of the goals and objectives of the cooperation.

**Website.** The internet serves as a relevant monitoring tool in essentially all the countries. In the majority of countries (Croatia, Estonia, Hungary, Latvia, UK) there is a separate dedicated page where the key policies are found and that serve as the main platform for communication with the CSO sector on these policies. CSOs can follow the major events, projects and funding opportunities that are part of policy implementation; monitoring reports are uploaded on these sites as well. In the other countries there is no separate website but the implementation can be followed (through the main website of the government, parliament or competent ministry).

**Public administration surveys.** Several countries survey their ministries and other agencies involved in the implementation of the policy documents (e.g. Croatia, Hungary, Latvia, Poland). Such data concern the activities and financing of the given ministry involving CSOs and are an important tool in monitoring progress in concrete indicators. However, they may lack information on the qualitative aspects of cooperation.

**“Aligned reporting” by CSOs.** Denmark has a specific tool which concerns CSOs working in the field of international development cooperation, in that they report on their projects in a way that directly contributes to the measurement of the objectives set out in the Civil Society Strategy. The Danish development agency Danida invested significant effort and resources into building the capacity of CSOs for that purpose, but it is seen to be saving time and money in the longer term due to easier measurement of the achievements of the whole policy.

**Evaluation Program.** Also in Denmark the Ministry of Foreign Affairs prepares a programme of evaluation for the policy, which sets out not simply indicators but all the information and steps needed for effective impact evaluation of the policy involved. This would include base data, evaluation objectives, evaluation criteria, actors involved, methodology, timeline etc. With this approach, the achieved or unachieved results are less open to subjective interpretation by the various parties.

**Advocacy Programme.** In the UK, the umbrella organization NCVO\(^6\) runs a specific service that provides assistance to CSOs which have a problem related to the implementation of the Compact (Compact Advocacy Programme). This is in essence a complaint handling mechanism and as such, unique among the examined countries; in addition, through analyzing case studies and collecting data from CSOs it contributes valuable information to the monitoring of the Compact.

**Databases.** Some of the countries with a specific funding instrument for civil society (most notably Denmark) also developed a specific database on supported CSOs and their projects, which helps measure the extent to which their support contributes to the achievement of policy objectives.

\(^6\) National Council of Voluntary Organizations
3. MONITORING THE DEVELOPMENT OF CIVIL SOCIETY

It is difficult to differentiate between the two types of monitoring - i.e. monitoring implementation of government policies and that of the civil society sector as a whole, because where the government has invested major resources into the implementation of a policy concerning the development of the sector, most studies, surveys and monitoring activities are directed at monitoring policy priorities. One area that was specifically identified as being on the borderline was the monitoring and analysis of public funding of CSOs, which has been conducted in most countries; it was conducted with the aim of policy reform even when it was not part of an already existing policy objective. The brief identifies the following key mechanisms for monitoring civil society and the CSO sector as whole:

**Government.** The Cabinet Office in the UK undertakes major surveys on the voluntary sector (CSO sector) that inform current policy development of the government (but are not necessarily linked to Compact implementation).

**National Funds and Foundations.** In Hungary and Croatia, the central governmental funding instruments (the National Civil Fund and the National Foundation for Civil Society Development, respectively) conduct and sponsor major surveys on the sector to assess their impact and inform their future funding policies.

**Registries.** In several countries, the CSO registration authority provides valuable information on the development of the CSO sector by publishing aggregate data of the CSOs (e.g. number of CSOs registered, closed down, reported membership, governance structures, capital etc.).

**Statistical Offices.** In Hungary and in the Czech Republic, CSOs are specifically surveyed by the statistical offices on an annual basis. Especially in Hungary, the nonprofit department of the Central Statistical Office serves as the most credible and most comprehensive source of information on the sector for almost two decades.

**CSO Umbrellas and Resource Centers.** In almost all countries, CSO umbrella organizations and resource centers conduct various studies on the sector and on civil society development. The only difference is that in some countries (e.g., Hungary, UK) these are funded by the government on a regular basis, while in other countries (e.g. Latvia) they depend fully on available donor funding.

**Other CSOs.** Other CSOs, think-tanks, quality management organizations etc. also conduct relevant studies on the CSO sector, which are usually funded from donor funds, and can be considered as complementary one-off studies rather than a regular mechanism. However, they provide a valuable contribution to the body of knowledge on the sector in each of the countries and can be used as e.g. baseline data or results indicators.