

# Monitoring Matrix on Enabling Environment for Civil Society Development

Regional Report:  
Western Balkans and Türkiye  
2023







Balkan Civil Society  
Development Network

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October 2024



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### ***Regional Report on the Enabling Environment for Civil Society Development 2023***

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# List of Abbreviations

<b>AML</b>	Anti-Money Laundering
<b>CFT</b>	Counter Terrorist Financing
<b>CSR</b>	Corporate Social Responsibility
<b>EU</b>	European Union
<b>FATF</b>	Financial Action Task Force
<b>ICT</b>	Information and Communication Technology
<b>MFE</b>	Ministry of Finance and Economy
<b>MM</b>	Monitoring Matrix
<b>MP</b>	Member of Parliament
<b>NPO</b>	Non-Profit Organization
<b>PARCO</b>	Public Administration Reform Coordinator's Office
<b>OGP</b>	Open Government Partnership
<b>WBT</b>	Western Balkans and Türkiye

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# Executive summary

The civic space in the Western Balkans and Türkiye remains a cornerstone for democratic governance, fostering citizen engagement and safeguarding fundamental freedoms. Yet, **civil society in the region operates in an environment that is only partially enabling** for its operations and development. The shift from an enabling to a partially enabling environment is driven by the lack of effective implementation of the legally guaranteed rights and freedoms in practice, a framework that is not effective or stimulating enough to support the financial viability and sustainability of CSOs, and the deteriorating relationship with the state.

While the region's countries legally guarantee the three **fundamental freedoms**—association, assembly, and expression—in line with international standards, the reality in practice presents a more complex picture. Violations predominantly concern freedom of expression, though challenges are increasingly evident in the areas of peaceful assembly and association, reflecting a gradual erosion of the enabling environment for civil society.

In terms of **freedom of association**, legislative processes in North Macedonia and Montenegro have stalled, raising concerns about the lack of transparency and the potential reduction of CSO funding and restrictions on their economic activities in the latter. In Albania, changes to the NPO registration law, while amended after constitutional challenges, remain problematic in practice due to delays in operationalizing the electronic registry, with registration periods averaging 105 days in 2023. Changes in Montenegro have complicated and in Kosovo extended the registration process, while both Kosovo and North Macedonia exhibit unfavorable registration conditions for CSOs compared to businesses, reflecting broader systemic challenges.

A pervasive regional issue is the application of **anti-money laundering and countering financing of terrorism measures**, which disproportionately classify CSOs as high-risk entities. These regulations lead to restrictive banking practices and limited access to financial services, as seen most notably in Kosovo, where CSOs are uniquely categorized as obliged reporting entities, contrary to international standards. In Türkiye, AML and CFT measures have led to more frequent audits, especially for rights-based CSOs and those with foreign funding, increasing bureaucratic burdens and pressure from authorities, but also deterring funders and limiting funding flows to CSOs. Despite risk-based approaches initiated in Albania, BiH, Montenegro, and North Macedonia, most countries still face significant challenges in addressing these constraints.

**State interference** in civil society activities is a growing concern. Governments increasingly deploy selective financial and administrative scrutiny against foreign-funded or critical CSOs, exacerbating a hostile environment. Proposals in Republika Srpska, Montenegro, and Serbia echo restrictive foreign agent laws, stigmatizing CSOs and undermining their legitimacy. Additionally, government-affiliated actors in BiH and Serbia

create intimidating environments, deterring civic engagement and reinforcing the lack of accountability for threats or attacks on civil society representatives.

**Freedom of assembly** remains relatively protected in Albania and Kosovo, where gatherings proceed largely without interference. However, BiH, Türkiye and Serbia report multiple incidents of assembly restrictions, particularly targeting activists, LGBT+ groups, and political opposition. These incidents often involve intimidation, detentions, and physical confrontations, underscoring the lack of consistent protections for peaceful assembly.

**Freedom of expression** faces systemic threats across the region, particularly in Serbia and BiH. Legislative changes—such as Serbia’s media laws and RS’s recriminalization of defamation—further constrain media independence and target critical voices. SLAPP lawsuits against journalists and activists have increased significantly, particularly in Serbia, highlighting the urgent need for anti-SLAPP mechanisms. A promising development in this area is the proposed FBiH law aimed at dismissing baseless lawsuits early in the judicial process, protecting activists and journalists from legal harassment. Digital freedoms are inconsistently upheld. In Türkiye, two closure lawsuits have been filed against CSOs, including allegations of activities conflicting with laws or public morals, raising concerns about increased restrictions on civil society, the potential chilling effect on freedoms of association and expression. CSOs in Albania and Kosovo report minimal interference with their online communications, whereas BiH and Serbia face significant cyber threats, including hacking attempts and organized social media harassment. North Macedonia’s growing anti-gender movement exacerbates risks for activists, who operate in a climate with **insufficient safeguards** against hate crimes and harassment.

The **financial sustainability of CSOs** remains fragile. Reliance on foreign funding is high, whereas domestic funding sources remain limited due to insufficient regulation and practical obstacles. North Macedonia and Serbia expect progress with the proposed amendments to the Law on Donations and Sponsorships and the Law on Group Financing, respectively, but the fiscal and tax treatment of CSOs across the region remains unclear and non-stimulating. While a limited number of CSOs generate profit from economic activities across the region, restrictive fundraising laws in Türkiye, further hinder CSOs’ ability to collect donations. Public funding mechanisms lack transparency, with reports of funds being funneled to politically aligned organizations, especially in Türkiye, Serbia, BiH, and Montenegro. At the same time, CSOs receiving foreign funding increasingly face stigmatization, further limiting their access to resources.

**State-CSO cooperation** is hindered by inconsistent implementation of policies and underfunded mechanisms for collaboration. BiH made notable progress in drafting its first national strategy for civil society development, but similar strategies in Albania, Montenegro, and North Macedonia remain inadequately resourced. Councils for state-CSO cooperation face political constraints and limited engagement, with notable inactivity in Montenegro and boycotts in North Macedonia. Serbia’s new Council is a positive step, though its effectiveness is yet to be seen. Consultations with CSOs are increasingly superficial, resembling a “tick-the-box” approach. Fast-track procedures and limited follow-up contribute to declining trust and engagement, even in Kosovo, previously a

leader in this area. Online consultation platforms, while prevalent, vary in accessibility and user-friendliness, further hindering meaningful participation.

Safeguarding freedoms, enhancing government–CSO collaboration, and strengthening transparency are critical steps toward reversing the **current trend of shrinking civic space**. Ensuring an enabling environment for civil society is essential for democratic resilience and the broader integration ambitions of the region.

## BEST of 2023

**Bosnia and Herzegovina** initiated the drafting of its first national Strategy for an Enabling Environment for Civil Society Development.

The Government of **Serbia** established the Council for Creating an Enabling Environment for the Development of Civil Society.

Improved public dialogue in **Türkiye** through series of meetings organized by state institutions to mitigate the unintended consequences of the AML and CFT measures, introduce methodology and criteria of 'risk-based approach', and get feedback from CSOs and bank representatives.

The 2023 National Risk Assessment in **Albania** indicates a low risk of terrorism financing in the non-profit sector, which should facilitate the adoption of a risk-based approach, ultimately leading to the declassification of CSOs as 'high-risk' in the realm of money laundering & terrorist financing.

Amendments to the Criminal Code in **North Macedonia** enhanced the safety of journalists and media workers by treating threats and attacks against them as offenses against public officials.

The amended **Kosovo** Criminal Code now includes cybercrimes and addresses data protection, with the aim not only to protect vulnerable groups and issues, but also to raise standards for promoting and safeguarding a broader civic space.

A new Youth Strategy in **Montenegro** emphasized volunteer programs in schools and the eventual establishment of a public volunteer registry, advancing the culture and practice of volunteering in the country.

## WORST of 2023

A series of bills were introduced in **Republika Srpska (BiH)** to silence dissent, including amendments to the entity's Criminal Code re-criminalizing defamation, and the adoption of a 'foreign agents' law.

Continued practice of and impunity for smear campaigns and attacks on civil society initiated, fostered, and inspired by the highest state officials in **Serbia**.

Prolonged boycott of the Council for Cooperation with Civil Society and the Government in **North Macedonia**, and a lack of meaningful engagement from authorities, further stagnating the legislative process (incl. the state funding reform and other laws affecting CSOs).

Challenges to freedom of expression have increased in **Türkiye**, as the "Disinformation Law" has been actively used against the press and CSOs, including as a ground for many lawsuits, for informing the public of human rights violations.

The AML/CFT sectoral risk assessment for CSOs in **Kosovo** remains unfinished, while the Government approved the AML/CFT Concept Document without incorporating the preliminary findings of the risk assessment or the research-based input from CSOs

The electronic registry of CSOs in **Albania**, intended to be operational end of 2023, has not been made functional and this delay poses an obstacle to CSO's operations, as sector-specific processes depend on access to the registry.

The government of **Montenegro** allocated less than the mandated 0.5% of the state budget to CSOs, in violation to the NGO law, amended upon pressure from CSOs

# Key recommendations for action

## AREA 1: BASIC LEGAL GUARANTEES OF FREEDOMS

- Complete the revisions of the main NGO laws in North Macedonia and Montenegro, and the AML/CFT Concept Document in Kosovo, ensuring effective CSO involvement
- Improve registration practices (esp. Albania and Türkiye) by ensuring functional (electronic) registers that contain relevant data on the diversity of CSOs
- Ensure a risk-based approach to AML/CFT measures to improve access to banking services (esp. Kosovo and Türkiye)
- The Law on Meetings and Demonstrations in Türkiye should be repealed and replaced with legislation safeguarding the right to freedom of assembly and preventing disproportionate law enforcement intervention.
- Abandon foreign agents' legal acts and narratives in BiH, Türkiye and Serbia and ensure zero tolerance on threats to the rights and fundamental freedoms of CSO representatives and activists across the region.
- Adopt the Anti-SLAPP regulation (in FBiH) and introduce similar ones across the region, along with judicial training.
- Eliminate Restrictive and harsh audit procedures and penalties against CSOs should be eliminated. (esp. Türkiye)

## AREA 2: CSO FINANCIAL VIABILITY AND SUSTAINABILITY

- Implement the long-awaited amendments to the Law on Donations and Sponsorships in North Macedonia and the proposed Law on Group Financing in Serbia, to better support fundraising efforts.
- Exclude CSOs' fundraising activities from the scope of the Law on Collection of Aid in Türkiye, remove the requirement for permission, while considering notification as sufficient.
- Ensure involvement of civil society in the draft law on NGO financing in FBiH.
- Clarify the taxable status of CSOs in Albania, revise the 2023 instructions on VAT, and implement measures to mitigate the financial impact of accumulated VAT costs.
- Increase institutional instead of project-support through public funding.
- Establish centralized databases with available and allocated funding for CSOs (like the one announced in Serbia) to improve transparency in the process, and allow for improved monitoring and evaluation.
- Approve the Law on Allocation for use and Exchange of Municipal Immovable Property in Kosovo to ensure the distribution of municipal public property promotes general development and sustainable economic growth.

### AREA 3: STATE-CSO COOPERATION

- Ensure inclusive development of the new strategic documents for cooperation and CS development (Albania and BiH) and effective implementation of the measures envisaged in the existing strategies, as well as systematic monitoring, with CSOs involved in each phase.
- Activate the Councils in Montenegro and North Macedonia, and support the functioning of the Councils across the region through dedicated resources and political commitment.
- Create the Database on Contact Points for Cooperation with CSOs at different administrative levels in Serbia.
- Ensure mandatory participation of CSOs in EU integration processes and reform agenda through functional mechanisms in all countries.

# Introduction

The Balkan Civil Society Development Network (BCSDN) is pleased to present the tenth edition of the Monitoring Matrix on Enabling Environment for Civil Society Development, covering developments in the Western Balkans and Türkiye in 2023.

The Regional Report summarizes the findings and recommendations from the country reports covering the six countries in the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo, North Macedonia, Montenegro, and Serbia) and Türkiye. An interactive web platform offering access to monitoring data per country is available at [www.monitoringmatrix.net](http://www.monitoringmatrix.net).

The Monitoring Matrix, developed in 2013 by BCSDN with support of its members and partners, presents the main principles and standards that have been identified as crucial to exist for the environment to be considered enabling for the operations of CSOs. The Matrix is organized around three areas, each divided by sub-areas:

- Basic Legal Guarantees of Freedoms;
- Framework for CSOs' Financial Viability and Sustainability;
- Government – CSO Relationship.

The comprehensive methodology is based on international standards and best regulatory practices at the European Union level and in European countries. The Matrix aims to define the optimum conditions for civil society to function and develop effectively. At the same time, it aims to define a realistic framework that can be followed and implemented by public authorities. Having in mind that the main challenges lay in implementation, over 150 indicators are set to monitor both the existing legal framework and its practical application.

The Monitoring Matrix operates on an annual reporting cycle which ensures a systematic and comparable evaluation across the region and across years, helping stakeholders track progress or regression, identify gaps and emerging trends, and prioritize reforms. The research conducted aims to provide for shadow reporting on the enabling environment for CSDev and to influence EU Enlargement policy and funding support for sustainable and strategic development of the sector.

# Background | Civil Society Overview

In 2023, the civic space in the Western Balkans and Türkiye was shaped by both ongoing and emerging challenges, deeply influenced by regional instability and global crises. The ongoing Russian aggression in Ukraine remained a major focus, diverting attention and resources from civil society organizations (CSOs) across the region, while the humanitarian crisis in Palestine drew significant public and CSO engagement. Protests erupted across the WB6 capitals, expressing pro-Palestinian support without notable disruptions to the right to protest, a contrast to European capitals. This showed the region's relatively open civic space in terms of allowing assemblies on international issues.

However, while the WB6 allowed for these peaceful protests, security in the region itself was severely destabilized by local conflicts. The most notable of these in 2023 was the Banjska terrorist attack, which occurred between September 23 and 24 and resulted in the killing of one Kosovo Police officer and three militants. The paramilitary group was led by Milan Radojčić, leader of the Belgrade sponsored Lista Srpska political party. The incident raised international concern, especially due to Kosovo authorities presenting evidence of Serbian state involvement through training and equipping the militants on Serbian territory, and Serbia's refusal to prosecute Radojčić despite Interpol arrest warrant for him. International actors such as the EU and NATO called for de-escalation, while the crisis led to fears of Serbian military buildup near the Kosovo border. Intensified tensions between Serbia and Kosovo had a toll also on civil society, as CSOs were burdened with the dual responsibility of navigating an increasingly challenging political and security environment, while attempting to maintain their values in democracy and peace building programs.

