
ICNL FINAL REPORT
May 1, 2001 – September 30, 2007

Identifying Information

Project Name:	NGO Legal Reform Initiative for Central and Eastern Europe
Provider Name:	International Center for Not-for-Profit Law
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I. Introduction

ICNL is a Washington DC-based not-for-profit organization that formed in 1992 to provide technical assistance, training, and expertise to countries in transition in Central and Eastern Europe and worldwide. ICNL activities in Central and Eastern Europe have been supported by three cooperative grant agreements with the United States Agency for International Development (USAID) beginning in 1994. Cooperative Agreement No. EDG-A-00-01-00002-00 began May 1, 2001 and was extended through September 30, 2007.

Based on the Program Description of the Cooperative Agreement, ICNL committed itself to providing assistance in four specific areas:

- (1) Legislation affecting Non-Governmental Organizations (NGOs);
- (2) Implementation;
- (3) Capacity-Building; and
- (4) Regional Activities.

As this Final Report will detail, ICNL met these four objectives through measurable improvements to the legal framework, to implementation practice, to the capacity of practitioners, officials and law reformers in the CEE region, and to regional networking. Taken together, ICNL efforts positively impacted on the strengthening of civil society and democratic development throughout Central and Eastern Europe.

In 2006, a USAID Evaluation Team submitted an Impact Evaluation of ICNL's CEE program. In considering developments in the region, the Team concluded:

The NPO sector in Central, Eastern and Southeastern Europe has demonstrated

considerable development, recognition, and some legitimacy as part of the overall socio-political fabric of many of the nation-states making up the former socialist bloc. That this has occurred in a scant 16 years, or in the Balkans region less than 10 years, is a testimony to the commitment of local leadership, and to the stewardship of many donors, including USAID and its implementing partners, as well as several important private foundations and, more recently, the EU.

When determining ICNL's impact on these civil society advances, the Evaluation Team concluded as follows:

The impact of ICNL's assistance is clearly discernable and, in some cases, may be said to have been a critical factor in the development of a supportive legislative framework for the continued development of the NPO sector and civil society in general.

Our detailed analysis above also demonstrates that ICNL has played an important role with respect to stimulating heightened awareness and expert knowledge of the importance of legislative framework issues.

All agree that establishing a supporting legislative framework is a necessary if not sufficient condition for the development of the NPO sector. USAID and other donors have invested heavily in civil society capacity building more generally, an investment which ICNL has been able to use well in its own efforts to advance the process of passing supportive laws.

The impact of ICNL's activities is consistent with the larger interests of the United States, Europe and other democracies, all of which have a stake in the establishment of democratic polities in the CEE region.

The Final Report is divided into the following sections, which track the four program objectives listed above and also include a section on the legacy institution established by ICNL through this Agreement:

- Section II: Results Summary
- Section III: Legislative Activities
- Section IV: Implementation Assistance
- Section V: Capacity-Building
- Section VI: Regional Networking
- Section VII: Legacy: Establishment of ECNL
- Section VIII: Conclusion.

II. Results Summary

ICNL is honored and privileged to be associated with the following accomplishments:

- ICNL has directly contributed to the passage of more than twenty laws supporting NGO activity, the improvement or defeat of several restrictive laws, and the preparation of pending draft legislation. According to the 2006 USAID Evaluation Team: *“ICNL has clearly been a key actor in the development of legislation in the region over a long period of time. ICNL affiliates, ECNL and BCNL have become important contributors to the resolution of ‘second generation’ legal issues. Their involvement has been viewed as extensive, objective, expert, and sensitive to local conditions. ICNL experts bring a comparative overview and international weight that is valued by all sides in discussions.”*
- ICNL’s methodology, which emphasizes public participation, transparency, and local ownership over the process, has been used as a model for democratic law-drafting. According to the USAID Evaluation Team, ICNL *“actively develops relationships with all key players in the legislative process, NPO leaders, government officials and parliamentarians. While ICNL may be described as an active partner, it has a reputation of never imposing or forcing solutions on its clients. Rather, it uses its authority and persuasiveness to lead local leadership to an acceptable solution that, in the end, will be theirs. This stress on local ownership and responsibility was repeatedly stated by key informants.”*
- ICNL has trained registration judges and government officials to help ensure a less politicized, more appropriate, and more consistent implementation of NGO legislation. *“ICNL has played an important role with respect to stimulating heightened awareness and expert knowledge of the importance of legislative framework issues.”* (USAID Evaluation Team)
- Local capacity building is the cornerstone of ICNL’s work. In the early 1990’s, few people were interested in NGO law reform. Now, core groups of NGO law specialists have formed in virtually every country in the region, championing legislative reform work throughout the region. *“ICNL has contributed to sector capacity by enhancing local leader’s knowledge and the priority given to legislative framework issues as a critical part of the foundations for a civil society.”* (USAID Evaluation Team)
- Strong, sustainable networks of individuals and institutions committed to NGO law reform have emerged on a country-specific, sub-regional, and international basis. *“ICNL and ECNL enjoy close relationships with a range of governmental and non-governmental actors in many different countries. Civil society actors across the region recognized this as an asset and felt that ICNL can help link them with other professionals and experts. ICNL also does much to foster regional and international connectivity through its sponsorship of study tours, seminars, and global conferences such as the recent Global Forum on Civil Society Law. Many stated that with its exceptional regional relations, ICNL could play a major role in intensifying regional connections through dialogue events.”* (USAID Evaluation Team)

- In 2003, the European Center for Not-for-Profit Law (ECNL) was established as a legally independent Hungarian public benefit organization to carry forward ICNL's mission in Europe. ECNL is now administratively and financially autonomous, though operating in close affiliation with ICNL. *“ECNL and BCNL have emerged as the lead organizations for continuing to provide technical assistance, organizational initiative, and training relevant to the further development of NPO legislation and, increasingly, to other aspects of civil society development.”* (USAID Evaluation Team)

The following sections discuss ICNL's activities in greater detail.

III. Legislative Activities

Officials ranging from the Chancellor of the Estonian Government to the Chief Justice of the Albanian Supreme Court and Bulgarian MPs have publicly credited ICNL with helping to develop the legal infrastructure for NGOs in the region. Among other accomplishments, ICNL has directly contributed to the passage of more than twenty laws and regulations supporting NGO activity, the improvement or defeat of several restrictive laws, and the preparation of pending draft legislation.