Serbia also experienced significant internal instability in 2023. In May, the country was rocked by two consecutive mass shootings, an unprecedented event in the region. The shootings triggered a nationwide movement under the banner "Serbia Against Violence," initially sparked by solidarity with the victims' families. The protests quickly evolved into broader demonstrations against societal violence, government inaction, and systemic issues. The political climate in Serbia further deteriorated in December 2023, following allegations of electoral rigging in snap elections called by President Aleksandar Vučić. The protests continued, met by police using excessive force, including teargas, to suppress the growing unrest. These protests not only highlighted the civic space's vulnerability but also showcased the state's increasingly hostile response to dissent, which posed further risks for activists and CSOs engaged in human rights and democracy promotion.

Türkiye, similarly, experienced a year marked by growing repression, as the government's increasingly authoritarian tendencies persisted. In the lead-up to the 2023 elections, restrictions on freedom of expression and assembly intensified, with CSOs facing mounting challenges in organizing public demonstrations. The political climate in Türkiye



remained highly polarized, with the ruling government under President Erdoğan maintaining tight control over media, the judiciary, and key institutions, further diminishing the space for civil society and eroding democratic principles.

The broader political environment also reflects a decline in democratic governance, as highlighted in the [Freedom House 2024 Nations in Transit report](#). The report categorized all Western Balkan countries as hybrid or transitional regimes, emphasizing the deteriorating democratic trajectory in the region. In response to mass shootings and the subsequent protests in Serbia, Freedom House noted the increasing repression under President Vučić's government. The December elections, marked by allegations of electoral fraud, further cemented Serbia's classification as an "autocratizing hybrid" regime. The report highlighted a significant decline in freedoms over the past decade, with Türkiye experiencing a 27% drop, leading to its categorization as "not free" attributed to the government's manipulation of elections and suppression of opposition voices, including harassment, arrests, and criminal prosecutions of opposition leaders and journalists. North Macedonia and Albania, despite some positive steps, remained categorized as "cyclical hybrids," reflecting the instability in their democratic reforms. In Bosnia and Herzegovina, the combination of rising authoritarianism in Republika Srpska and persistent corruption challenges at the state level contributed to further democratic backsliding. The threat of RS's secession has risen in recent years, posing a security problem for the entire region. Montenegro, though seeing a political shift with a new government following the 2023 elections, continued to struggle with corruption and a weak electoral framework. The country's political system remains heavily influenced by vested interests, and efforts to strengthen judicial independence have been slow.

On the EU accession front, progress in 2023 was uneven and slow across the region, which affected political stability and the momentum for democratic reforms across the region. While North Macedonia and Albania saw some hope with the opening of accession talks, issues like rule of law and corruption continue to hinder progress. In Bosnia and Herzegovina, EU candidate status granted in 2022 provided some positive momentum, but internal divisions and threats of Republika Srpska's secession continue to undermine the country's stability. Kosovo, meanwhile, remained in a state of limbo, with no clear timeline for visa liberalization or further steps toward EU integration.

The EU's waning enlargement prospects have weakened civil society's influence in pushing for democratic reforms. With political leaders across the WBT less incentivized to meet EU standards, civic spaces are shrinking, making it harder for civil society organizations to carry out their advocacy and watchdog roles. This dynamic, coupled with ongoing crises like the war in Ukraine and regional instability, further strained civil society's capacity to promote democratic values and reforms. Nonetheless, CSOs continue to play a crucial role in advocating for human rights, transparency, and the rule of law, but they operate in an increasingly hostile environment, facing both political repression and security risks. The coming years will be pivotal in determining whether the region can regain momentum toward democratic consolidation or whether authoritarian tendencies will continue to erode civic freedoms.

	Albania	Bosnia and Herzegovina	Kosovo	Montenegro	North Macedonia	Serbia	Türkiye
<b>Number of registered organizations</b>	12.768	24.432	12,573	7.005	11.922	37.421 associations, 1.060 endowments/foundations	
<b>Main civil society law(s)</b>	Civil Code of Albania. Law no. 8788 "For non-profit organisation". Law no. 8989 "For the registration of NPOs" Law 80/2021 "For the registration of NPOs"	Laws on Associations and Foundations on state, entity and Brčko District (BD) levels;	Law on Freedom of Association in NGOs	Law on non-governmental organizations	Laws on Associations and Foundations	Law on Associations, Law on Endowments and Foundations	
<b>Relevant changes in legal frameworks</b>	Instruction No. 11 "For some additions and changes to Instruction No. 6 'On the VAT in the Republic of Albania", amended Law no 78/2023 "For some changes and additions of the Law no. 119/2014 "For the Right to Information", updated	1. Rulebook for public participation in BiH; 2. Law on Freedom of Access to Information; 3. Amendments to the Criminal Code of the RS - introduced criminalization of defamation.	Amendments to the Criminal Code	No changes in the legal framework were adopted during 2023.	1. Law on Associations and Foundations 2. Law on Civil liability for insult and defamation	Law on Public Information and Media Law on Electronic Media.	
<b>State funding*</b>	approx. 980,000 EUR	approx. 35 mil EUR	Total: €14,400,877.04 vs. 10,869,997.94 € (Government's report vs. KCSF's analysis of the gov report, 2023)	Ministries - 2.97 mil EUR according to the budget, 4.67 mil EUR dedicated distribution	approx. 5 mil EUR	83.6 mil EUR	
<b>Human resources (employees and volunteers)</b>	10,917 employees were working of which 9,748 were full-time employees and 1,169 part-time employees. No data on volunteers.	7.076 employers in the civil society sector	5,826 paid contributions in the past 12 months (2023) 10,681 have more than one job, one being in the CSO	1590 employees	1805 employees No data on volunteers.	7018 employees for an indefinite period, 3985 fixed-term, 9943 full time, 4490 people engaged based on temporary, and 1060 people engaged based on other types of contracts. No data on volunteers.	
<b>CSO-Government Cooperation (relevant body/consultation mechanism)</b>	National Council for Civil Society. National Council for European Integration. Partnership Platform for European Integration	Advisory Body of Council of Ministers BiH for Cooperation with Civil Society	Online Platform for Public Consultations, Office of Good Governance, Council for Government - Civil Society Cooperation, Ministry of Local Administration's forum for cooperation with civil society, National Council for EU Integration	Council for Cooperation of state administration and NGOs	Council for Cooperation with Civil Society and Government	Ministry for Human and Minority Rights and Social Dialogue, Council for Creating an Enabling Environment CSDev; Contact points for CSO cooperation; National Convention on the EU	

\*The figures provided are official government data for the distribution of funds according to the budget lines for CSOs. However, in most countries, these figures also count funds allocated to other entities such as federations, sports clubs, public service contracts, etc. For more accurate information, please check the detailed country reports.

# Findings

## Area 1: Basic Legal Guarantees of Freedoms

### 1.1. Freedom of association

#### 1.1.1. Establishment of and Participation in CSOs

Across the Western Balkans and Türkiye (WBT), the freedom of association is generally enshrined in constitutions and protected by legal frameworks, in line with international standards, allowing CSOs to form, operate, and participate in CSOs. The legal frameworks are largely inclusive, allowing individuals and legal entities to establish associations, foundations, and other non-profits without significant barriers. While in line with standards, legal regulations in BiH regarding freedom of association and autonomy of CSOs are not harmonized at different levels.

During 2023, there were **changes in the main CSO legislation** in Kosovo, while the expected changes in North Macedonia and Montenegro again did not materialize. Draft laws in Türkiye proposing various amendments concerning CSOs, including some positive provisions, have been shelved and not enacted. In Kosovo, the NGO Law was amended during 2023, with the changes coming into effect in January 2024. These amendments include a redefinition of foreign NGOs, update of the appeals process, and an extension of the registration period from 30 to 45 days, which is excessively long compared to the much shorter period required for registering businesses. On the other hand, while in North Macedonia the law reform has been notably postponed, in Montenegro, the two-year long process of drafting a new law lacks transparency, raising concerns, particularly regarding potential cuts to state funding and restrictions on NGOs' economic activities.

Despite existing legal guarantees that allow both individuals and legal entities to establish a CSO, generally with no cost and easy registration procedures, **practical challenges in registration** are a common theme, but have particularly posed a problem in Albania. In Albania, challenges persist due to the coexistence of two registration laws related to the still non-operational electronic registry. Delays in the registration process have worsened with an average of 105 days reported in 2023. In January 2023, a group of CSOs in Albania submitted a request to the Constitutional Court to repeal key provisions of Law No. 80/2021, arguing violation of constitutional rights. In November 2023, the Court partially granted their request, invalidating provisions related to registration deadlines, the role of the chancellor, and certain administrative sanctions. The delay in establishing the NPO register has become a significant hindrance and poses a major obstacle to the operations of NPOs, as the sector-specific processes depend on the registry.

Lack of online registration is an issue for CSOs in Türkiye and North Macedonia, too. Unlike businesses that enjoy free online registration, CSOs in North Macedonia must submit paper forms and pay a higher registration fee. Changes in registration practices in Kosovo (requiring CSOs to translate names into Albanian or change names resembling state institutions) and Montenegro (requiring CSOs to define the mandate and recall of their assembly members, without changes to the law being introduced), have caused confusion for CSOs and have resulted in longer registration times and increased administrative burdens, while Bosnian CSOs report issues with the competence of public officials responsible for registration. While there are only few functional registers, for instance in Montenegro, the data available is limited and not in open format, lacking interoperability with other datasets which would enable easier analysis and monitoring of the main indicators for development of civil society, and its diversity.

In all of the countries, however, there is **no mandatory registration**, allowing civil society to remain active outside the formal registration system. Unregistered, **informal groups** play an important role, particularly in organizing protests, advocacy campaigns, and public debates. However, these groups face limitations in accessing funding and policy dialogues, as seen in Albania and Türkiye, and may encounter institutional pressure or police action, as noted in Serbia and Türkiye. In some cases, informal groups have faced obstacles from state security services and negative media campaigns for opposing government projects, such as environmental activists in Serbia. Some were also brought in by the police following activist performances, such as the members of the "Students Against Violence" group, who were subjected to unnecessary police surveillance. Yet, there are also examples of successful informal organizing, including the high school students' group "I mi se pitamo" in Serbia, which managed to influence national education policy through collective action.

**Networking** among CSOs is well-established across the region, with legal protections allowing organizations to join domestic and international networks. Survey data from several countries shows that a majority of organizations are part networks, both domestic ones and international coalitions. These networks are essential for capacity building, advocacy, and regional cooperation. However, some challenges persist, particularly related to the sustainability of project-based networks, as noted in Montenegro, where many coalitions struggle with long-term viability. In Türkiye, where the number of CSOs is in the hundreds of thousands, yet only a limited portion are actively engaged, it is notable that the majority of these organizations are not affiliated with any federation, confederation, or network.

### 1.1.2. State Interference

Across the region, **legal provisions are established to safeguard independence of CSOs**, providing protection against arbitrary state interference in their internal affairs, broadly in line with international standards. While legal frameworks also provide some **protection against third-party interference**, with the exception of Serbia and to a limited extent in North Macedonia, the practical application varies across the region. However, challenges persist, such as in Türkiye, where numerous laws and regulations, including the Turkish

Penal Code, the Law on Associations, the Law on Misdemeanours, and the Law on Collection of Aid, contain provisions that could enable arbitrary state interference. Besides, the Criminal Code in North Macedonia still imposes liability on CSO representatives as if they were public officials, though a working group is revising this law.

In BiH, Serbia, Türkiye and Montenegro, government scrutiny is increasing, especially towards CSOs critical of state policies or receiving foreign funding. The "foreign agents" draft law proposed in Republika Srpska, which aimed to stigmatize CSOs and limit their political activities, raised concerns about future state interference, despite its withdrawal. Similarly, a Serbian MP's call to restrict foreign funding for CSOs reflects ongoing scrutiny akin to Russian-style "foreign agents" legislation. While direct state interference is relatively uncommon, CSOs report incidents of government-affiliated actors disrupting their work or creating environments of intimidation.

**Financial oversight requirements** in part of the countries recognize the varying scales and scopes of CSO activities, with Albania and Kosovo demonstrating a tailored approach that scales reporting requirements based on organizational size or performance. Conversely, in BiH and Serbia, financial reporting and tax compliance can be burdensome and disproportionately stringent, particularly for small and medium-sized CSOs. These demands often result in fines that are seen as excessive. In some cases, as in Republika Srpska, reporting obligations have extended to the disclosure of donor data and extensive tax reviews, with high fines imposed on politically unaffiliated CSOs. Invasive financial and administrative oversight remains a concern in Serbia and Türkiye, while in Montenegro, some officials and Parliament members have been calling for more oversight among CSOs.

**Compliance with AML/CFT regulations** varies in its impact across the region. Kosovo is the only country in the region where CSOs are still considered obliged entities – and thus succumbed to burdensome reporting – and where CSO founders are required to be listed as beneficial owners, contrary to international standards. Despite Kosovar civil society's active involvement in drafting the 2023 AML Concept Document, their input was largely disregarded and the document adoption is still pending. Except for Kosovo, in Albania, North Macedonia and Serbia, too, AML/CFT measures classify CSOs as high-risk, leading to more or less restrictive banking practices and lack of access to financial or e-commerce services. In BiH, while the AML/CFT legislation is not directly impeding CSO operations, CSOs still report difficulties with banking services, such as blocked accounts, limited online banking access, and stringent compliance requirements. Positively, with the update of the AML/CFT law 2023, Bosnian CSOs are not considered obliged entities. On the other hand, in Albania, North Macedonia, and Montenegro, recent initiatives for integrating a risk-based approach aim to reduce the perception of CSOs as high-risk entities for terrorism financing. For instance, Albania's latest National Risk Assessment has indicated a low risk of terrorism financing in the non-profit sector. This represents a positive development towards facilitating the adoption of a risk-based approach, ultimately leading to the declassification of the NPO sector as a 'high-risk' client by subjects that now conduct enhanced due diligence for CSOs.

In Türkiye, AML and CFT measures have resulted in more frequent audits, especially for rights-based organizations, those receiving foreign funding, and CSOs working with specific groups, which are often categorized as “medium” to “high risk” in risk assessments, raising concerns about the discriminatory and overly broad application of these measures. These measures have imposed additional bureaucratic burdens on CSOs and increased pressure from public authorities. Enhanced scrutiny and oversight have also strained relationships between funders and CSOs, threatening financial sustainability. Additionally, banks have shown increasing reluctance to work with CSOs, creating obstacles such as account openings, fund transfers, and additional document requirements, resulting in significant delays in financial operations. Moreover, during the period in which Türkiye was placed on the Financial Action Task Force (FATF) “grey list”, the risks to the financial independence of civil society increased. The strict monitoring mechanisms implemented in line with FATF recommendations created a deterrent effect on funders and limited the flow of some funds to Türkiye.

**Sanctions for non-compliance** are generally governed by relevant laws and are intended to be proportionate. However, the enforcement of these laws is often inconsistent and, in some countries, subject to potential misuse. In Serbia and Türkiye, critical CSOs have reported being targeted for their activities, facing increased monitoring and increasingly frequent tax inspections. Nevertheless, BiH and Montenegro illustrate a complex reality where sanctions, while rare, sometimes lack judicial oversight, raising concerns about due process and fairness in enforcement.

Legislation across the region provides guidelines for **CSO dissolution** that align with international standards, permitting voluntary closure and requiring objective criteria for forced termination. This is particularly evident in North Macedonia, where CSOs can only be dissolved upon failing to uphold their statutes or legal requirements. However, practical barriers often hinder these processes, as in BiH, where bureaucratic delays in the deregistration process create an added burden for CSOs seeking to dissolve. In Serbia, the process for involuntary termination remains closely aligned with the rule of law, though the heightened scrutiny of some CSOs by state actors raises concerns about the impartiality of such procedures.

Despite legislative protections, **CSOs throughout the region frequently face varying degrees of government and third-party pressures that impact their ability to operate independently.** On one hand, in Albania, Kosovo, and North Macedonia, during 2023, CSOs have generally operated free from unwarranted interference. On the other, in BiH, Montenegro, Türkiye and Serbia, instances of political and financial scrutiny targeting vocal or critical CSOs illustrate a more restrictive environment that may deter civic engagement. Some organizations in BiH and Türkiye report government intrusion in meetings, police blocking events for “security” reasons, and inspections and threats linked to political affiliations. Cases of intimidation and harassment, such as defamation by public officials in Montenegro and political labelling of CSOs as “foreign agents” in Serbia, contribute to a shrinking civic space, especially for those organizations involved in human rights, democracy and governance.

### 1.1.3. Seeking and Securing Financial Resources

Across the Western Balkans and Türkiye, legislation enables CSOs to freely seek and secure financial resources from domestic and foreign sources to support their activities, including grants, economic activity, donations, and other sources. However, the practical application of these rights often encounters barriers.

Generally, the legislative frameworks across the region permit **CSOs to engage in income-generating economic activities**, in line with their mission, but often under restrictive conditions. For example, in Bosnia and Herzegovina, CSOs can conduct economic activities linked to their statutory goals, but a separate legal entity is required for performing unrelated activities. Only in FBiH, a separate legal entity is required for performing any economic activities, which encapsulates the disruptions caused by lack of legal harmonization in legal sense, putting CSOs registered at different administrative levels in varying positions. Montenegro allows economic activities within a defined income threshold (up to 4.000 EUR, or not more than 20% of total annual income from previous year), above which proceeds must be remitted to the state budget. Due to extensive administrative and compliance demands, a small percentage of CSOs, both in BiH and Montenegro, engage in economic activities. In Serbia, too, CSOs face heavy reporting requirements. In Türkiye, economic enterprises fail to become a regular and sufficient source of income for organizations due to the lack of a facilitating legal framework for taxes and other financial transactions, as well as the limited capacity of organizations to efficiently manage such enterprises.

Legislation generally permits CSOs to freely **access foreign funding** in all countries. However, despite the lack of direct legal restrictions, practical and political obstacles occasionally affect the flow of foreign funds. The politically motivated cut or withdrawal of funding is indicated as an incident experienced often by the most participants from FRA observer states (17% often and 31% sometimes; the corresponding figures for EU-based CSOs are 12% and 21%).<sup>1</sup> In Serbia, political figures have voiced strong opposition to foreign-funded CSOs, creating an environment of hostility for organizations receiving such funding. A high-ranking MP in Serbia called on authorities to pass a law that will "regulate the work of the NGO sector" and thus "prevent them from receiving money for their activities from abroad", while the deputy Prime Minister openly supported this. In Türkiye, CSOs receiving foreign funding are also periodically subjected to smear campaigns, openly targeted by politicians, certain journalists, and social media users. Additionally, practical obstacles to diverse funding methods persist, such as limited access to e-commerce services in Kosovo, which complicates online donation channels. VAT exemption procedures on foreign funds are complicated in Montenegro, special bank commissions on inflows from abroad and additional scrutiny are reported in Serbia and BiH,

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<sup>1</sup> Report on key findings from FRA's civic space consultation covering 2023

while project registration waits and limitations to the capital city challenge North Macedonia's CSOs.

Banks across the region are often hesitant to provide credit and certain **banking services to CSOs**, particularly in Kosovo and Albania, where AML policies categorize CSOs as high-risk and subject foreign donations to increased scrutiny, creating difficulties even in opening and maintaining bank accounts. In Türkiye, CSOs, particularly those categorized as “high” or “medium” risk, face significant challenges in banking processes, including account openings and international money transfers. In North Macedonia, CSOs also face limited access to credit and frequent AML-related delays for international transactions. Pending legal efforts in North Macedonia and Serbia, namely the long-awaited amendments to the Law on Donations and Sponsorships and the proposed Law on Group Financing, respectively, are anticipated to offer better support fundraising efforts, including crowdfunding initiatives.

In practice, although legally allowed, **access to private funding** can be complicated by procedural burdens. In BiH, CSOs engaging in online fundraising face platform fees, a 10% tax, and unclear tax procedures, complicating their efforts. CSOs in Kosovo struggle with limited crowdfunding options, hidden banking barriers, and prolonged processes to enable website collections, as well as PayPal's unavailability due to political issues, leading some organizations to rely on external platforms to facilitate funding. In Türkiye, all funding and donation requests by CSOs are subject to the Law on Collection of Aid, requiring prior approval and detailed public disclosure of the purpose and needed amount. Due to this restrictive regulation and the difficulty in obtaining permission, only a very limited number of CSOs can make open calls for donations, which should be their primary source of income. North Macedonia's CSOs encounter intricate VAT exemption processes on donations, which delay fund accessibility, and Serbia offers limited tax incentives for corporate but not individual donors. On the other hand, in Albania a trend of increasing private donations to CSOs has been noted, with approximately 50% more donations from private sources recorded compared to last year. While platforms for crowdfunding are gradually emerging in the region, many CSOs still face challenges in setting up efficient online donation systems.

Across the Western Balkans and Türkiye, **social entrepreneurship** is emerging as a vital tool for CSOs seeking financial sustainability and enhanced impact on socio-economic issues. Serbia and Republika Srpska have established supportive legal frameworks for social entrepreneurship, while North Macedonia, Kosovo, and Montenegro are advancing through strategic policies or draft laws. These frameworks generally allow CSOs to align economic activities with their social missions, with Serbia's model notably positioned as one of Europe's most advanced. Despite this progress, administrative challenges and sector-specific constraints limit the full potential of social entrepreneurship for CSOs. In BiH and Kosovo, compliance requirements are often complex, creating barriers to effectively managing social enterprises. In Albania, Montenegro and North Macedonia, vague or fragmented regulations and lack of incentives hinder sector growth, while in Serbia, policy-practice gaps mean social enterprises face challenges competing in public procurement against private companies.



## 1.2. Related Freedoms

### 1.2.1. Freedom of Peaceful Assembly

All WB countries have **constitutional or legal protections** for the right to freedom of peaceful assembly, with frameworks generally aligning with international standards. Albania, Kosovo, and Serbia's legal frameworks are noted for their adherence to international human rights conventions, explicitly guaranteeing the right to peaceful assembly for all without discrimination. BiH has fragmented legislation across its cantons and entities, with the Brčko District's framework aligning more closely with international standards. North Macedonia and Montenegro also provide broad legal protections but include certain geographic or participant-based restrictions, like proximity limits in Montenegro near government buildings, or necessary approval for foreign nationals to participate in public assemblies in North Macedonia. The law in North Macedonia also imposes significant responsibilities on organizers, including high fines if any damages occur during the assembly. While this has not been reflected as problematic in practice during 2023, it has been an issue in BiH where organizers of the 2023 Sarajevo Pride Parade had to allocate significant funds to cover security measures even though this requirement is not imposed on organizers of other demonstrations in the capital city or elsewhere in the region. In all the countries spontaneous and counter-assemblies are recognized, except in Serbia where the law lacks specific provisions for counter-assemblies, contributing to potential ambiguity in practical applications.

Generally, **prior notification rather than authorization is the norm**, though requirements vary. Kosovo requires a 72-hour notice, while Montenegro and BiH typically require five days' notice. Serbia has a notification procedure but occasionally requires adherence to strict location-based restrictions. Although these procedures are meant to balance public safety and order, the administrative burden varies, with some countries, such as BiH, reporting that procedural requirements can be burdensome and inconsistent across different cantonal laws. Countries allow organizers to appeal any restriction imposed on assemblies. In practice, however, CSOs in BiH and Serbia have reported cases where restrictions lacked transparent justification or clear legal basis. In Serbia, explanations for restrictions sometimes carry discriminatory undertones, as seen in the prohibition of a pro-Palestinian protest on grounds of presumed threats to public safety.

Albania and Kosovo generally report no significant cases of **encroachment on the freedom of assembly**, with gatherings taking place without interference. However, BiH and Serbia especially report multiple incidents where authorities or counter-groups restricted freedom of assembly. Most serious violations to the freedom of peaceful assembly continue to be noted in Serbia and Türkiye, particularly for environmental activists, ethnic minorities, or political opposition, reporting detentions, targeted intimidation, including revealing personal information of protesters, and, in some cases, physical confrontations with law enforcement.

In Türkiye, the mandatory requirement for prior notification for all assemblies effectively leads to the classification and prevention of spontaneous, unplanned gatherings as

unlawful. Furthermore, the prohibition of pre-notified protests and the disproportionate use of force by law enforcement against demonstrators have become common practices. Additionally, in many provinces and districts, long-term bans on all protests and events have been imposed, lasting up to 30 days for various stated reasons.

Police brutality has been a notable issue in Serbia, witnessed during the forceful dispersing of the environmental protests and blocking farmers from joining larger assemblies in Belgrade, while reports of police violence were repeatedly noted during post-election protests. In addition, counter-assemblies in Serbia also faced restrictions and have become contentious as police prioritized security concerns over facilitating peaceful opposition gatherings, as noted in the handling of Pride counter demonstrations. Meanwhile, Kosovo, Montenegro, and North Macedonia report relatively peaceful police facilitation, though there were instances in Kosovo where force was used in a limited number of dispersed assemblies against violent groups in the northern municipalities of Kosovo. Nonetheless, the use of police force, police protection, and media access to assemblies continue to be topics of significance, particularly regarding the balance between maintaining public order and safeguarding citizens' rights to peaceful protest and free press.

Albania, Kosovo, Montenegro, and North Macedonia report that **media and observers generally have unhindered access to assemblies**. In contrast, Serbia presents substantial challenges, with journalists facing physical assaults, harassment, and police obstruction, notably during protests like "Serbia Against Violence." In Türkiye there are numerous instances where journalists have been obstructed from reporting on protests, thereby infringing on press freedom and the public's right to access information. In BiH, while media access is typically allowed, certain high-profile protests revealed gaps in observer protection, particularly during Pride events, where police protection was reportedly inconsistent.

## 1.2.2. Freedom of Expression

In all Western Balkan countries and Türkiye, freedom of expression is **constitutionally guaranteed, with supporting legislation such as media laws and civil liability provisions reinforcing this right**. Legal frameworks in Kosovo, North Macedonia, and Montenegro, explicitly decriminalize defamation, aligning closely with European and international standards. Kosovo's defamation laws, for example, recognize "reasonable publication" in matters of public interest, offering protections for critical speech that emphasize the importance of media as public watchdogs. However, in Serbia, insult and, in Albania, defamation, remain criminal offenses, although prison sentences are not applicable under Albanian law. In Türkiye, laws criminalize both insult and defamation, with harsher penalties applied when directed at public officials. Numerous cases involve charges such as "insulting the President," "denigrating the symbols of state sovereignty," and "insulting the Turkish Nation, the State of the Republic of Türkiye, and its institutions and organs," often resulting in imprisonment.

Albania's 2023 amendments to its audiovisual media law introduced measures against hate speech and disinformation. At the legislative level, the establishment of the Special Parliamentary Committee aimed to coordinate and oversee institutional actions to combat disinformation and other forms of foreign interference in the country's democratic processes. Across the region, hate speech and disinformation are targeted within legal frameworks, with varying levels of specificity and alignment with international standards, showing regional progress but with some inconsistencies.

However, **legislative changes** in Serbia, Türkiye and Republika Srpska (BiH) in 2023 have introduced setbacks, and draft amendments in North Macedonia pose potential issues as well. Serbia's two new media laws, passed at the end of 2023 without adequate consultation and met with strong expert opposition, highlight risks of government influence over media and diminished independence, calling freedom of information into question. Similarly, North Macedonia's proposed bill to reintroduce government-funded advertising in private media has sparked worries about potential corruption and undue influence, though it has yet to be adopted. In Bosnia and Herzegovina, Republika Srpska's re-criminalization of defamation in 2023 has caused significant concern, particularly among CSOs and journalists, as it increases the risk of self-censorship and sanctions that hinder free discourse. With the enactment of the so-called "Disinformation Law," amending the Press Law in Türkiye, challenges to expressing critical opinions and diverse viewpoints have increased, including many lawsuits filed on grounds of this regulation, limiting the ability of the press and CSOs to inform the public of human rights violations.