Highlights include:

- In September 2001, **Croatia** enacted a new Law on Associations. In addition to providing technical assistance to the drafters, ICNL organized a study tour for government officials and NGO lawyers, provided comparative legislative models, and facilitated the exchange of expertise with foreign legislators. As a result of ICNL's comments and suggestions, the law reduces the number of founders necessary to establish an association, creates more liberal internal governance procedures, and defines conditions for a foreign NGO to register a branch office in Croatia.
- In October 2001, the **Republic of Srpska (RS)** of Bosnia and Herzegovina (BiH) enacted a new Law on Associations and Foundations. In December 2001, the Parliament of **BiH** enacted a Law on Associations and Foundations. And in October 2002, the Parliament of the **Federation of BiH** passed a new Law on Associations and Foundations. All three laws are generally consistent with international standards and regional best practice, and widely perceived as an important step in the democratic development of Bosnia and Herzegovina. ICNL worked closely with governmental and NGO representatives, as well as with the Office of the High Representative (OHR), in preparing the three laws.
- In December 2002, the **Estonian** Parliament unanimously approved the Estonian Concept for Civil Society Development. The Concept reflects a partnership-based model of cooperation, according to which a special cooperation commission was formed between the Government and not-for-profit sector to

elaborate collaborative programs and activities. In addition, the Concept sets forth short-term priorities and long-term goals for this cooperation. The Concept was originally envisioned by leading Estonian NGOs and legal experts in the spring of 1999. ICNL supported the efforts of Estonian NGOs by hosting Daimar Liiv for a fellowship; Mr. Liiv went on to become the primary author of the Concept.

- In December 2002, in **Bulgaria**, the Parliament adopted amendments to the Act on Social Assistance. The amendments have transformed the Act into a more progressive and enabling law, which promotes social assistance through the joint activity of all sectors, including the not-for-profit sector. The amendments are the result of collaborative efforts led by the Ministry of Labor and Social Policy, with the support and input of a number of NGOs active in Bulgaria. The Bulgarian Center for Not-for-Profit Law (BCNL), with ICNL support, played an important role in providing technical assistance to the drafting team. Assistance in preparing implementing regulations helped to facilitate contracting between local governments and NGOs seeking to provide social services.
- In December 2002, the **Bulgarian** Parliament adopted tax legislation significantly benefiting the NGO sector. The amendments to Corporate Income Tax Law and Personal Income Tax Law provide additional donor incentives to businesses and employed persons to support public benefit organizations. ICNL's regional initiatives, including its regional survey on NGO taxation, provided key support for these legislative initiatives. Results include:
- The Municipal Assembly in Gjakova, **Kosovo**, recently adopted Kosovo's first citizen-initiated public participation regulation. Its passage was the culmination of a months-long advocacy effort by local NGO leaders to ensure effective exercise of the public's rights to attend Assembly meetings and inspect municipal documents. Among other issues, the regulation requires public notice of Assembly meetings, where and how notice must be given, and what information must be provided; establishes procedures for the public's participation at Assembly meetings; defines minimum requirements and a time frame for the government to provide information regarding the public's right to documents. The regulation was the product of a local NGO working group, aided by technical assistance from ICNL and its local partner IKDO.
- In April 2003, the **Polish** Parliament adopted the Law on Public Benefit Activity and Volunteerism. Among other features, this new law defines the criteria for public benefit status of Polish NGOs, provides a procedural framework for NGO cooperation with local governments, establishes an NGO Council (an advisory body to decision-makers on issues concerning public benefit status), sets forth basic provisions relating to volunteering, introduces a version of the "1% law" in Poland, and provides for more liberal investment opportunities for public benefit organizations. According to Polish NGOs and lawmakers, it is to be seen as an "NGO sector Constitution," which regulates relationships between the public

sector and the Third sector. ICNL contributed to the adoption of this law through its work with the Forum of Non-governmental Initiatives (FIP).

- In May 2003, the Parliament of **Croatia** enacted the new Law on Humanitarian Assistance. The new Law provides for a more comprehensive definition of humanitarian assistance and permits all recognized forms of NGOs in Croatia -- and not only associations -- to deliver humanitarian assistance. The Law simplifies procedures for providing humanitarian assistance. And for the first time, informal groups and initiatives can provide humanitarian goods on an ad hoc basis to those in need without the Ministry's approval, provided they notify the Ministry in advance. ICNL provided technical assistance to the Ministry of Labor and Social Welfare in drafting the Law.
- In October 2003, the **Croatian** Parliament enacted the Law on the National Foundation for Civil Society Development ("Law"). The enactment of the Law marked a critical step forward for the development of civil society and the financial sustainability of NGOs in Croatia. Indeed, Croatia's National Foundation for Civil Society Development is one of the most innovative examples of NGO/government partnership in the CEE region. The establishment of the National Foundation marks a shift from a highly centralized system of state financing into a more de-centralized system. ICNL, in collaboration with local partners, played a critical role in assisting the Croatian Government in preparing the new Law.
- In November 2003, the **Latvian** Saeima (Parliament) enacted the Law on Associations and Foundations, which was regarded as a new constitution for NGOs in Latvia. The law will set standards for the entire lifecycle of both associations and foundations. Prior to enactment of the new law, Latvian law did not recognize the legal status of "foundations," and most existing foundations were required to register as not-for-profit companies with limited liability, thereby making it impossible to obtain government assistance or tax deductions. In addition, the Law resolved several outstanding problems related to NGOs' work with volunteers. The Law on Associations and Foundations was developed on the initiative of the NGO Center in close cooperation with responsible ministries and the NGO community, and with the advice and support of ICNL.
- In July 2005, amendments to the **Serbian** Value Added Tax (VAT) Law came into force. Most significantly, the amendments exempt foreign donors from paying value added tax (VAT) on the import of humanitarian goods to Serbia. The prior requirement for foreign donors to pay VAT on the import of humanitarian goods had an adverse impact on the flow of foreign humanitarian aid to Serbia. ICNL provided specific recommendations on the proposed amendments to the VAT Law relating to the status of foreign humanitarian aid.

In terms of restrictive legislation, as recently as December 2007, the Bulgarian Center for Not-for-Profit Law (BCNL), an ICNL affiliate, made efforts to educate parliamentarians

in Bulgaria on the importance of preserving tax incentives for donors to public benefit organizations, even in a flat-tax environment. ICNL provided assistance by sharing a comparative analysis on donor incentives in flat-tax systems, prepared in September with USAID regional funding. ICNL/BCNL efforts successfully led to changes in a flat tax proposal which would have abolished all giving incentives. ICNL also worked in Albania, Bosnia, Kosovo, and Serbia to assist local partners in confronting restrictive legislative proposals.

Finally, ICNL efforts contributed to the preparation of draft legislation that remains pending in various countries, including the following:

- Bosnia: Draft Law on Volunteers;
- Croatia: Draft Law on Foundations;
- Serbia: Draft Law on Associations; and
- Serbia: Draft Law on Volunteerism.

These legislative efforts have had a significant impact on the formation, operation, and sustainability of NGOs throughout the CEE region. In many ways, the CEE region has become a leader in NGO law reform, and is now serving as a model for countries in regions throughout the world. Moreover, ICNL's commitment to inclusive, participatory law drafting processes has created a model for developing legislation in other fields.