In practice, CSO report most restrictions to the freedom of expression in Serbia, Türkiye and BiH, moderate pressures in Montenegro and North Macedonia, and less violations in Albania and Kosovo. The Fundamental rights agency report on civic spaces also notes that exercise of the freedom of expression in 2023 was most often linked with experiencing difficulties in the observed countries.<sup>2</sup> According to the Global Expression Report 2024, no country in the region improved, with Türkiye classified in the crisis category and Serbia placed in the restricted category.<sup>3</sup> The report observes a notable decline also in BiH, Türkiye and Albania, in line with the findings of the media watchdog Reporters Without Borders.<sup>4</sup>

Albania, Türkiye and Kosovo report limited instances of **encroachment on freedom of expression** for CSOs, with the majority of CSOs reporting no undue pressures or sanctions for public statements. On the other hand, journalist and media report increased pressures - absence of independent media is seen as a major concern in Albania, while in Kosovo 2023 was a particularly challenging year for journalists and media workers. An all-time high number of cases of threats, physical assaults and vandalism against was reported in 2023, almost half of which took place at the May/June protests in the north of Kosovo related to the conflict between Kosovo and Serbia.<sup>5</sup> Montenegro and North Macedonia see moderate pressures, often in the form of judicial overreach or public scrutiny. CSOs in North

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<sup>2</sup> Report on key findings from FRA's civic space consultation covering 2023

<sup>3</sup> <https://www.globalexpressionreport.org/regions-europe-and-central-asia>

<sup>4</sup> <https://rsf.org/en/map-2024-world-press-freedom-index>

<sup>5</sup> <https://rm.coe.int/annual-report-2024-platform-for-the-safety-of-journalists-web-pdf/1680aeb373>

Macedonia report challenges with judicial misuse of defamation laws, especially in cases involving critical journalism, often leading to self-censorship in the media. Across the region, self-censorship remains an ongoing issue, often exacerbated by legal and political pressures.

Most worrying is the situation in Serbia, Türkiye and BiH where media intimidation and pressure on human rights and watchdog organizations indicate a partially enabling environment at best, with frequent government-led smear campaigns against critical voices. A high volume of Strategic Lawsuits Against Public Participation (SLAPPs) initiated by political and corporate figures continues to exert pressure on media and activists, especially targeting major investigative outlets, fostering a culture of intimidation.

Instances of **persecution for critical speech** are comparatively lower in Kosovo and Montenegro, though activists and journalists in both countries occasionally face legal or social pressures. Montenegro reports fewer incidents of direct persecution, however cases like that of activist Ivana Čogurić demonstrate gaps in mechanisms that could otherwise mitigate SLAPP-related pressures. While SLAPP lawsuits are a pronounced issue in Serbia and BiH, this trend is well noted across the region, although to a lesser extent. In a worrying case in North Macedonia, the verdict in a defamation lawsuit targeting an investigative media organization, not only affected the work and reputation of the organization, but also set a dangerous precedent that threatens the public activities of various CSOs.<sup>6</sup>

The absence of anti-SLAPP judiciary mechanisms, such as early-dismissal protections, places activists and media at a disadvantage, often leading to prolonged litigation that consumes resources and fosters a climate of intimidation. A noteworthy initiative is the proposed Law on Citizens' Initiative and Protection of Citizens and Activists in FBiH. Drafted by ecological NGOs, this law introduces protections against SLAPP lawsuits, allowing courts to dismiss cases that lack legal merit at an early stage and placing the burden of proof and litigation costs on plaintiffs, which aims to protect activists and journalists from intimidation by powerful entities.

### 1.2.3. Open, Safe and Secure Civic Spaces

The Western Balkans' and Türkiye's legal and practical landscape for maintaining an open, secure, and safe civic space—both online and offline—reflects a complex blend of progress and persistent challenges. While constitutional protections for freedom of assembly, expression, and access to information online exist across the region, practical implementation often falls short, particularly regarding protections for journalists, activists, and CSO representatives.

Countries like Kosovo, Montenegro, and Albania maintain strong frameworks for electronic communication and cybersecurity, with Albania's recent National Cybersecurity Strategy focusing on safeguarding fundamental rights and privacy in digital spaces. The

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<sup>6</sup> <https://balkanccd.net/bcsdn-reaction-to-the-attack-on-freedom-of-expression-and-association-in-north-macedonia/>

amended version of Kosovo's Criminal Code, published in November 2023, has included a specific chapter on Cyber Crimes and accompanying articles that focus on hate speech through computer systems. Reports of unjustified monitoring remain limited in Albania and Kosovo, reflecting a stronger adherence to privacy norms in practice. On the other hand, although Serbian legislation prohibits unauthorized monitoring without a court order, the potential for surveillance abuse poses challenges, as civil society representatives report attempted spying on their mobile devices. Risks also remain as BiH's Republika Srpska has proposed, then withdrawn, legislation equating online speech with public speech. While the decision to withdraw demonstrates responsiveness to public outcry, it also highlights the region's ongoing struggle to find a balance between regulating online spaces and ensuring freedoms are protected.

Despite existing supportive frameworks, **the region lacks comprehensive safeguards specifically addressing threats, harassment, and attacks against civil society representatives.** In Kosovo, harassment laws offer criminal penalties for repeated harassment, including online, but without dedicated support mechanisms for CSOs, leaving many vulnerable to threats. Montenegro's Penal Code also criminalizes harassment, but broader protections for CSO representatives remain absent, as do legal categories or protections for human rights defenders in Serbia. Serbia's civil society continues to face intimidation tactics targeting CSOs and activists, or tabloid media being deployed in an orchestrated manner to discredit critical voices, which demonstrates a state-endorsed atmosphere where public criticism of the government is met with hostility, contributing to a disabling environment for human rights defenders. In Serbia, legal protections for civil society representatives are merely suggested within the Strategy for Civil Society, lacking effective implementation, while those who led or supported these attacks have not been held accountable. In Türkiye, there is no specialized legal framework for the protection of civil society, leaving organizations reliant on general provisions such as defamation laws to seek legal recourse. However, complaints filed by CSOs and activists, particularly those critical of the government, often encounter a lack of accountability and impunity. Civil society organizations are frequently targeted through smear campaigns and subjected to intimidation tactics, undermining their ability to operate freely and effectively. In BiH, too, one of the strongest findings for 2023 is the lack of institutional protection for activists. The Fundamental Rights Agency reports that physical attacks against CSO employees or volunteers have been noted in FRA observer countries, with state actors reported as being involved in the most serious incident most often, compared to any other perpetrator group.<sup>7</sup>

Additionally, 2023 witnessed a surge in anti-gender movements, particularly noticeable in North Macedonia and Türkiye. These movements, comprising both formal and informal groups, actively engage in propaganda campaigns and political mobilisation against organisations advocating for gender equality, LGBTQI+ rights, and women's rights. Moreover, institutional forces at the local level increasingly support anti-gender actors and implement policy restrictions that further limit the space for civil society resistance and

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<sup>7</sup> Report on key findings from FRA's civic space consultation covering 2023

hamper advocacy efforts. The anti-gender movement, fuelled by religious justifications and right-wing populism, poses a significant threat to activists, who continue to face hate speech and hate crimes.<sup>8</sup>

Without specific legal support, harassment and attacks against CSO representatives continue with minimal government intervention, as seen in North Macedonia where journalists are newly protected through amendments that equate attacks on them with assaults on public officials, but where political interference in media ownership and operations continues to weaken safe public discourse. Online harassment towards journalists and activists has also become pervasive. BIRN documented escalating digital threats, including defamatory online campaigns, especially in North Macedonia, Albania, and Bosnia. Content removal orders and legal battles over reporting in North Macedonia and derogatory online narratives elsewhere have diminished the independence and safety of journalists and activists, with misinformation proliferating as a significant hurdle to a free civic space. In Türkiye, numerous websites have been blocked, a significant number of posts have been removed from social media platforms at the request of the government, and many accounts have been suspended or closed.

In practice, the legislative intent to ensure online freedoms often meets **barriers in implementation**. CSOs in Albania and Kosovo largely report minimal interference with their digital communications, but BiH and Serbia present concerns. In BiH, critical investigative media frequently experience hacking attempts and blockages, particularly after publishing content on sensitive topics like corruption. Serbian CSOs also face organized harassment on social media, often through mass-reporting of accounts critical of the government, which disrupts CSOs' ability to operate online. In Montenegro, several organizations reported temporary blocks on their communication channels.

Concerns about **emerging digital technologies** are particularly acute in Serbia, Türkiye and Montenegro, where protections against misuse are limited. In Serbia, widespread use of biometric surveillance technology has raised suspicions about its role in identifying protest participants, leading to concerns over personal safety and freedom of assembly. Serbia's Social Card Law, which uses algorithms to determine eligibility for social support, has reportedly excluded many vulnerable individuals from necessary assistance, highlighting the impact of unregulated digital technology on human rights. Montenegro's legal framework lacks protections for digital data and privacy on par with EU standards, which leaves civil society members exposed to potential misuse of data by authorities or third parties. North Macedonia has made progress in cybersecurity aligned with NATO standards, though challenges with disinformation persist, impacting public trust and media independence.

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<sup>8</sup> <https://mhc.org.mk/wp-content/uploads/2023/12/the-policy-ang-final-1.pdf>

# Area 2: Framework for CSO Financial Viability and Sustainability

## 2.1. Tax/fiscal treatment for CSOs and donors

### 2.1.1. Tax benefits

Most Western Balkan countries and Türkiye provide basic **tax-free treatment for grants and donations**; however, implementation inconsistencies remain and taxation rules are often unclear or complicated. For instance, Bosnia and Herzegovina's VAT law imposes VAT on certain non-monetary donations unless exempted, complicating financial management for CSOs. In Kosovo, tax benefits are broader for Public Benefit Organizations (PBOs), while non-public benefit CSOs face more ambiguity in tax exemptions. Serbia, meanwhile, does not impose direct taxes on membership fees and donations, yet CSOs report indirect charges, such as elevated bank fees on international donations. Grants and donations from foreign donors in North Macedonia are also VAT exempted pending their registration in a central database, however the process can be lengthy. These administrative hurdles and indirect costs hinder CSOs from benefitting fully from tax exemptions on donations and grants.

Both Albania and Montenegro faced challenges with the VAT procedures for CSOs during 2023. Administrative burdens linked to new VAT procedures in Albania (introducing 0% VAT for goods and services used in foreign-funded projects instead of VAT reimbursement at the project end) have inadvertently complicated CSOs' operations despite its intentions. The new requirements for VAT registration for NPOs (reversing progress made over several years when CSOs exited the VAT scheme), extensive procedures for every purchase, and logistical complications, increase administrative burdens and lead to higher costs, hindering CSOs operations. In Montenegro, on the other hand, the VAT exemption process was overhauled in 2023, transitioning from EU Delegation oversight to the Ministry of Foreign Affairs, and finally to the Tax Authority, a process marked by uncertainty and long wait times before a bylaw clarified the procedure. While there is no general VAT exemption for CSOs in Türkiye, associations with public benefit status and tax-exempt foundations have certain exceptions for the purchase of goods and services related to education, culture, and social purposes.

**Tax benefits for CSOs engaging in economic activities** are also available in most countries, though they are frequently underutilized due to unclear guidelines and regulatory complexity. In Kosovo, economic activities aligned with public benefit purposes are generally exempt from VAT, yet any perceived commercial activity is fully taxable, whereas in Albania, aside of specific criteria in the VAT law, CSOs engaged in social, educational, cultural, or sporting activities are exempted from VAT, however public benefit purposes extend far beyond these four areas. Bosnia and Herzegovina and North Macedonia impose income caps on exempted economic activities, making it difficult for CSOs to rely on economic activities as sustainable income sources. CSOs in Türkiye have

to establish economic enterprises to engage in economic activities. They are subject to the same tax regime as commercial companies, thus there is no tax benefit for CSOs' income-generating activities in Türkiye. This regulatory environment contributes to the limitations CSOs face in diversifying income beyond traditional grant-based funding.

Legislative support for passive investments among CSOs varies significantly, with Serbia offering clearer tax-free benefits for income from dividends and interest, while other countries lack specific regulations, limiting investment opportunities. Endowment structures are relatively accessible in Serbia, though high capital and administrative requirements present barriers to widespread adoption, whereas other countries like North Macedonia and Kosovo have underdeveloped frameworks, leaving endowments largely unused. Establishing and operating endowments remains a complex endeavor in most Western Balkan countries, as regulatory clarity and procedural support are often lacking.

**In practice, many CSOs encounter challenges** related to indirect taxes, administrative complexity, and limited awareness of available tax benefits. In Kosovo, more than half of surveyed CSOs found existing tax benefits unhelpful, citing complex accounting and reporting requirements that strain organizational resources. In Serbia and Bosnia and Herzegovina, CSOs have reported hidden taxes, such as higher bank charges on international donations, which reduce the value of their grant income. Due to lack of harmonization of tax and NGO legislation, as well as lack of adequate implementation mechanisms, very few cases of tax benefits are reported in practice in most of the countries.

## 2.1.2 Incentives for individual and corporate giving

Individual and corporate giving is both regulated and practiced poorly in the region, especially in the civil sector. No changes were made to the **legislative framework for tax deductions** for individual and corporate donations in 2023. Serbia and Albania are the only countries in the region where the legal framework still does not provide any incentives for individual donations. Yet, compared to 2022, there is a 40% increase in the number of donors in Albania, while the amount of the total donation has tripled. In North Macedonia, ongoing reform efforts include a proposed amendment to the Law on Donations and Sponsorships, drafted in 2023 and currently open for public consultation, which aim to clarify procedures, simplify administrative requirements, and potentially broaden the range of deductible public-benefit activities.

The region generally offers some corporate tax deductions for charitable contributions, yet limits remain on the types of activities eligible for these deductions. Tax relief is typically available for sectors like health, education, culture, sports, and humanitarian aid, while critical areas such as human rights, democracy, and anti-corruption work are often excluded from tax-deductible status. While corporate tax deductions are relatively accessible, individual giving incentives are sparse and often lack clarity, with few countries extending tax benefits for private donations.



Tax deductions for corporate donations vary between 3-10% across the region, reflecting differing approaches to fostering philanthropy and supporting publicly beneficial activities. In Kosovo, corporate donations are encouraged with deductions up to 10% for donations to publicly beneficial activities, such as environmental or educational initiatives, requiring receipts to ensure transparency. Meanwhile, Bosnia and Herzegovina limits corporate tax incentives to around 3% of annual income for eligible causes, though these incentives lack clarity in procedure and scope, which often discourages donors. Montenegro offers relatively low limits, capping corporate deductions at 3.5%. Serbia and Albania, while keeping the cap on corporate deductions at 5%, remain both non-stimulating and restrictive to specific sectors, such as health and education, while human rights and social justice areas remain underserved. In Türkiye, tax incentives for individuals and legal entities are applicable only for donations and contributions made to foundations enjoying tax exemption status and associations with public benefit status. Yet, only 0.6% of total foundations and associations enjoy these statuses. The deduction rate of the tax advantage that allows income and corporate income taxpayers who donate to associations and foundations with status to deduct up to 5% (10% limited to priority development regions) of their earnings from their tax base is not enough to promote giving culture.

The **administrative requirements to claim tax deductions** pose additional challenges in practice in many Western Balkan countries. Procedures are often vague or complicated, requiring extensive documentation for both donors and CSOs, and some countries demand pre-authorization or approvals that deter potential donors from engaging in cross-sectoral philanthropy. These barriers are heightened by inconsistencies within tax codes and procedures, particularly in Bosnia and Herzegovina, where entities must frequently consult tax offices on an individual basis to clarify deductible expenses. Montenegro's framework also requires CSOs to follow intricate processes for validating donations, creating an additional administrative layer. In Türkiye while the procedure envisaged for individual and corporate donors to benefit from tax deductions is clear, it is not functional especially for individual donors as individuals who are unable to file an income tax return (are not eligible to deduct their donations at all).

Regarding **state policies to foster cross-sectoral cooperation**, structured engagement remains limited. Several countries, such as North Macedonia, have implemented strategies to promote corporate social responsibility, with CSOs as implementation partners in some initiatives, which encourages private sector involvement in socially beneficial activities. However, these efforts lack cohesion at a national policy level in many countries. Without structured mechanisms or umbrella policies, partnerships between CSOs and the private sector are limited to isolated projects, supported more by individual corporate initiatives than by state-backed incentives or policies. Serbia exemplifies this challenge, with private and civil sectors often only engaging through bodies like the Philanthropy Council or specific CSR councils, lacking a unified strategy to promote systematic collaboration. Although some progress has been made, particularly with cross-sector cooperation policies in Kosovo and North Macedonia, the administrative hurdles and limited scope of deductible activities restrict CSOs' ability to benefit fully from tax incentives.

## 2.2. State support

### 2.2.1. Availability of public funding

In most countries, the existence of **laws or national policies** specifically dedicated to public funding for CSOs is either inconsistent or incomplete. For instance, in BiH, the recent draft law on NGO financing in FBiH has been criticized for non-transparent development processes and provisions that overlap with existing legislation. The weakest mechanism for distributing public funds to CSOs continues to be in FBiH. In Serbia and Türkiye there is still no comprehensive document regulating state support, and in North Macedonia, while a comprehensive public funding reform has been expected ever since 2020, as part of the Government's strategy, it still has not materialized. A standardized, national-level distribution mechanism is notably absent across the region, except in Albania, and decentralized approaches and sectoral frameworks are prevailing.

In terms of **budget planning**, funding for CSOs is either inconsistently allocated or blended with other unrelated expenditure categories, making it challenging to discern the actual amount dedicated to civil society. Kosovo, for example, has stipulated budget codes for CSO funding but fails to implement them consistently, often using a generalized budget category that does not specify the portion reserved for civil society. In 2023, of the total public funding reported for CSOs in Kosovo, only 55.41% could be considered as funds specifically for CSOs, while the rest was allocated to services, and sports organizations. Türkiye, too, does not define specific budget code allocated solely to the civil society sector in the budgets of the central government and local administrations. It is not possible to ascertain the exact amount of the public resources planned to be allocated and transferred to CSOs at the end of the year. North Macedonia faces similar challenges, where CSO funding is buried within broader transfer lines, leading to a lack of transparency, as the state budget dedicated to non-governmental organizations is often used to fund entities like political parties and sports clubs<sup>9</sup>. In BiH, too, the amount planned for CSOs is insignificant in comparison to the budget intended for political parties. While Albania has established a specific budget item for the Agency for the Support of Civil Society (ASCS) and mandates that the budget may not be smaller than in the previous year, Montenegro's allocation, though mandated at 0.5% of the budget, often falls below this threshold (0.23% in 2023), undermining reliability and predictability, while violating the Law on NGOs<sup>10</sup>.

Procedures allowing **CSO participation in the funding cycle**, from priority-setting to evaluation, are generally underdeveloped. While most countries legally allow – but do not mandate – the inclusion of CSO representatives in selection commissions for project calls,

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<sup>9</sup> A recent study by the Center for Civil Communications reveals that, on average, only 0.1% of the budget of the Macedonian municipalities is allocated to support citizen associations and foundations. The research highlights that over 90% of funds allocated through budget item 463, intended for non-governmental organizations, primarily went to sports clubs closely associated with local authorities. The average allocation for citizen associations is 75,000 MKD, while sports clubs receive 6.5 times more, averaging 488,000 MKD. The study emphasizes a lack of transparency in public calls for financial support to NGOs, with many municipalities not disclosing recipient names or fund utilization details, raising concerns about potential misuse and corruption. Read more [here](#).

<sup>10</sup> <https://www.vijesti.me/vijesti/drustvo/636534/crnvo-predlogom-zakona-o-budzetu-grubo-se-krsi-zakon-o-nvo?fbclid=IwAR2uNndASYj1V7P3txKlsbyZl0dF-2kO9XyYkjbXDPA7EjtlhHaDFfJZ3HA>

consultations regarding funding priorities are rare. Transparency in the public funding cycle remains limited, with minimal engagement of CSOs in planning and implementation. This lack of structured participation diminishes CSOs' ability to influence fund allocation to areas of critical need.

In practice, public funding often **fails to address the core needs of CSOs**, especially concerning institutional support and co-financing, forcing CSOs to rely heavily on foreign donors. In Albania, the total amount distributed to CSOs is approximately the same percentage as in the previous year. However, no institutional support has been provided to CSOs, despite this being mandated by law. In Kosovo, while the volume of public funding has increased, it remains largely project-based, with limited institutional support. In Serbia, CSOs face political favoritism and funds often channeled to Government-Organized Non-Governmental Organizations (GONGOs) most of which lack experience in the area, leaving independent CSOs at a disadvantage. Although Türkiye partially increased the total budget that CSOs are likely to benefit from, because of the hyper-inflation, it did not translate into a real increase in practice. Also, a very small group of CSOs benefit from the public budget compared to the number of CSOs in Türkiye as 10% of the survey respondents stated that they benefited from any kind of public support. North Macedonia, while nominally increasing CSO funding, still falls short of meeting strategic sector needs, such as the co-financing of EU-funded projects, but also notably failing to meet the strategic goal of 30% of state funding in the total revenue of CSOs, with the percentage for 2023 being at around 3%<sup>11</sup>. State funding continues to be almost a non-recognizable source of income for Macedonian CSOs and only available for a limited number of organizations. In Montenegro, in addition to CSO-dedicated funding, the Government provided direct support, based on de minimis support regulations, usually based on requests from organizations.

Predictable and stable **funding allocations** are rare across the region, with frequent year-to-year fluctuations affecting CSO operations. In Serbia, for example, there has been a noticeable decrease in funding for CSOs from the state budget, and delays in fund disbursement are common. Montenegro's decentralized funding, though relatively transparent, lacks a stable budget, often falling short of the legally mandated 0.5% allocation, creating funding inconsistencies. In addition, the timing of fund distribution in Montenegro is often delayed, affecting project implementation and predictability. Predictability issues are compounded in Kosovo, where public funding, though slightly increased in recent years, remains project-based with no systematic co-financing provision for EU-funded initiatives.

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<sup>11</sup> Amidst the stagnation in the reform process for state funding allocated to CSOs and the persistent boycott of the Council for Cooperation between the government and civil society, the necessary conditions are not being established to fulfill the government's commitment to increase funds for CSOs. According to the Action Plan for the implementation of the Strategy for Co-operation and Development of the Civil Sector 2022-2024, the government has committed to making state funding's participation in the revenues of CSOs in 20% in 2022, 25% in 2023, and 30% in 2024. Read more [here](#).

## 2.2.2. Distribution and Transparency of Public funding

Across the region, the existence and enforcement of **legally binding procedures** for distributing public funds to CSOs varies significantly. In Kosovo and Albania, regulations like Kosovo's Regulation Nr-04/2017 and Albania's ASCS Law have established structured, legally binding frameworks for public funding distribution. These frameworks set out clear steps for grant announcements, transparency in the decision-making process, and public posting of results. However, gaps remain, especially at the municipal level in countries such as Bosnia and Herzegovina (BiH) and Serbia, where discretionary allocations and non-transparent procedures are still prevalent. In BiH, although the Law on the System of State Support theoretically mandates transparency, discretionary decision-making often overrides formal procedures, creating room for subjective decisions and favoritism. In Türkiye, public institutions are legally required to announce the list of recipient CSOs, their information, the purpose and subject of the funding, and the amount of provided funding in each year. Yet, in practice, even if the total allocated and distributed budget and grant calls are announced publicly, information about selection processes including application of announced criteria, evaluation scores/results are not transparently shared with the applying CSOs and the public as well.

In North Macedonia and Montenegro, **criteria** are often vague or inconsistently applied, with calls for proposals sometimes published with insufficient or outdated information, and evaluative metrics lack coherence with policy objectives. In Serbia and Türkiye, the criteria lack sufficient detail, which sometimes results in arbitrary or unclear decision-making by officials. Issues such as these reduce confidence in the fairness and alignment of funding processes with policy goals, particularly for independent CSOs. There have been some steps to improve the effectiveness of criteria for funds distribution in BiH taken during 2023, such as the Council of Ministers' newly adopted criteria for co-financing grants, and the FbiH working group on developing transparent criteria.

While many countries have legal provisions addressing **conflicts of interest** in public funding procedures, practical implementation is uneven. Kosovo and Montenegro have taken steps to explicitly outline conflict-of-interest guidelines within their regulatory frameworks, including requirements for evaluators to declare potential conflicts. Nonetheless, complaints against the distribution of grants are abundant among civil society in Montenegro, accusing commissions and grantees of foul play. In Türkiye, Serbia and BiH, however, conflicts of interest remain a recurring problem, especially given political connections influencing the allocation of funds. CSOs in BiH see the public funding for CSOs as non-transparent process that is often abused for political purposes and is subjected to malversation. In Montenegro, despite formal conflict-of-interest requirements, examples emerged in 2023 where favoritism for politically connected CSOs was reported.

The revision of the Law on NGOs in Montenegro should address the **fairness of distribution and overall transparency** of the public funding, considering that decentralized model of funds allocation created many "catch-all" organizations that apply for projects in all areas and receive funds for those projects, while CSOs that operate in one

specific area do not receive any funds. Similar discussions have arisen in North Macedonia, as CSOs have requested the government to ensure transparency and restore the dialogue regarding state funding for CSOs, claiming that the funding has not been distributed fairly, and in some cases, it has been reduced or withheld entirely without proper justification, which hinders the accountability and credibility of the entire system.

In practice, the complexity and cost of **application requirements** vary by country, with some regions imposing heavy administrative burdens on CSOs. Kosovo has made efforts to streamline application requirements, reducing barriers to entry for smaller CSOs. In Albania, improvements in administrative procedures for the ASCS grant-awarding process and the full functionality of the online platform for tracking grants are anticipated by 2025. However, in BiH and Serbia, application processes are often complicated, requiring numerous supporting documents, which disproportionately affects smaller organizations with limited resources. In Montenegro, although steps are being taken to ease the application process, applicants still face administrative and financial barriers, particularly when applying for decentralized local-level funds.

The inconsistency in **implementing funding procedures in practice**, as well as the insufficient availability of information on funding procedures and funded projects, are a weak point across most countries, with concerns raised over the fairness of selection processes. Reports from CSOs across the region indicate concerns over the fairness of funding decisions. Instances of perceived favoritism and unaddressed conflicts of interest have been prominent, particularly in Türkiye, Serbia, BiH, and Montenegro. In Serbia, evidence of conflicts of interest influencing funding decisions has raised public concern, with GONGOs and “phantom” organizations reportedly receiving funds to the exclusion of established, independent CSOs. Similar concerns were voiced in Türkiye and BiH, where direct funding is often allocated to organizations with political affiliations, compromising the integrity of the funding process.

The total **public resources allocated and provided** to CSOs during the year cannot be determined in most of the countries due to a lack of systematic, effective and regular collection of data on all types of state funding, available through different state bodies. In Serbia, a database on open calls was announced by the Ministry of Human and Minority Rights and Social Dialogue, where data on funding for CSOs through open calls will be consolidated in one place, but it has still not been formed.

### 2.2.3. Accountability, M&E of public funding

Most countries in the region have established basic legislative frameworks for the distribution of public funds to CSOs, with some **specific measures aimed at accountability, monitoring, and evaluation**. The ASCS law in Albania and Regulation MF 04/2017 in Kosovo outline specifies steps for transparency and accountability, and comprehensive requirements for CSO funding. However, despite these frameworks, most countries face challenges in implementing robust monitoring and evaluation practices. Bosnia and Herzegovina’s lack of a centralized mechanism or a unified legislative

framework makes accountability inconsistent across its decentralized structure, leading to limited monitoring across all administrative levels. Monitoring and evaluation in North Macedonia remain sporadic and lack consistent follow-up or sanctions, in Montenegro it is often applied late in the funding cycle, and in Türkiye and Serbia, the enforcement of monitoring provisions varies widely across ministries, often leading to delays and incomplete adherence to the prescribed steps.

**Sanctions for CSOs that misuse funds** vary significantly across the region. Sanctions are most transparent in Kosovo, and they include proportional measures for minor violations and contract termination for severe breaches, including initiating legal procedures when necessary. In most of the countries prescribed sanctions exist in law, but in practice they are rarely applied or proportionally enacted, diminishing the effectiveness of deterrence against misuse.

Regarding **monitoring public funding**, Kosovo leads in monitoring with standardized on-site visits at least once for each project cycle, which helps to maintain accountability. Albania also reports a high rate of monitoring compliance through the ASCS, with 62% out of 26 organizations receiving public funding in 2023 reporting that they underwent announced monitoring visits based on predetermined criteria. In other countries, however, monitoring practices are often inconsistent, partly due to resource constraints and procedural delays, or sporadic, without consistent adherence to predefined standards. In Serbia, monitoring is conducted only when prompted by specific complaints or allegations of misuse. This inconsistency, compounded by a lack of publicized monitoring standards, has led to limited accountability for many projects.

Regular **evaluations of the effectiveness and impact of public funds** are an area where most countries struggle to meet the desired standards. Kosovo has a government-mandated database for public funding, accessible to the public, which facilitates transparency in grant disbursement. However, the database experienced technical issues and was offline for several months in late 2023, which impacted the visibility of evaluations. In Albania, evaluation reports are legally required by ASCS and the National Youth Agency, but they are not made public, limiting the transparency of outcomes. Comprehensive evaluations are absent in most of the countries, and evaluations are mostly internal processes, with limited visibility into the impact of public funding and no routine publication of results.

#### 2.2.4. Non-financial support to CSOs

The **legal framework for non-financial support** is generally present across the region, but the degree of clarity, transparency, and inclusiveness differs significantly between countries. Most Western Balkan countries have legal provisions that allow state authorities to provide various forms of non-financial support to CSOs, such as public properties, trainings. In countries like Albania, Kosovo, and Montenegro, laws permit CSOs to access public property, though they often share the same legal framework as private actors and

must compete for access on similar terms. This limits the support intended specifically for non-commercial or social purposes.