IV. Implementation Assistance

ICNL recognizes that it is not sufficient simply to enact progressive legislation. It is also important to work on implementation to ensure that the law is progressively, consistently, and apolitically applied. To support this outcome, ICNL undertook a number of implementation assistance activities, including the following:

- **Assistance on Registration Issues.** Throughout the region, ICNL has provided significant assistance to improving registration practices affecting NGOs. For example, in Bosnia and Herzegovina (BiH), ICNL conducted educational seminars for registration officials on the registration requirements under the new legal framework. ICNL also distributed written educational materials, including a user-friendly brochure on how to register an NGO. Registration practice at the BiH state level proved to be an ongoing challenge, and ICNL met repeatedly with registration officials to address specific problems. In Croatia, following the enactment of the Law on Associations (2001), ICNL collaborated with the Ministry of Justice in staging a series of four seminars in Zagreb, Rijeka, Osijek and Split to train registration officials throughout Croatia on the new procedures. In addition, ICNL worked with local lawyers to prepare a comprehensive commentary on the new Law on Associations that provides guidance and analysis on the law and its implementation, and serves as a resource for government officials, as well as NGO lawyers. In subsequent interventions, ICNL helped the registration officials resolve how to deal with incomplete registration applications as well as situations arising from disputes over the power to represent an association before registration officials. In addition,

ICNL advised registration officials as to how to interpret liberally otherwise regressive registration provisions of the current Law on Foundations.

- **Creation of Central Registers.** In Bulgaria, ICNL, in collaboration with BCNL, served as a liaison between the Ministry of Justice and NGOs helping to set up an electronic central registry, and worked with the Ministry of Justice to educate NGOs on the operation and role of the Central Registry. In addition, ICNL conducted a study tour to Hungary for Albanian registration judges to provide them with intensive training on the implementation of registration laws and the development of a computerized registration system.
- **Judicial Training.** In Macedonia, ICNL, in cooperation with the Center for Continuing Education of Judges, organized a workshop attended by over 50 judges on the implementation of the Law on Citizens' Associations and Foundations. The workshop focused on key issues confronting registration courts and led to the adoption of a number of progressive practices. It also served as catalyst for additional judicial involvement in ongoing NGO law reform efforts. Similarly, in Bulgaria, ICNL trained more than 50 judges from the district and appellate courts dealing with NGO registration. In Bosnia, ICNL worked with the Council of Europe and World Learning to provide a forum for judges (as well as registration officials) to discuss the practical problems relating to NGO registration.
- **Model Forms and Documents.** To assist in improving the implementation of registration practice, ICNL helped develop model founding acts, statutes, reporting forms and other documents in various countries. In Albania, for example, ICNL provided assistance to judges in developing forms and templates for founding documents and statutes that will facilitate NGO applications to register.
- **Assistance on Tax and Fiscal Issues.** Through a regional workshop in 2002, ICNL convened tax officials and NGO representatives to discuss issues of tax practice in countries throughout the CEE region. In Albania, ICNL hosted a series of meetings between national and local tax authorities and NGOs in five cities; approximately 90 NGOs attended the meetings, which served to identify tax problems experienced by NGOs and catalyzed interest in tax reform. In Bulgaria, ICNL and BCNL conducted trainings on the implementation of tax laws affecting NGOs, and exposed tax officials to comparative international tax practice. In Macedonia, ICNL worked with the Ministry of Finance on a range of issues from tax implementation to other aspects of fiscal policy affecting NGOs; indeed, the Ministry of Finance has publicly credited ICNL with developing capacity within the ministry on issues of NGO taxation. In Montenegro, ICNL organized a seminar on the new tax legislation package affecting NGOs.
- **Assistance in Developing Governance Standards of Public Institutions.** In Croatia, ICNL worked closely with the Government Office for Cooperation with NGOs to support the setting up of the new National Foundation for the Development of Civil Society, a public foundation created by a separate legislative act.

Specifically, ICNL assisted in preparing governing statutes (by-laws) for the new Foundation and a Rule Book for the Managing Board of the Foundation. Similarly, in Serbia, ICNL provided technical assistance to the newly established Vojvodina Fund for the Development of the Not-for-Profit Sector. In response to the request of the Fund's Governing Board, ICNL assisted in drafting the statute of the Fund and the Rule Book on the Board's proceedings, both of which are necessary for making the Fund operational.

- **Assistance in Contracting for Social Service Delivery.** In Bulgaria, ICNL's Bulgarian affiliate (BCNL), with ICNL assistance, focused on the implementation of the new Social Assistance Act. BCNL first assisted the Ministry of Labor and Social Policy in drafting implementing regulations to the newly revised Act. Then BCNL designed and conducted training seminars for both municipality officials and NGOs on how to partner with each other through transparent contracting procedures under the new Act. BCNL efforts were instrumental in initiating contracting practice between certain municipalities and NGOs for social service delivery.

V. NGO Capacity-Building

ICNL has made capacity building a cornerstone of its work. For the enactment and implementation of a sound legal framework to be meaningful for NGOs over the long term, it is essential that NGO representatives understand the rights, opportunities, and obligations under the law. Moreover, in order for law reform to be carried forward, a cadre of experts must exist in both sectors. Developing capacity is embedded in ICNL's legislative and implementation support activities; ICNL's participatory methodology is critical to building law reform capacity in any country. Through cross-sectoral working groups and reliance on local trainers, ICNL contributes directly to the increase in local capacity. In addition to these efforts, however, ICNL also pursued a range of capacity-building activities.

Highlights include:

- **Educational Seminars / Training Events.** Educational seminars and training events have proved invaluable to raising awareness, increasing understanding and developing capacity for NGO representatives and government officials alike. Topics may include any NGO legal or fiscal issues. ICNL has hosted numerous seminars on new framework legislation in countries including Bosnia, Bulgaria and Croatia. BCNL has led education efforts in Bulgaria through seminars for NGOs on the legal and fiscal framework. In addition, in Croatia, ICNL worked closely with the Government Office for Cooperation with NGOs to conduct a series of trainings on NGO accounting to help educate NGOs on compliance with tax and accounting requirements. To raise capacity on the legal issues affecting volunteerism, ICNL has hosted conferences on the enabling legal environment for volunteers in Bosnia and Macedonia. In Serbia, ICNL co-sponsored an international conference on corporate social responsibility, to raise awareness of the importance of promoting philanthropy as a means of NGO financial sustainability and civic participation. Again in Macedonia, ICNL conducted a separate conference on the financial

sustainability of NGOs, which addressed a wide range of issues, from economic activity to donor incentives to government funding.