In some countries, such as Serbia and North Macedonia, the **lack of specific guidelines** creates challenges. For instance, in Serbia, the Action Plan for the Strategy for an Enabling Civil Society Environment proposed the development of criteria for providing non-financial support. However, as of the end of 2023, no criteria or procedural guidelines have been finalized, leaving CSOs without a reliable framework for accessing state support. Similarly, North Macedonia's legislation permits state property allocation, but the criteria remain vague, creating opportunities for potential favoritism and uneven distribution. On the other hand, in Albania, the Agency for the Administration of Seized and Confiscated Assets granted some confiscated lands to CSOs, indicating active policy implementation for supporting CSO initiatives.

Across the region, the **allocation of non-financial support** often lacks a transparent and objective process, which reduces CSOs' trust in the system. In Bosnia and Herzegovina (BiH) and Montenegro, much of the support is granted through informal processes. In BiH, local authorities have discretion over public property management, resulting in annual leases or ad hoc arrangements, often with minimal transparency. Similarly, in Türkiye, the legislation regulating the provision of financial support to CSOs by public administrations also allows for non-financial support. However, there is no regulation in place to ensure its transparent and objective distribution. In Albania and Kosovo, state bodies and local governments sometimes provide non-financial support directly, without open calls or public announcements, leaving CSOs to rely on personal relationships or bilateral meetings to gain access. On the other hand, in Serbia, CSOs perceived as critical of the government or lacking political connections may face more challenges in accessing non-financial resources, creating an uneven playing field. Overall, in practice, non-financial support is available but is often limited in scale and lacks structured support, while favoritism and uneven treatment are concerns throughout the region.

## 2.3. Human Capital

### 2.3.1. Employment in CSOs

Across the region, **labor laws** generally treat CSOs on par with other employers – they do not impose additional requirements or limitations specific to CSOs regarding hiring practices, social security contributions, or employee rights. This equal treatment ensures that CSOs can employ staff under standard conditions, as defined by labor and tax laws, without facing sector-specific restrictions. However, North Macedonia’s legal framework demonstrates some limitations, as certain regulations, like those on the employment of disabled persons, do not explicitly address the unique operational needs of CSOs. Additionally, CSOs in North Macedonia lack representation in employer unions and have limited access to collective agreements, which may affect their negotiation power and support for CSO-specific employment challenges.

While regulations ensure that CSOs are treated equitably with other employers, **in practice**, issues such as limited credit access and inadequate employment incentives persist. CSOs face obstacles in accessing state incentive programs for employment, which are generally designed with for-profit entities in mind, and often do not suit the employment realities of the civil society sector, which often relies on short-term project funding. While these programs technically include CSOs, uptake remains low across the region.

For instance, in Bosnia and Herzegovina (BiH), only a small fraction (3.45%) of CSOs report benefiting from employment support programs, despite being eligible under the law. Similarly, in Kosovo, CSOs indicated they had not participated in employment programs due to limited awareness, lack of perceived relevance, or exclusion from these opportunities. Montenegro is an exception, where there is a state-funded vocational training program for hiring recent graduates, which includes CSOs. This program allows CSOs to employ graduates for a nine-month period, after which some may continue employment. In 2023, 166 graduates were engaged by CSOs through this initiative, marking a noteworthy example of inclusive support for the sector. However, other countries in the region lack comparable programs, underscoring an opportunity to expand such initiatives across the Western Balkans to foster CSO employment stability.

**Access to reliable employment data within the non-profit sector** remains a challenge in many Western Balkan countries. Serbia stands out as a positive example, with the Central Registry of Compulsory Social Insurance regularly collecting and publishing detailed employment statistics for CSOs, covering full-time and part-time employees and contract-based staff. In 2023, Serbia reported an increase in insured persons within the CSO sector, providing valuable insights for workforce planning and advocacy. Albania also provides data on the number of employees within the non-profit sector, with approximately 10,917 employees recorded in 2023, though this represents a slight decline which correlates with the decline in the number of active organizations in 2023.

In contrast, BiH and Kosovo lack centralized, accessible employment statistics for the civil society sector. In BiH, data on CSO employees is fragmented across different levels of



government, making it difficult to gauge employment trends accurately. Kosovo faces a similar gap, with employment figures available only through secondary sources, such as the Kosovo Pension Savings Trust and the Tax Administration of Kosovo, rather than through a dedicated national database. Türkiye, too, has not announced data on the employment in association since 2023, thus only available data is that, the total number of personnel employed by foundations is 22.324 in July 2024. This lack of systematic data collection impedes policy development and limits stakeholders' understanding of the sector's contributions to employment.

Several **practical challenges in relation to employment in CSOs** are noted across the region. A common issue, especially noted in BiH, is the perception of CSOs as “risky” employers by financial institutions, leading to challenges for CSO employees in obtaining personal loans. This limitation undermines workforce stability and highlights a need for financial institutions to recognize CSOs as viable employers, backed by project funding or grants. The reliance on project-based funding is a significant challenge, particularly noted in Kosovo, where many CSOs struggle to provide long-term employment benefits such as maternity leave. In Türkiye, the lack of an enabling legal infrastructure to effectively utilize different types of resources such as donations, membership fees, and economic enterprise revenues and worsening socio-economic conditions makes it difficult for CSOs to maintain long-term employment. This reflects a broader issue across the region, where CSOs often operate with limited resources and face difficulties in offering benefits that are standard in other sectors.

### 2.3.2. Volunteering in CSOs

Across the region, laws on volunteering exist in several countries, including North Macedonia, Montenegro, Serbia and BiH. However, in most cases, these laws do not fully incorporate best practices or provide comprehensive support for the development of volunteering. For instance, in Serbia, the legal framework still does not stimulate volunteering, does not acknowledge the value of volunteer engagement, and does not enable the collection and analysis of data on volunteers and volunteer hours. Similarly, in Albania and Kosovo, while volunteering is formally recognized, the existing laws are seen as outdated, restrictive, and insufficient to support a thriving volunteer culture. Albania is expected to revise its legal framework by 2027, and Kosovo aims to implement a Concept Document for Volunteering by 2024, after lingering on the policy agenda for over five years. This document is intended to address several matters that has been criticized by Kosovar CSOs over the years, namely the age restriction, and other aspects of improving volunteering policies. In September 2023, within the scope of the “Strengthening Civic Participation for Democratic Local Governance in Türkiye Project” led by the United Nations Development Programme (UNDP) and funded by the European Union, a working group was established to “Develop Recommendations on Legal Regulations on Volunteering in Türkiye”. These updates could potentially bring their frameworks in line with more advanced standards seen in countries like North Macedonia, which recently established a National Council for the Promotion and Development of Volunteering.

While spontaneous volunteer activities (such as neighborhood clean-ups or community-led events) are generally allowed, they are not always explicitly supported in the legislation, or in some cases, like Serbia and Montenegro, informal volunteering is over-regulated. Excessive administrative burdens in these two countries discourage volunteer engagement and add unnecessary complexity. On the other hand, in Montenegro, the new Youth Strategy (2023-2027) emphasized volunteer programs in schools and the eventual establishment of a public volunteer registry, with legislative amendments expected in 2024.

In terms of **state-supported programs and incentives**, North Macedonia stands out with tax-free reimbursements for volunteer-related expenses, such as food, transport, and training, and incentives for organizations that engage interns. In contrast, most countries lack such incentives or state-backed volunteering programs. The limited use of structured programs and incentives by CSOs in Albania, Montenegro, and BiH reflects a lack of awareness and accessibility, which discourages CSOs from participating fully in state-backed programs or benefiting from legal provisions.

While formal contracts and protections for volunteers are generally required, **administrative burdens** are significant in some areas. In Montenegro and Serbia, complex registration processes for volunteers and high compliance costs discourage engagement, especially for smaller CSOs. Some countries also mandate volunteer workbooks issued by local administrations, a requirement that is seldom followed and criticized by CSOs as overly bureaucratic. Conversely, Kosovo's centralized online platform provides a more streamlined volunteer management process, setting an example for simpler systems.

**Data on volunteer contributions** is limited across the region, with Kosovo's online platform for volunteer registration as one exception. The lack of systematic data collection elsewhere limits understanding of the sector's impact and its economic and social contributions. Addressing this gap could improve transparency and inform more effective volunteer-support policies.

### 2.3.3. Civic engagement and education

**Legislation supporting civic engagement** through education exists across the region, though implementation is uneven. Countries like Serbia, Montenegro, and BiH have legislation recognizing the importance of civic education. For example, Serbia's Adult Education Law and BiH's curriculum reforms underscore the importance of civic competencies as part of personal development. The Youth Strategy (2023-2030) in Serbia also included provisions for encouraging youth civic engagement, although implementation updates have been sparse. However, in Albania and Kosovo, while civic engagement is promoted within the curriculum, structured programs directly supporting active civic engagement in schools are limited. Macedonia faces similar challenges, where laws support civic education but lack integration with CSO engagement in non-formal education.

**Civic education** has been widely included in school curricula, but its form and consistency differ. BiH and Albania have robust curricula integrating civic values and active citizenship, often as mandatory subjects. Meanwhile, Montenegro and Serbia offer civic education as optional subjects, limiting its reach. In Kosovo, civic education begins in middle school, introducing democratic principles and active citizenship; however, a systemic approach to integrating these lessons throughout all educational levels remains limited.

While policies encourage civic learning, **practical opportunities for direct engagement with CSOs** are generally scarce, sporadic and often relies on independent initiatives. In Serbia and Montenegro, only a few higher education institutions offer structured engagement with CSOs, while in Macedonia and Kosovo, civic engagement often occurs through extracurricular activities rather than being embedded within the formal curriculum. BiH permits CSOs to engage in school-based activities, but authorization depends on each ministry's discretion, leading to inconsistency in CSO involvement in schools across different regions. Overall, there is limited data on civic engagement within schools, making it challenging to assess policy effectiveness.

## Area 3: Government-CSO Relationship

### 3.1. Framework and practices for cooperation

#### 3.1.1. State Policies and Strategies for Development of and Cooperation with Civil Society

**Strategic frameworks for civil society development and cooperation** are generally present across the Western Balkans. In Türkiye, though the issue is covered as sub-section by National Strategic Plans and there is no CSO-focused strategy and action plan in effect. Serbia, which only adopted its first CSO-focused strategy in 2022, continues to experience difficulties in collaborative policy development, with the strategy development process marred by civil society boycotts over concerns about government transparency and inclusivity. Meanwhile, countries like Albania, North Macedonia, and Montenegro exhibit long-standing strategies, yet the lack of consistent implementation and monitoring highlights broader regional issues with low prioritization of civil society development by governments.

BiH advanced notably in 2023, initiating the drafting of its first national Strategy for an Enabling Environment for Civil Society Development, targeting adoption by 2024. Similarly, Kosovo and Montenegro worked to implement existing strategies, with Kosovo marking progress in 2023 by drafting legislation to enhance CSO service provision, though the Strategy implementation does not mark many achievements. Yet, Albania's Road Map for a More Enabling Environment (2019-2023) has been hindered by a lack of central policy coordination, inadequate systematic monitoring and reporting, and limited dialogue with CSOs. Although North Macedonia made steps to monitor implementation, its progress was hindered by ongoing boycott from CSO Council members, affecting overall effectiveness.

**Consultative processes** varied, with some countries embracing participatory strategy development while others faltered. Kosovo's 2019-2023 and Montenegro's 2022-2026 Strategy included broad consultations, supported by public roundtables and accessible formats, ensuring ample CSO participation. By contrast, Serbia's consultation processes revealed issues of superficial engagement, with lack of public consultation and significant CSO feedback disregarded in the drafting phase. Similarly, North Macedonia faced participation challenges due to an inactive civil society Council, stalled by the CSO-led boycott over government responsiveness to civil society input. In Türkiye, the Directorate General for Relations with Civil Society published the Draft Civil Society Strategy Document and Action Plan on its website in August 2022, to get feedback from CSOs, relevant experts and academics, and the public. Yet, by the end of 2023, it had not entered into force and the CSOs that provided feedback, were not informed on how the collected opinions were evaluated.

**Monitoring and evaluation** are weak across the region, with Albania, North Macedonia, and Kosovo displaying slow strategy implementation due to limited resources and government prioritization. Montenegro reported low completion rates for its 2022-2023

Action Plan, with 59% of activities unfulfilled. Financial constraints further hampered effective implementation, as foreign donor funds were necessary in North Macedonia, while in Serbia, resource allocation remained within budgetary limits but lacked dedicated funds for strategy-specific activities. A few countries, like Kosovo, managed periodic evaluations through government-CSO working groups, indicating positive, albeit limited, progress in monitoring.

### 3.1.2. Institutions and Mechanisms for Development of and Cooperation with Civil Society

Countries in West Balkans have established national level institution or mechanism with a mandate to facilitate cooperation with CSOs. Albania, Kosovo, and Serbia have multiple bodies intended to facilitate government-CSO dialogue, while other countries in the region often operate through a single primary mechanism. Türkiye has not established national level institution, yet some ministries have units at the level of general directorate or department for relations with civil society.

Albania's National Council for Civil Society (NCCS), established in 2015, continued its national meetings in 2023 to address civil society challenges and strategize for sustainable development, but it has struggled to achieve significant impact. Amendments to the NCCS framework, expected by 2026, aim to enhance its effectiveness and ensure greater public and civil society engagement. Additionally, while Albania amended its National Council for European Integration in 2023 to increase civil society involvement, awareness and participation remain low, as does engagement with the Partnership Platform for European Integration, which has yet to fulfill its role in informing, consulting, and involving civil society in the EU accession negotiation process.

In contrast, Bosnia and Herzegovina lacks a designated national body dedicated solely to CSO cooperation, with its Ministry of Justice acting as the main point of contact. This responsibility, however, is under-resourced, with only five employees handling a wide array of tasks, highlighting the structural limitations in BiH's approach. The Advisory Body of the Council of Ministers of BiH for cooperation with NGOs, while partially functional, has worked on implementing planned activities but without public consultation with CSOs during 2023. Meanwhile, Kosovo's Council for Government Cooperation with Civil Society offers a more structured form of engagement, comprising both government and CSO representatives across four working teams aligned with strategic objectives.