- **Pro Bono Consultations.** In Albania, ICNL provided support to graduates of our training of trainers program, which trained 250 NGO representatives in 10 cities outside the capital; these graduates have provided pro bono consultations to dozens of NGOs. In Bulgaria, BCNL has become the leading “resource center” for information related to the registration and operation of NGOs. BCNL has provided in-person pro bono consultations to hundreds of organizations on issues ranging from registration to taxation to public benefit status. In Croatia, to raise the level of expertise on the new Law on Associations and improve the quality of *pro bono* advice being provided to NGOs throughout Croatia, ICNL trained lawyers working with regional NGO centers in Osijek, Rijeka, Split, Vukovar and Zagreb, and provided some modest grant support to a Rijeka-based NGO to support its *pro bono* legal and accounting advice to NGOs.
- **Educational Materials on NGO Law.** A significant contribution to local capacity is the preparation and dissemination of educational materials. Such materials may include client-friendly brochures on registration, in-depth commentaries on the legal framework, manuals on fiscal issues, etc. By commissioning local partners to prepare these materials, ICNL helps increase the expertise of the authors; by distributing the published product, ICNL helps to raise awareness and educate readers throughout the NGO and government sectors. Registration brochures – explaining how to register an NGO in accessible language – are among the most used publications. From Albania to Bosnia to Croatia to Montenegro, demand for these brochures proved high. Brochures on general NGO taxation and VAT have proved valuable resources in Bulgaria. Some brochures may target specific issues such as “foreign NGOs” and “internal governance of NGOs,” as was the case in Albania. Sourcebooks, which compile a range of comparative materials, are useful in raising awareness of a newly emerging issue. For example, ICNL published the *Sourcebook on the Legal Status of Volunteers*, which compiles materials on volunteerism from several countries in the region. Regional publications – such as the *Survey of Tax Laws Affecting NGOs in Central and Eastern Europe* – were also distributed to local partners throughout the region.
- **NGO Law Courses.** ICNL provided assistance through the provision of training and materials to universities through the CEE region, including in two courses in Albania (universities in Shkoder and Tirana), one course in Bulgaria (Plovdiv), three courses in Croatia (universities in Osijek, Rijeka and Zagreb), one course in Estonia, one courses in Ukraine (Kyiv), and several courses in Central Asia (see below under CEE/NIS Linkages). We also worked closely with local partners in preparing NGO law textbooks in Bulgaria and Macedonia. Each textbook contains international comparative information, but is tailored to the specific country with a focus on domestic legislation. In addition, Professor Pendovska (former ICNL Fellow) included, on her own initiative, a chapter on NGO taxation in her recent tax textbook.

- **Support for Local Partners.** ICNL provided ongoing support to both governmental partners and NGO partners by providing comparative information and expertise on NGO legal issues. For example, in Montenegro, we helped develop the capacity of local partner CEDEM by sharing information on tax/fiscal issues. In Bosnia, we provided ongoing support to the Center for the Promotion of Civil Society (Sarajevo) and Lex International (Banja Luka), through the sharing of materials and through a Budapest-based fellowship for one of the Center's staff lawyers. Also in Bosnia, ICNL provided assistance to the Confederation of BiH Trade Unions with respect to its registration status. In addition, we directly supported a range of governmental partners, including the registration officials of the Ministry of Communication and Civil Affairs, the Federal Constitutional Court, and to the Office of the High Representative (OHR). And of course in Bulgaria, ICNL worked closely with BCNL to develop its long-term capacity, by assisting in the preparation of a strategic plan, help in program development, and guidance on issues of fundraising, staff capacity and board development. Well before the close of the Cooperative Agreement, BCNL had achieved financial independence from ICNL.
- **Targeted Interventions.** In many countries, ICNL has worked with key local partners to develop their expertise on a given legal issue, and thereby build up their capacity to pursue law reform. For example, in Macedonia, ICNL increased the capacity of Ministry officials and NGO representatives on issues of public benefit organizations, taxation and the legal status of volunteers. By sharing research on these issues, ICNL helped develop trust with local partners and secure allies in the ongoing reform process. In Serbia, ICNL worked to develop the capacity of government and NGO sector representatives in understanding the importance of various issues, including VAT, government financing of NGOs, and volunteerism.

VI. Regional Networking

ICNL has helped integrate NGO law specialists into local, regional, and international networks. These networks helped validate and strengthen the commitment of network members, while strengthening their skills by supplying them with comparative information and expertise.

Cross-Border Initiatives. Expert meetings and international conferences, though used sparingly throughout the program period, proved successful in raising awareness, developing expertise, building networks, and strengthening local law reform initiatives. Examples of these international events include:

- **Global Forum on Civil Society Law.** The first-ever Global Forum on Civil Society Law was held November 17-19, 2005 in Istanbul, Turkey. The conference drew together 150 leading experts from over 60 countries. Participants represented a cross-section of stakeholders, including civil society organizations, the government, the legislative branch, academia, and the donor community. The Forum provided participants with the opportunity to benefit from cutting-edge learning on civil society law reform issues, to develop strategies for promoting effective law reform, and to engage with a worldwide network of experts in the field. The conference included

sessions under five thematic tracks including Reform and Advocacy, Contemporary Issues and Civil Society Organization (CSO) Law, CSO Sustainability and the Law, CSO Accountability, Transparency, and Regulation, and CSO-Government Relations. The Forum made an immediate impact on several country-specific and regional initiatives affecting civil society law. Equally important, the Forum led to cross-border information sharing between participants.

- **Civil Society Law Summer Seminar.** To help meet the need to build capacity on NGO legal issues in the CEE/NIS region, and to enrich the ICNL/ECNL network of expertise, ICNL conducted a Civil Society Law Summer Seminar on July 12-14, 2007 in Budapest. ICNL hosted 15 civil society practitioners and lawyers for a three-day intensive training on legal issues affecting NGOs and civil society. Participants included representatives from throughout the SEE/NIS region, including Albania, Armenia, Belarus, Bulgaria, Kyrgyzstan, Macedonia, Moldova, Romania, Russia, Serbia, Ukraine and Uzbekistan. Topics included international law, economic activities, public funding, and public benefit status, among others. ICNL/ECNL has remained in touch with most of the participants. Indeed, several of them formed an informal network entitled the Coalition to Improve NGO Legal Status (CINGOLS).
- **Regional Workshop on the Taxation of NGOs.** In January 2002, ICNL hosted 32 participants in Budapest to examine the most pressing taxation issues currently affecting NGOs in Central and Eastern Europe. Ministry officials, tax experts, and NGO representatives from seven CEE countries participated, including Bosnia, Bulgaria, Croatia, Hungary, Macedonia, Slovenia, and the Federal Republic of Yugoslavia (Serbia and Montenegro). ICNL focused on how the fiscal framework governing NGOs can most effectively support their financial sustainability while simultaneously ensuring the necessary financial accountability. The workshop proved immediately successful in encouraging the exchange of ideas across sectors and borders.
- **Regional Meeting on Legal Framework for Volunteers.** Also in January 2002, in Warsaw, ICNL co-sponsored a regional meeting of international experts to undertake a comprehensive examination of the legal issues affecting volunteers and volunteering in CEE. This meeting marked the first occasion when the complex legal aspects of this important social issue were discussed and debated internationally. The workshop brought together twenty participants including lawyers, academics, government officials, parliamentarians and NGO leaders. Representatives came from Bulgaria, Croatia, Czech Republic, Germany, Hungary, Latvia, Lithuania, Poland, Romania, Ukraine, and the United States. Currently the legal systems of many countries in Europe fail to encourage and support, and may even impede or prohibit the use of volunteers by non-profit and other organizations. The meeting successfully led to recommendations and conclusions on a comprehensive range of legal issues affecting volunteers. These recommended principles subsequently served as the intellectual basis for reform initiatives addressing the legal framework for volunteers in countries throughout the region.

- **Regional Workshop on NGO Law Teaching.** On May 16-17, 2003, in Budapest, ICNL convened approximately 20 professors from 13 countries to focus on the teaching of NGO law in a university setting. Representing both the CEE and NIS regions, participants included professors who are contemplating the introduction of an NGO law course or course component. The purpose of the workshop was to encourage the launch of NGO law university courses in CEE and NIS, to contribute to the development of NGO law as an academic subject by expanding knowledge of NGO legal issues among educators, and to expand the knowledge of NGO law teaching methodologies. At the same time, the workshop sought to strengthen the network of NGO law educators, academics, legal practitioners, NGO experts, students, and others, and to facilitate cross-regional academic networking.

Analytical Research. ICNL’s research activity provides the intellectual basis for ongoing law reform activity. We identify topics for research in consultation with local partners, develop the research product in collaboration with local partners, and distribute the results widely to our network of experts and the broader civil society community. Examples of research products include the following:

- **Comparative Survey of NGO Framework Legislation.** In 2001, 2004, and again in 2007, ICNL published a major comparative survey of legislation governing NGO establishment, registration, internal governance, activities, regulation, termination, and other legal framework issues. The survey is the first-ever comparative analysis of NGO framework legislation in CEE. It has been translated into Macedonian and other local languages, and distributed from Estonia to Kosovo to support educational projects and provide information on regional best practices to NGO law drafters. The survey includes easy-to-review charts comparing legal and regulatory features of 19 different jurisdictions.
- **Regional Tax Survey.** During the program period, ICNL published two editions of the *Survey on Tax Laws Affecting Non-governmental Organizations in Central and Eastern Europe* and made each edition available in English and multiple local languages. In addition, ICNL made available in English the companion survey, entitled *Survey of Tax Laws Affecting Non-governmental Organizations in the Newly Independent States*. Taken together, the tax surveys provide information on key tax laws pertaining to NGOs in sixteen jurisdictions in CEE and twelve countries of the NIS. Each has proved critical to several country-specific tax initiatives.
- **Model Provisions for Laws Affecting Public Benefit Organizations.** ICNL published the *Model Provisions for Laws Affecting Public Benefit Organizations*. The Model Provisions contain definitions and sample regulations for “public benefit” organizations entitled to preferential tax/fiscal treatment. Made available in English, and several local languages, the Model Provisions have proved to a valuable resource for several country-specific initiatives.
- **Regional Publication: Brochure on Public Benefit Commissions.** ICNL commissioned the preparation of three research papers on public benefit

commissions. Throughout Europe, there are only three examples of such decision-making commissions, in England & Wales, Armenia and Moldova. Other countries, such as Macedonia, are considering amendments to the law, which would provide for some form of a public benefit commission. To aid these efforts, ICNL finalized and published a brochure entitled *Public Benefit Commissions: A Comparative Overview*, which includes separate reports on each of the country commissions.

- **Analysis of European Court Case-law Affecting Freedom of Association.** ICNL commissioned the preparation of a brief analysis of European Court decisions interpreting Article 11 (freedom of association) of the European Convention on Human Rights and Fundamental Freedoms. The Analysis synthesizes the Court's case law and explains how the Court rulings have defined the parameters of protection for the freedom of association. As few officials and practitioners have a well-developed understanding of international law and its impact on national law, the Analysis served as an invaluable educational tool. The Analysis is now available in English, Russian, Croatian and other local languages.
- **Sourcebook on NGO/Government Partnership.** Recognizing the growing importance of cooperation between NGOs and Government, ICNL prepared a sourcebook on NGO/government partnership, which examines various aspects of the issue from a comparative perspective, including (1) NGO/government liaison offices, (2) the implementation of compacts and NGO/Government Cooperation policy documents, and (3) "model" contracts for social service delivery.

Educational Initiative. Through its educational initiative, ICNL seeks to support long-term capacity building of tomorrow's leaders, government officials, and activists. Specific initiatives include:

- **NGO Law Courses.** ICNL supported the integration of NGO law into approximately sixteen universities in eight CEE countries, and into eleven universities in four NIS countries. New courses were launched during the program period in Albania, Bulgaria, Croatia, Kazakhstan, Kyrgyzstan, Tajikistan and Ukraine.
- **Central European University.** The Central European University (CEU) in Budapest attracts many of the best students from CEE and the NIS. CEU has invited ICNL to teach NGO law for the past 10 years. Indeed, CEU now provides direct compensation to ICNL for its hours in the classroom. Since 2002, ICNL has taught approximately 50 students in a simulated clinical setting, where students gain practical experience in preparing founding documents, analyzing legislation, providing advice to NGO-clients, and engaging in oral advocacy. Several students commented that the clinical course made the relevance of NGO law real to them. "ICNL teaches you how to *be* a lawyer – and not just give you the theory," said Vassily, a 24 year-old student from Belarus. "This is how courses should be taught," he added. Many of these students have gone out to serve as ICNL interns or fellows, and some have become local partners in the government or civic sectors in their home countries.

- **Internship Program: ICNL/Budapest.** As part of its efforts to deepen capacity on NGO legal issues among young lawyers and other professionals, ICNL/Budapest routinely hosted 1-3 interns during the first quarter of each year. Interns have come from throughout the CEE/NIS region, including Hungary, Serbia, Romania, Russia, Georgia, Ukraine and Uzbekistan. Interns were assigned research to support local law reform initiatives, including issues relating to international law, partnership, volunteerism, and state support of private educational institutions.
- **Summer Fellowships.** More intensive than an internship, ICNL routinely offered fellowships during the summer months. Fellowships were based in either Budapest or Washington. For example, ICNL-Washington hosted Maria Gerasimova, a law professor from Bulgaria, giving her the support and guidance necessary to prepare a comparative analysis of how existing NGO liaison offices in the CEE region were established. ICNL-Budapest hosted Orsolya Szabo, a CEU student from Romania, who helped prepare assessments of the Romanian NGO laws, prepared an overview of European Court case law affecting NGOs, and conducted research on social service delivery in Hungary for the benefit of our local partner in Bulgaria.

Informational Resources. Recognizing the ongoing challenges facing civil society and law reform throughout the CEE/NIS regions, ICNL facilitated the exchange of information, expertise, and ideas through its website, on-line database, on-line journal, and other electronic resources, as well as through targeted cross-border interventions.