In Türkiye, within Directorate General for Relations with Civil Society, the Civil Society Advisory Board has been defined as a new mechanism for participation. Yet CSOs were excluded from the formation of the Board and the preparation of the Directive, as well as the identifying the Board's working methods. CSOs to be included and the working agendas of the board are identified directly by the minister. Even the members of the board are not disclosed. Thus, the Board does not adequately represent the diverse structure of civil society and fails to fulfill the necessary missions of consultation and collaboration required for the development of civil society.

In many cases, these cooperation mechanisms face **challenges in operational efficiency** due to limited resources and political constraints. Montenegro's Council for Cooperation between State Authorities and NGOs remains inactive despite multiple calls for CSO representatives, resulting in a lack of CSO trust and participation. The major cause for the lack of interest for working bodies comes from the interpretation of the Anti-corruption Law, equating CSO representatives in the working bodies with public officials, prompting reporting and administrative burdens. North Macedonia's Council for Cooperation with Civil Society has been boycotted by CSO representatives since 2022, a protest against the government's neglect of CSO priorities, such as budget cuts and non-inclusive law amendments, reflecting deep-seated issues in transparency and institutional support.<sup>12</sup> The General Secretariat's reassignment of funds for the Council's administrative support without consultation also fueled the boycott, pointing to gaps in effective intersectoral communication and trust.

In Serbia, the Ministry for Human and Minority Rights and Social Dialogue serves as the central entity for civil society cooperation, with an expanded budget and mandate in 2023, tasked also with the creation of a Database on Contact Points for Cooperation with CSOs at different administrative levels. The attempt to establish a Council for Cooperation and Civil Society Development in Serbia started more than ten years ago, but the process was stalled due to the political context and the deteriorated CSO-state relationship following increased harassment and attacks on CSOs from both the legislature and the executive.<sup>13</sup> In 2023, the Council on Creating an Enabling Environment for Civil Society was formed and had its first meeting in December. While its effectiveness is yet to be seen, it is already evident that it lacks dedicated resources, with members serving without compensation, while its work is often influenced by political dynamics and faces restructuring due to government changes, which may disrupt continuity and strategic focus.

Across the region, **CSO engagement with these mechanisms** is often hindered by distrust, lack of awareness, and bureaucratic barriers. In both Albania and Montenegro, a notable number of CSOs are not informed about the work of the Councils and most did not participate in the CSO representative selection process, citing low trust and a disconnect from the council's priorities. Similarly, in North Macedonia, dissatisfaction with the Council is high, with 86% of surveyed CSOs expressing discontent over its lack of influence and transparency. In Serbia, only 10 CSOs acknowledged that council decisions aligned with their input, revealing skepticism about the government's commitment to inclusivity in decision-making. Kosovo demonstrates a relatively more positive model, where CSO representatives actively participate in the Council for Government Cooperation and are involved in decision-making, though much of the initiative comes from CSOs rather than state actors. The Council, while generally inclusive, has limited operational scope, which affects its ability to drive substantial policy changes.

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<sup>12</sup> <https://rcgo.mk/wp-content/uploads/2023/10/17-7-analiza-na-rabotata-na-sovetot-2022.pdf>

<sup>13</sup> <https://ecnl.org/news/serbia-restarting-dialogue-between-government-and-csos-enabling-civil-society-environment>

## 3.2. Involvement in policy- and decision-making process

### 3.2.1. Standards for CSO Involvement

Across the Western Balkans, **defined standards for CSO involvement** in policymaking are present in nearly all countries. For example, Serbia, Montenegro, North Macedonia, Kosovo, and Albania, have established clear requirements for public consultations in their laws, mandating early-stage CSO engagement and procedures for transparent decision-making, while in BiH consultations are not mandatory, and mechanisms exist only at state level. In Albania, a planned improvement under the Roadmap of Functioning of Democratic Institutions aims to enhance the quality of consultations, transparency, and public participation in decision-making by 2025, and improve the regulation by 2026. On the other hand, the 2023 revisions of the Rulebook for public participation in BiH led both to some improvements, such as clearer responsibilities for consultation leaders and a reinforced obligation to publish consultation reports, but also setbacks, such as making impact assessments optional unless deemed significant, softening the requirement to consider public comments, and allowing institutions to bypass consultation obligations under certain urgent circumstances. Türkiye has no public policy or strategy recognizing the importance of CSO involvement in decision-making processes. The Regulation on the Procedures and Principles of Legislation Preparation foresees the utilization of CSOs' opinions regarding legislative drafts. However, as the Regulation does not set clear standards for consultation process, it is at the discretion of the relevant public administration whether CSOs will be effectively included in legislative activities and non-legislative regulations and policy works.

**Throughout the region, even when the legal framework in place is considered progressive, its implementation has been weak. In practice, public institutions in the Western Balkans involve CSOs** in policy discussions frequently but with varying degrees of effectiveness. Albania and Serbia make use of online platforms for early-stage CSO consultations on draft laws, yet the consultation documents rarely contain all the necessary parts specified by the Regulation, and responses are inconsistent. In BiH, CSOs note that the digital platform, although noting an increase in users, in fact distanced the consultation process with the civil sector, as all consultations on state level are conducted only online. In addition, the lack of CSO involvement in BiH is largely due to an overwhelming number of institutions and policies for a small population, as well as the frequent disregard of CSOs input. Kosovar CSOs also note that 2023 was marked by a notable neglect and disregard for the input from civil society and meaningful dialogue and cooperation, despite the high level of engagement of CSOs.

In a similar manner, standards for consultation in North Macedonia and Albania are often applied superficially or inconsistently, which combined with the limited follow-up and transparency, results in diminished trust and engagement. CSOs in Serbia report that authorities involve "aligned" organizations in working groups for document preparation, creating a fake appearance of legitimacy in the consultation process. In Montenegro, despite the legislation obliging ministries to conduct consultations in the beginning and final stages of policy making, this obligation is often neglected.

**Timely and adequate consultation periods** is a recurring issue in several countries. While legislation mandates consultation timelines, ranging from 15–20 days, these are not always adhered to in practice. Türkiye, Montenegro and Albania report that CSOs often receive minimal notice, affecting their ability to contribute effectively. Kosovo’s centralized online consultation platform offers an efficient model, yet fewer CSOs participated in 2023 than in prior years, reflecting potential concerns about engagement effectiveness. Moreover, engagement of CSOs in the early stage of legislation drafting rarely happens in practice. A problematic issue in Serbia during 2023 has been the publishing of many complex draft legislation with a short timeframe for public consultations (e.g. six draft laws in the internal affairs sector), leaving limited time for meaningful CSO feedback on issues impacting civic space and human rights.

The **provision of written feedback** following consultations is inconsistent across the region. Some ministries in Serbia and North Macedonia publish summaries of consultations, including CSO input, but comprehensive feedback on why certain recommendations were not included is often lacking. In Kosovo, too, the feedback rarely is provided, and when it is, it tends to be generic and often identical for all respondents, lacking explanations on rejected CSO comments. BiH and Montenegro also face challenges, with limited transparency in feedback, diminishing trust in the consultation process. In Albania and Türkiye, lack of feedback is one of the main persisting problems with the consultation process.

Evidence-based **CSO contributions are occasionally used** in policy development, particularly in areas like anti-discrimination and gender equality in Serbia and in Kosovo, where majority of comments from CSOs are grounded in preliminary research, analysis, and other substantive evidence. However, overall, reliance on CSO-produced evidence is limited, and formal structures for incorporating CSO research into decision-making processes are weak across most countries. In BiH, CSO-produced evidence is minimally consulted, primarily due to the political context and lack of institutional support.

The provision of **training programs for civil servants** on CSO engagement is limited across the region. In Serbia, the National Academy of Public Administration includes references to CSO engagement in its general training programs, although specific training is lacking. In Montenegro, public servants received training related to CSO involvement in 2023. However, Türkiye, Albania, BiH, and North Macedonia lack structured and mandatory training programs for civil servants on the standards and processes of engaging CSOs, impacting the effectiveness of CSO participation in policymaking.

**Coordination units or officers** dedicated to overseeing CSO engagement vary significantly. Kosovo and North Macedonia have institutionalized CSO liaison roles within certain government agencies, and Serbia has established a database of contact points for CSO interaction, although not all state actors from all levels of government have yet provided information on the contact points. Albania and BiH, on the other hand, lack systematic CSO liaison roles within government bodies, and in Montenegro, the lack of designated officers to coordinate public consultations complicates consistent CSO involvement. In most cases, the resources and capacities of coordinating units or officers



for effective CSO involvement is limited across the region, although in some countries, like Kosovo, training for designated officers for organizing public consultations was organized during 2023.

### 3.2.2. Public Access to Draft Policies and Laws

In all countries, legislation mandates public institutions to make draft and adopted laws available. In practice, however, public institutions frequently fail to publish draft laws in a timely or accessible manner. For example, in Bosnia, draft laws are often published within the legally stipulated deadlines, but they are published in hidden sections of government websites, making them difficult to locate. The fragmented system in BiH reduces transparency and limits citizen access, with public administration divided across 80 institutions, making coordination almost impossible. In Montenegro and Kosovo, although publication procedures are in place, adherence varies, with incomplete consultation documents lacking required summaries or descriptions. In Türkiye, all draft laws are available in the website of the parliament, yet drafts of the secondary legislations like bylaws, directives etc. are rarely published and consulted by the public administrations. Compliance levels vary across the region, with inconsistencies in publishing procedures and challenges in meeting international best practices.

Laws on the Right to Information are in place, providing **mechanisms for public requests**. While restrictions to this right are usually linked to the protection of health, public or national security, commercial secrets and other sensitive information, in BiH it is reported that requests for studies on the impact on the environment or contracts with investors are usually refused. In fact, the latest amendments to the Law on Freedom of Access to Information in BiH increase the list of exceptions and possible restrictions on access to information of public interest, while also making it more difficult for CSOs especially in the appeals process. In Türkiye, although official data indicates that approximately 80% of information requests were responded to positively, in practice, requests by CSOs are either rejected on the ground of restrictions or partially responded. On the other hand, in 2023, there were specific legislative updates in several countries aimed at improving transparency. For instance, Albania updated its 2014 Law on the Right to Information, enhancing the obligations of public institutions to maintain transparency and expanding the powers of the Commissioner for the Right to Information and Protection of Personal Data. In North Macedonia, the new Transparency Strategy for 2023–2026, developed collaboratively by CSOs, media, academics, and government, aims to enhancing transparency, public access to information, digital data openness, and improved reporting mechanisms, with specific measures outlined in a detailed action plan.

In practice, most countries experience delays in responding to **requests for public information**. In Albania, responses often exceed the legal timeframe of 10 days, with an average response time of 23 days. On the other hand, Albania noted improvement in the quality of responses provided by public institutions. In Bosnia, though public authorities have made progress in meeting deadlines, response rates vary significantly among public institutions. Kosovo has shown better compliance with deadlines for responses, yet 35.5%

of requests still report delays. Serbia's Commissioner received a record number of complaints in 2023 due to institutions' non-responsiveness, highlighting a gap in adhering to deadlines and providing timely information.

While legal **sanctions for breaching information access** exist across the region, enforcement is often inconsistent, with few instances of fines or penalties actually imposed. Albania decreased its minimum fine for non-compliance, making it proportionate to civil servants' salaries, and Bosnia introduced fines for non-responsiveness to information requests, yet these fines are rarely applied. Serbia has mechanisms to enforce penalties through its Commissioner for Information, who ruled in several complaints for 2023, marking an increase in response to widespread non-compliance; however, enforcement remains challenging, with frequent institutional delays in responding to information requests, as well as institutional reluctance to comply fully.

**Online platforms** are the main mechanisms for accessing public information. However, the accessibility of these platforms and the presence of user-friendly procedures remain inconsistent, as draft documents are not always available in a format conducive to easy access or public input. Albania, Montenegro and North Macedonia have centralized portals, yet the latter struggles with adherence, as only half of the draft laws mandated for publication were accessible in 2023, despite improvements over previous years. In Serbia, too, out of the 409 adopted pieces of legislation, only 14 have been put in the consultation process via the e-Consultation portal. In Kosovo consultations in the online platform take place only at the very final stage of the policy drafting. In addition, across the region, responses to public comments are limited, and CSOs often receive inadequate or non-specific feedback on why their suggestions were not accepted.

### 3.2.3. CSOs' Representation in Cross-Sector Bodies

While Albania, Kosovo, and Montenegro demonstrate a structured **legislative approach to involving CSOs**, North Macedonia has no standardized mechanism for selection of representatives in cross-sector bodies, and Türkiye, Bosnia and Herzegovina (BiH) and Serbia reveal significant gaps in legislative requirements and fair representation processes. Such cooperation more often takes place on local level, rather than under central administration.

Albania, Kosovo, and Montenegro have established formal legislative mandates requiring public institutions to include CSO representatives in advisory and decision-making bodies, across different sector. While the legislation in both Albania and Kosovo reflects an inclusive and broad approach on paper, Kosovo notes selective engagement with certain CSOs working more closely with the institutions, thus limiting diverse representation. In Montenegro, although CSO representatives in state administration bodies are selected through public calls, the Anti-Corruption Law classifies CSO members of such bodies as public officials, and thus prompts income and property reports, as well as legal limitations, which deters CSOs from participation and complicates the selection process.

Conversely, BiH lacks a legislative mandate requiring the invitation of CSO representatives in cross-sector bodies. CSO participation is generally ad hoc, with limited transparency, as seen in the selective involvement in the working group for the new Media Law in Republika Srpska, where government-aligned media representatives were favored. Similarly, Serbia's legislative framework partially requires CSO involvement, primarily through non-binding guidelines. While public calls are issued for selecting CSO representatives in working groups, there is no clear mechanism to ensure fair representation. In Kosovo, institutions have collaborated with the Civikos Platform—a network of civil society CSOs, for selecting civil society members for various bodies, whereas in North Macedonia the Council for cooperation with civil society usually nominates CSOs' representatives in cross-sector bodies. However, CSOs in North Macedonia expressed concerns about the biased and non-transparent selection process for members of the Commission for protection against discrimination, denouncing the insertion of partisan members, without appropriate experience, which compromises the Commission's independence, but also indicates a lack of interest by the state in enabling in functional institutions.<sup>14</sup>

In practice, **transparency and fairness in selecting CSO representatives** vary significantly. Montenegro demonstrates a relatively transparent process for selecting CSO representatives through public calls. However, reports suggest that the same CSOs are repeatedly chosen in funding-related bodies, leading to concerns about the presence of GONGOs. North Macedonia often relies on its Council for Cooperation with Civil Society to nominate representatives, but a lack of standard criteria has raised questions about fairness. Only 22% of North Macedonian organizations reported participating in advisory or working groups, a decline from previous years.