- **Database of Laws and Online Library.** To provide regional drafting groups and others with access to NGO laws from other CEE countries, ICNL has maintained and updated its website, www.icnl.org, so that it is significantly more user friendly. ICNL's online library is a searchable directory of key research including Country Laws, General Legal Documents, White Papers, Reports, Legal Opinions, IJNL and more. The online library includes over 2,300 resources from more than 145 countries. Resources can be found in 39 different languages.
- **International Journal of Not-for-Profit Law.** During the program period, ICNL published twenty volumes of the *International Journal of Not-for-Profit Law* (IJNL), the only online journal that provides comparative information on the legal, regulatory, and self-regulatory developments affecting NGOs. CEE is a focus of IJNL; the Regional Coordinating Editor for the IJNL is Petr Pajas, based in Prague, who communicates quarterly with the regional network of local partners. Moreover, the Journal contains information on cutting-edge issues from around the world, many of which are relevant to the CEE region. IJNL and other CEE documents are posted on ICNL's website, which receives an average of 2000 visits per day.
- **Promoting Grantmaking to CEE.** As cost share to ICNL's regional project, ICNL has worked with Council on Foundations to develop a website to assist foundations interested in making international grants to CEE and elsewhere. The website is funded by a number of private foundations and is designed to facilitate international

grantmaking by providing access to recommended forms for compliance with US law, as well as with instructions for use of those forms. Specialized country notes, written by ICNL, provide information that can assist grantmakers to ascertain the legal rules applicable to proposed and existing grants. During the program period ICNL produced and maintained country notes for several CEE and NIS countries, including Croatia, Hungary, Poland and Russia. The reports provide links to the laws and other legal materials in ICNL's Online Library.

- **Cross-Border Consultations.** ICNL has facilitated a series of cross-border consultations to promote regional linkages. From regional and international seminars and conferences (described above) to study tours to in-person meetings, ICNL has facilitated cross-border information exchanges. From issues of registration to taxation to NGO/government cooperation to public funding to public participation to volunteerism, ICNL has helped ensure that partners confronting legal reform challenges in any given country can receive the benefit of experience from neighboring countries. Such cross-border information exchange contributes and strengthens the concept of "regional best practices," which are now being shared beyond the CEE region.

CEE/NIS Linkages. As a special component of regional networking, ICNL focused on sharing expertise developed in the CEE region with colleagues and counterparts in the NIS region. CEE/NIS linkages were integrated into most of ICNL's regional activities and allowed ICNL to multiply their impact. Linkages included joint research projects, cross-border consultations, translating and digitizing materials, and participation of workshops/conferences. Highlights include:

- **Research and Publications.** The publication and translation of the tax surveys into Russian will form invaluable resources to support law reform throughout the NIS region. ICNL's regional research projects also incorporate a broad range of CEE and NIS regulatory practices to increase the impact of the research. The sourcebook on public benefit regulation will benefit from the experience of Armenia and Moldova.
- **Educational Materials.** By digitizing and making available laws and reports from the CEE, ICNL has been able to educate government officials and civil society representatives on a variety of issues relating to NGO law. For example, at the request of the Deputy Minister of Finance in Russia, ICNL provided comparative information on public benefit regulation, as well as excerpts from both Hungary and Poland's Law on Public Benefit Organizations. At the request of a Ministry of Justice representative from Armenia, ICNL/Budapest provided comparative CEE materials on NGO/government partnership and contracting issues.
- **NGO Law Courses.** As described above, ICNL teaches NGO law in a simulated clinical setting at the Central European University (CEU) in Budapest. Students in the course are among the best and brightest from the CEE and NIS regions. The course has provided a useful opportunity for students to apply theoretical concepts relating to NGO law in a practical setting. Moreover, ICNL has made significant

efforts to expand NGO law courses into NIS countries. NGO law courses were introduced at the Academy of Municipal Management in Kyiv, Ukraine, into two universities in Kazakhstan (the Academy of Jurisprudence Higher Law School “Adilet” and Kainar University), into five universities in Kyrgyzstan (the International University of Kyrgyzstan, the Specialist Purposeful Preparation Institution, the Kyrgyz State Law Academy, the Kyrgyz National University and the Kyrgyz Russian Slavic University), and into three universities in Tajikistan (Tajik State National University, the Russian-Tajik Slavonic University, and the Tax Law Institute). For each course, ICNL prepared the necessary course materials, helped in preparing the textbook, provided copies free-of-charge to the university libraries, and, where necessary, provided training to teachers.

- **Student Internships.** As described above, ICNL sought to deepen capacity on NGO legal issues among young lawyers through internships for CEU students, many of whom were from countries of the NIS. A Russian law student worked with ICNL to research the legal framework for NGOs’ economic activities in the EU15 member states and helped prepare a research template on public benefit regulation. A Moldovan law student volunteered his time to conduct research into NGO/government cooperation issues in Moldova. Students from Georgia and Uzbekistan focused on issues including codes of conduct, the regulatory backlash against civil society in Uzbekistan, and international law relating to the freedoms of association and assembly.
- **Participation in International Events.** Most of the regional conference events conducted by ICNL included NIS representatives. In the recent Civil Society Summer Seminar, representatives from Armenia, Belarus, Kyrgyzstan, Moldova, Russia, Ukraine and Uzbekistan participated. In its regional workshop on NGO Law Teaching, ICNL included representatives from Kazakhstan, Kyrgyzstan, Tajikistan and Ukraine. In addition, ICNL representatives participated in multiple conferences at which ICNL shared CEE experience with NIS representatives.
- **Study Tour to Budapest for Central Asian Delegates.** Three delegates from Central Asia (ICNL staff lawyers from Kazakhstan, Kyrgyzstan and Uzbekistan) participated in a week-long study tour in Budapest in October 2005. ECNL played the pivotal role in designing and organizing the study tour. The Central Asian delegates met with government officials, civil society representatives and academics in Budapest, as well as with ICNL and ECNL. Key themes of the study tour included NGO/government relations, NGO participation in government decision-making, taxation and government funding, public benefit status and organizational sustainability, as well as innovative mechanisms of financial sustainability like the percentage philanthropy and the national civil fund. The study tour exposed the Central Asians to a far more progressive regulatory environment and provided invaluable comparative information to support law reform initiatives in their home countries.

- **Technical Assistance on Legislative Initiatives.** In providing technical assistance to NIS-based legal reform initiatives, ICNL provided CEE-based expertise to NIS colleagues. We mention just a few examples here:
 - **Draft NGO Legislation in Kazakhstan.** In 2005, two draft laws affecting NGOs were introduced before the Kazak Parliament, which, if enacted, would have imposed severe restrictions on activities of both foreign and local NGOs in Kazakhstan. At the invitation of a group of deputies, ICNL prepared and submitted a comprehensive analysis of the two pending draft laws. In highlighting how the draft laws violate international good practices, ICNL drew significantly on its experience in the CEE context. Fortunately, the draft laws were ruled unconstitutional by Kazakhstan’s Constitutional Council.
 - **Tax Exemptions for State Social Contracts in Kazakhstan.** The Kazak Parliament adopted in 2006 the Law on Changes to Tax Code to the Parliament. Two of the amendments exempt funds received by NGOs under state social procurement contracts from corporate income tax and VAT. The third amendment allows for separate accounting for for-profit and gratuitous earnings and respective expenses for NGOs, and defers to NGOs the choice of which method of expense accounting to use – separate accounting or proportional deduction. Taken together, these amendments allow NGOs to participate freely in state social procurement contracts without facing current taxation problems. Kazakh legal experts credit ICNL with having provided critical substantive expertise to help support the reform process.
 - **NGO Legislation in Russia.** On January 10, Russian President Vladimir Putin signed the Law “On Introducing Amendments to Certain Legislative Acts of the Russian Federation” (hereinafter “NGO Law”). Although the new Law is a significant step away from an enabling legal environment, the Law is much improved over the original draft. The original draft Law threatened to result in the oppression of citizen activism, the closure of many Russian NGOs, the departure of foreign NGOs, the termination of foreign funding to many socially critical projects, and, overall, to a reversal of democracy in Russia. To support local partners, USAID and the US Embassy in Moscow, ICNL prepared comments on the draft law, which were disseminated to all key parties. Eighty percent of ICNL’s comments were accepted and the draft legislation was subsequently modified. The CEE/NIS linkages funding helped ensure that ICNL was able to channel European expertise to our Russian partners, as well as to provide for the translation of several key documents.
 - **Draft Concept of Cooperation between the State and Civil Society in Ukraine.** At the request of the Presidential Administration in Ukraine, the Center for Political and Legal Reform (Ukraine-based think tank) prepared a draft “Concept of Cooperation between the State and Civil Society.” ICNL prepared comments on the draft Concept and shared CEE lessons learned regarding the creation of compact papers, government strategy statements

toward civil society, and frameworks for cooperation more generally. ICNL input led to a more meaningful public discussion of the policy document. Finally, in 2007, the Cabinet of Ministers issued a decree, approving the *Concept on Government's Support of Development of Civil Society*.

VII. Legacy: Establishment of the European Center for Not-for-Profit Law

On June 19, 2003, the European Center for Not-for-Profit Law (ECNL) was officially registered as a public benefit company and as a public benefit organization under Hungarian law. With the financial support of USAID, and with ICNL serving as the founder, ECNL was created to carry ICNL's mission forward in Europe. As stated in its founding charter, ECNL's mission is to support the strengthening of a supportive legal environment for civil society in Europe, by developing expertise and building capacity on legal issues affecting not-for-profit organizations and public participation. As a legacy institution which will continue to support NGO legal reform in Europe, and share European expertise in other regions, the establishment of ECNL is perhaps the greatest success of the program.

Prior to the founding of ECNL, ICNL engaged in a strategic planning process in order to define the mission and future strategy of the ICNL-CEE program and the role of ECNL in furthering that program. The process relied heavily on the input of ICNL's key stakeholders, including USAID, other donors and potential donors, international organizations, implementing partners, government officials, academics, and NGO law experts. It resulted in a strategic plan, which was distributed to USAID and made available to stakeholders. The strategic plan envisioned close affiliation with ICNL and identified four substantive priority areas, including (1) the legal framework for NGOs, (2) the financial sustainability of NGOs, (3) the legitimacy of NGOs, and (4) issues related to the legal framework for NGOs and EU enlargement.

Since ECNL's founding, ICNL has provided consistent support in supporting ECNL's institutional development:

- **Launching Event.** On December 7, 2004, in Brussels, ICNL and ECNL worked together to stage a "launching event" for ECNL, entitled *Transatlantic Cooperation to Support EU Enlargement: Strengthening Civil Society in Southeastern Europe*. The aim of the event was to review progress that has been made in the past 15 years on the development of civil society in the new EU member states and to consider how to apply the lessons learned in promoting law and policy reform in current and potential candidate countries, including the countries of Southeastern Europe and Turkey. The event was a first step in successfully projecting ECNL as a key player in supporting civil society development in Europe.
- **ECNL Website.** With ICNL's support, ECNL launched its own website (www.ecnl.org.hu) in May 2005. The website contains information relating to

ECNL's current projects, programs and services, resource materials, upcoming events and most recent news.

- **Supervisory Board Meetings.** With ICNL's support, ECNL was able to convene in-person supervisory board meetings in Budapest to discuss institutional and programmatic issues. These meetings were particularly critical during ECNL's formative phase.
- **Staff Capacity.** ICNL provided financial management training to ECNL's finance director, as she assumed direct control over ECNL finances. ECNL concluded secondment agreements with ICNL employees Katerina Hadzi-Miceva, Dragan Golubovic, and David Moore, to facilitate their contributions on ECNL projects. Nilda Bullain assumed the position of Executive Director on January 1, 2005. ICNL senior staff provided support to Ms. Bullain on strategic and programmatic issues.
- **Financial / Technical Support.** ICNL provided ongoing financial support for ECNL's operations. ICNL's program director, David Moore, worked closely with Nilda Bullain on administrative and program issues. ICNL supported ECNL efforts to raise additional funding which would support USAID goals in the region and contribute to ECNL's sustainability as an institution. Support included strategizing over potential funding opportunities, developing funding proposals, and promoting ECNL at international networking events.
- **Staff Retreats.** In 2006-7, ICNL supported ECNL's strategic growth through ICNL Board guidance and ECNL team retreats. ECNL Executive Director Nilda Bullain participated in ICNL's Board of Directors meeting in December 2006, which focused in part on the future strategic direction of ECNL. In April and September 2007, ECNL held staff retreats to consider the future strategic direction of ECNL.

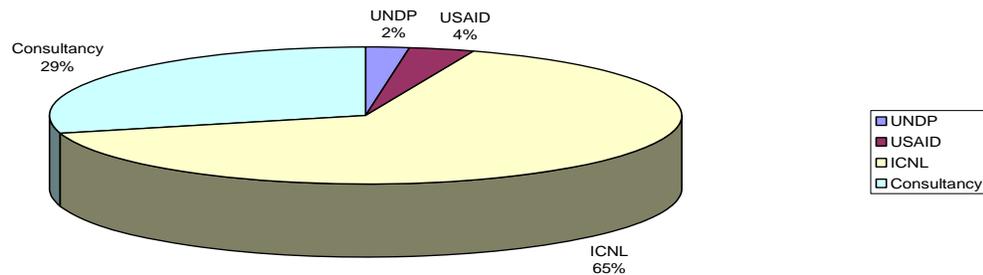
As of the close of 2007, ECNL has demonstrated tremendous growth and has positioned itself as perhaps the leading expert organization in Europe on NGO legal reform issues. Its growth and maturity as an organization can be measured through its (1) programmatic expansion, both geographically and thematically; (2) its financial diversification and growth; and (3) its staff capacity and the strengthening of its network.

Programmatically, ECNL expanded into new geographic areas, including Armenia, Azerbaijan, Georgia and Moldova. Through a program funded by the European Commission, ECNL is addressing core legal framework issues in these countries, along with issues related to CSO/government cooperation, public funding, and public participation. In addition, ECNL expanded its engagement in Southeastern Europe, where ECNL built upon ICNL's work in the region and successfully positioned itself as the key international player on civil society legal issues in Bosnia, Croatia, Macedonia, Montenegro, Romania, Serbia and Turkey. Furthermore, ECNL continues its engagement in the new EU member states. During the past three years, ECNL was substantially engaged in Hungary, Latvia, Lithuania and Poland, and provided support to partners in Slovenia and Slovakia as well.

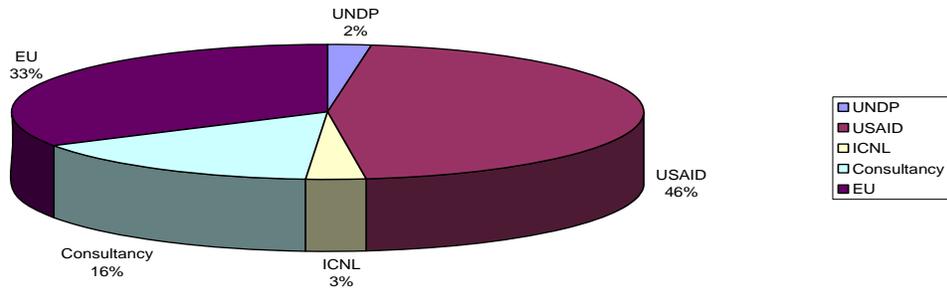
Equally significant, ECNL has tackled a growing range of thematic issues relating to the legal and policy framework for civil society. Core legal issues include basic framework legislation (laws on associations and foundations, for example), public benefit regulation, the tax treatment of CSOs, issues of CSO/government cooperation, and the regulatory framework for various funding sources. In addition, ECNL has worked with local partners to address challenges relating to volunteerism, institutional mechanisms for cooperation, legal tools to facilitate CSO participation in policymaking, official development assistance, rules affecting lobbying. Moreover, ECNL has worked more closely with local partners in developing policy frameworks and not only legislation.

Financially, ECNL has dramatically diversified its funding. At the close of 2004, ECNL was largely dependent on funding from its parent organization, ICNL. Currently, ECNL receives almost no funding support from ICNL. Instead, ECNL receives funding from a variety of sources, including USAID (through such partners as the Institute for Sustainable Communities (ISC), the Academy of Educational Development (AED), World Learning (WL)), the European Commission, the King Badouin Foundation, and through service-provider contracts. The chart below shows the growing diversification of ECNL's funding.

Income by Source of Funding - Yr. 2004

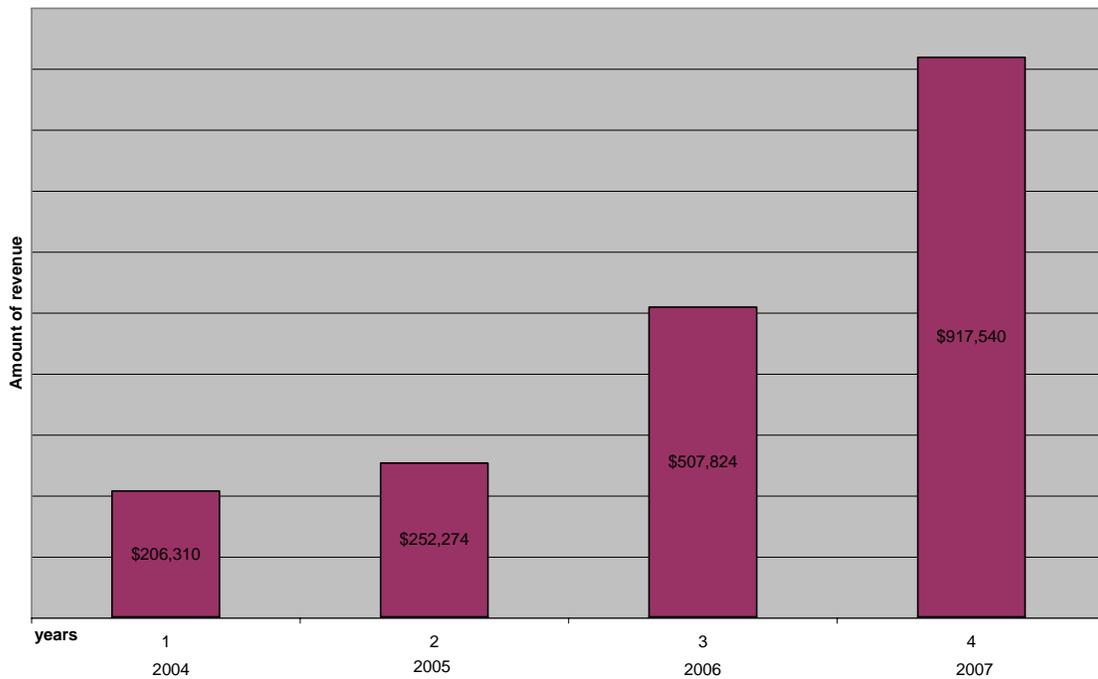


Income by Source of Funding - Yr. 2007



In addition to a greater balance in its funding portfolio, ECNL's income has steadily grown during the past three years. The chart below illustrates this dynamic growth.

Level of Funding



In terms of staff capacity, the core ECNL staff remains. Significantly, ECNL hired two additional key staff persons who are making enormous contributions. Andrea Toth

joined ECNL in September 2005 as office manager, but will soon be promoted to serve as project assistant. Hanna Asipovich has been with ECNL since June 2007, hired to provide necessary program support for the ECNL's expanding work in the European neighborhood.

In addition to the strengthened staff, ECNL has sought to strengthen its network of civil society expertise within Europe. The greatest challenge here has been to reach Western Europe. ECNL has made steady progress toward this goal. Through participation in a range of international events in Brussels, Paris, Trento and other places, ECNL has sought to raise its profile as the pre-eminent expert organization on civil society legal issues in Europe. Two of ECNL supervisory board members – Richard Fries and Tymen van der Ploeg – are well-connected within Western Europe (and beyond). Indeed, Professor van der Ploeg has included ECNL within a new *Civil Society in Europe* project, which aims to map the legal terrain affecting CSOs within the EU member states; ECNL engagement has provided new links to Belgium, Greece, Italy, Spain and Sweden. Even more recently, ECNL has been invited to serve as a member of the Expert Council being formed under the aegis of the Conference of International NGOs within the Council of Europe (CoE); the Expert Council will seek to improve the legal framework for civil society within CoE member states.

VIII. Conclusion

Without question, the countries of Central of Eastern Europe have made impressive strides in supporting the development of civil society. Legal frameworks are generally enabling, implementation practice has improved, law reform capacity has been firmly established, and a vibrant regional network remains active, with the European Center for Not-for-Profit Law (ECNL) at its core. ICNL is proud to have played a supportive role, working with USAID and local partners to address these program areas.

Challenges of course remain and new threats to civil society will likely arise. Due in part to ICNL efforts, NGO legal experts are now embedded into the democratic fabric of nearly all the countries of Central and Eastern Europe. Moreover, ECNL remains active in the region, a product of this Cooperative Agreement and a truly impressive USAID/ICNL legacy.

In conclusion, ICNL would like to express its gratitude to USAID for the generous support and steady guidance over the years.