In Serbia, although legislation provides for public calls, the selection process can vary between ministries, and lack of transparency remains an issue. While 35 advisory bodies reportedly included CSO members in 2023, survey responses suggest that these bodies are often populated by CSOs that align with government interests, limiting the diversity of representation. BiH has the lowest participation rate for CSOs in advisory bodies, with the majority of civil society excluded from significant policy discussions, particularly at the state level. Across the Western Balkans, CSO representatives in cross-sector bodies generally retain the freedom to express independent views and pursue alternative advocacy.

Türkiye's partial legislative mandate for inclusion of CSO representatives does not guarantee transparency in selection process and overarching representation of civic space. As decisions for CSOs participation are mostly at the discretion of the relevant ministries, at the central government level, the general tendency is to directly invite already reserved CSOs rather than issuing open calls. Selection of CSOs is generally based on political alignment rather than the expertise and competence in the respective subjects.

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<sup>14</sup> [https://mzd.mk/mk/vesti/mzd\\_ustaven/](https://mzd.mk/mk/vesti/mzd_ustaven/)

## 3.3. Collaboration in social provision

### 3.3.1. CSO Engagement in Service Provision and Competition for State Contracts

All Western Balkan countries permit CSOs to provide services in areas such as social protection, education, and legal aid, generally aligning with international standards. Notably, Albania and North Macedonia have introduced procurement rules prioritizing quality and inclusiveness over cost, promoting more equitable competition. Montenegro allows CSOs to compete via public procurement, public calls, and public-private partnerships, creating diverse pathways for engagement.

However, inconsistencies persist. In Bosnia and Herzegovina, fragmented regulations and unclear processes create significant hurdles for CSOs. Serbia imposes restrictive licensing standards for social and legal services, often excluding CSOs from meaningful participation. Across the region, laws are not always accompanied by clear implementation frameworks, which limits their effectiveness.

In practice, CSOs face significant barriers to **fair competition**. Favoritism, lack of procedural clarity, and opaque funding processes are pervasive. In Kosovo, only 26.7% of surveyed CSOs perceive state contracts as fair, while Montenegro and Serbia report similar issues, with politically affiliated organizations often favored. Bosnia and Herzegovina's absence of a unified funding process further exacerbates inefficiencies. Despite legal provisions emphasizing transparency, such as those in North Macedonia and Albania, practical implementation remains weak. Public procurement and licensing processes are often criticized for being overly complex and inaccessible, particularly for smaller organizations.

**Licensing requirements** for CSOs are often overly burdensome, deterring many organizations from engaging in service provision. In Montenegro and Serbia, prolonged approval times and extensive documentation requirements create significant obstacles. In Bosnia and Herzegovina, inconsistent regulations further complicate the registration process for CSOs providing education and social services. These challenges disproportionately affect smaller organizations, limiting their capacity to compete.

### 3.3.2. State Funding and M&E of CSO-Provided Services

There are no major legal barriers to CSOs receiving public funding for service provision, whether through procurement or grant mechanisms, across the region. Laws in countries like Serbia, Kosovo, and Montenegro enable CSOs to access funds for a range of services, including social protection, health, and education. However, multi-year contracts are generally absent. Most funding is allocated on an annual basis, as seen in North Macedonia and Bosnia and Herzegovina (BiH), forcing CSOs to undergo repetitive application processes, even for ongoing services.

Regulatory provisions for **monitoring spending and service quality** are present in most countries, with mechanisms varying in their scope and transparency. For instance, Albania mandates inspections and reporting on expenditures and service quality, while Kosovo requires narrative and financial reports complemented by on-site monitoring. However, these processes often lack harmonization across sectors, as seen in BiH, where monitoring frameworks are fragmented and inconsistently applied.

In practice, funding provided to CSOs across the Western Balkans is rarely sufficient to cover both the costs of services and the associated institutional (overhead) costs. Kosovo stands out with relatively higher rates of timely payments, though 25% of CSOs report delays. Conversely, Serbia and BiH experience frequent funding delays, sometimes extending to the end of the fiscal year, creating operational disruptions for service providers. In Serbia, the lack of multi-year funding mechanisms exacerbates these challenges, compelling CSOs to pre-finance services or rely on other project budgets.

CSOs often face uncertainties regarding the **continuity of funding**, especially for services critical to vulnerable groups, such as safe houses in BiH. The absence of predictable funding mechanisms undermines the ability of CSOs to plan and sustain long-term service delivery. Additionally, funding allocated for CSOs is frequently insufficient to meet the growing demand for services, particularly in areas like housing and health care.

**Monitoring and evaluation mechanisms** for CSO service provision vary widely across the region. Kosovo demonstrates a structured approach, with designated monitoring officers conducting site visits and evaluating reports. Similarly, North Macedonia assigns oversight responsibilities to specialized institutions, such as the Institute for Social Affairs. However, in many cases, monitoring remains inconsistent or absent altogether. For instance, Serbia and BiH report limited evidence of systematic evaluation or feedback on service quality, even in sectors where CSOs hold formal contracts. In some instances, excessive monitoring or unclear standards create additional burdens for CSOs, as observed in **Kosovo** and **Serbia**, where inspection visits can be overly intrusive without clear evaluation criteria. This undermines the trust between CSOs and state authorities, further complicating the service delivery landscape.

The lack of multi-year funding contracts remains a significant barrier to sustainable service provision by CSOs. Annual contracts, as seen across the region, introduce administrative burdens and uncertainty, deterring long-term investments in service quality. Funding delays and insufficient allocations further exacerbate these challenges, particularly in Serbia and BiH. Moreover, while monitoring mechanisms are in place, their inconsistent application or excessive demands hinder CSO operations.

# Conclusions and recommendations

Civil society in the Western Balkans and Türkiye operates under increasing pressure, with its role as a cornerstone of democratic governance and the EU integration process mostly undermined. While conditions differ across the region, the overall civil society environment faces significant challenges in most countries and is particularly constrained in Serbia and Türkiye. This is a result of restrictive laws, state interference, weak financial viability, and limited opportunities for meaningful cooperation with governments in policy and decision-making processes. These persistent issues underscore the need for sustained efforts to protect the civil society and reinforce its vital role in driving democratic reforms and fostering regional stability.

**Legal guarantees for basic freedoms** (association, assembly, and expression) are increasingly undermined by restrictive practices posing significant threats to civil society. These include SLAPP lawsuits, threats of 'foreign agents' laws, smear campaigns, attacks on CSOs and activists, and cyber harassment. Legislative developments, such as foreign agents' laws in Republika Srpska and intensified foreign agents' narratives in Serbia and Türkiye represent a troubling trend that threatens fundamental freedoms and risks setting harmful precedents across the region. Moreover, AML/CFT regulations impose additional barriers, restricting CSOs' ability to function effectively and access banking services.

Addressing these challenges requires urgent action to align national legal frameworks with international standards, ensuring the protection of fundamental freedoms. Restrictive laws must be repealed, and measures adopted to safeguard activists and organizations from harassment and intimidation, and maintain a vibrant civil society. A risk-based approach to AML/CFT measures should be implemented to improve access to banking services without imposing undue restrictions. National governments should also review their legal frameworks to identify and address gaps in protecting CSOs from SLAPPs. This includes enacting anti-SLAPP laws and following the EU's Anti-SLAPP Directive and the Council of Europe's recommendations to prevent the abuse of the legal system.

**Financial viability and sustainability** remain a critical challenge for CSOs in the region. Fragile funding mechanisms, unclear taxation policies, burdensome VAT requirements, and an over-reliance on short-term project-based support undermine CSOs viability. While some progress is being made, such as efforts to improve laws on donations and sponsorships in certain countries, the absence of a cohesive and transparent approach continues to hinder CSOs' long-term resilience.

To address these issues, governments must establish transparent and accessible public funding mechanisms that prioritize institutional support over project-based funding. This shift will ensure CSOs' long-term sustainability and reduce their dependence on short-term funding cycles. Taxation policies need to be clarified, and burdens such as VAT costs alleviated to create an enabling financial environment for civil society. Centralized databases should also be established to track available and allocated funding, fostering transparency and efficiency in resource distribution. Additionally, finalizing and implementing supportive financial laws, such as the Law on Donations and Sponsorships in North Macedonia and the proposed Group Financing law in Serbia, is essential. These measures, combined with alleviating VAT burdens and ensuring transparent public funding, will strengthen the financial resilience of CSOs across the region.

**Effective CSO-state cooperation** remains a challenge, with many existing mechanisms either inactive or under-resourced, limiting the potential to foster meaningful partnerships. Institutionalized consultation mechanisms, cooperation platforms, and functional Councils for CSO-Government cooperation are essential to build trust and enable CSOs to contribute effectively to policymaking, particularly in areas such as reforms and EU integration processes. Strengthening these mechanisms requires governments to allocate adequate resources, systematically monitor their performance, and fully implement civil society strategies. Integrating CSOs into policymaking processes, particularly in reforms and broader developmental agendas, will foster trust and advance democratic progress.

To achieve this, governments must institutionalize systematic and meaningful consultation processes, ensuring CSOs' mandatory participation in EU integration and reform agendas through functional mechanisms in all countries. Furthermore, activating and adequately resourcing Cooperation Councils will enhance the implementation and monitoring of civil society strategies. By fostering structured, transparent dialogue and creating an environment conducive to collaboration, governments can strengthen partnerships with CSOs and harness their contributions to advance democratic reforms and broader developmental goals.

Despite operating in a partially enabling environment and increasingly facing pressures, civil society plays a pivotal role in advancing democratic governance and reform, and in driving the EU integration process of the WBT. Recognizing this, the EU must establish binding benchmarks to assess the enabling environment for civil society, including fundamental freedoms and financial viability, as integral elements of the enlargement process. These benchmarks would serve as critical indicators for measuring progress in creating a supportive and vibrant civic space, ensuring that civil society can operate freely and effectively. In addition to fostering collaboration, the EU should publicly condemn restrictive legislation and violations of civic freedoms in the region, ensuring that civil society organizations can work in an enabling environment both legally and in practice. Such clear and consistent messaging would underscore the EU's commitment to democratic principles and serve as a deterrent against further erosions of civic space, but also enhances the long-term sustainability and impact of reforms in the WBT.

# Annexes

## Monitoring Matrix Framework and Methodology

The Monitoring Matrix on Enabling Environment for Civil Society Development is a detailed theoretical framework based on international human rights and freedoms and regulatory practices of European countries and the EU. The framework is built around three core areas: Basic Legal Guarantees of Freedoms; Framework for CSOs' Financial Viability and Sustainability; Government – CSO Relationship, each divided in sub-areas. The areas are elaborated by standards, which are further specified through legal and practice indicators. For each indicator there is a clear guidance on the data gathering strategy which should be utilized by country researchers, including publicly available data, FoI requests, survey, focus groups and interviews, as well as relevant secondary sources.

The Monitoring Matrix is a comprehensive methodology, developed in 2013 and last revised in 2023, designed to assess the environment for CSOs in the Western Balkans and Türkiye against international standards. The Matrix operates on an annual reporting cycle which ensures a e systematic and comparable evaluation across the region and across years, helping stakeholders track progress or regression, identify gaps and emerging trends, and prioritize reforms.

The research undertaken aims to provide evidence on the enabling environment for civil society development and to influence the support of governments, the European Union and other donors towards more sustainable and strategic development of the sector. On national level, MM findings have been feeding national strategies for cooperation with and development of the sector and have directly supported the drafting of key laws. On European level, the MM findings have been consistently used in the EC Country reports of the Enlargement Package, and as of 2024 in the Rule of Law Report.

### Operationalization and Data collection

There are 3 areas, 8 sub-areas, 22 standards and 129 indicators defined in the monitoring methodology. The **legal indicators** are measured by coding the presence or absence of rules, costs, procedures and obligations enshrined in legal regulation (primary and secondary) and policy frameworks enacted in the respective countries. To assure standardization and comparability of the data gathering process regarding the **practice indicators**, country researchers follow a methodology plan in which each of the 80



indicators are further operationalized in concrete mandatory and additional data types (i.e. operationalized dimensions of a practice indicator) to be reported across the countries. The mandatory data types tap into the core building blocks of a practice indicator as described in the Monitoring Matrix Toolkit. They mandate the reporting of optimal information without which one could not be able to evaluate the respective indicator. The additional data (operationalized dimensions) specified for each practice indicator are reported if country researchers want to deepen and further illustrate specific practice indicator (e.g. via case study; see next section on country-specific notes on methodology).

The data gathering strategy for the practice indicators is tailored to match the mandatory data types specified in the methodology plan. For each indicator there is a clear guidance on the data gathering strategy (instruments and sources) which should be utilized by country researchers. The specified data gathering instruments and sources follow an implicit hierarchy, in which publicly available factual data (e.g. official statistics) are the most important source of data for assessing practice indicators, followed by survey data from civil society organizations, which in turn is followed by relevant secondary sources (e.g. from CSOs reports, Ombudsman and media). Finally, at the end of the hierarchy are focus groups and interview data, being subjective type of data, which covers smaller groups of respondents.

The two core-data gathering instruments for data gathering for the Monitoring Matrix exercise are survey and freedom of information (Fol) requests. For most of the indicators, further triangulation through secondary sources (CSO and international reports, media content etc.) is recommended. In addition to these instruments, an adequate number of focus groups and expert interviews should be conducted, to deepen the analysis.

**Fol requests** should be extensively used when public information and statistics on the state of civil society and their environment (primary factual data) are not readily available. This practice in itself is a 'pressure' towards institutions to increase transparency and produce relevant information on the state of CSOs and their environment. The researchers can draw from a detailed bank of Fol questions tailored to match the operationalized practice indicators.

The **survey questionnaire** collects information on CSOs' experiences and perceptions on the key aspects of the enabling environment for civil society. The organisational survey includes 42 questions matching the mandatory data types (operationalized dimensions) on basic rights and freedoms, organisational and financial sustainability, and civil society's cooperation with the state. The questionnaire dominantly consists of closed questions, and fewer follow-up open questions which require the respondents to elaborate on their experience. The same questionnaire is implemented across all countries, and only the formulation of few items is slightly adapted to the concrete country context to assure questions are understood by respondents. The data collected from the survey is confidential and used strictly on anonymous basis. Individual responses are not connected to the organizations which answered the survey and reported only in an aggregate form.

The survey is sent to lists of formal CSOs compiled and updated by country researchers on the basis of available registers or other alternative lists of active CSOs in the country. For a

successful survey which reflects the state of enabling environment in the country, the key aspect is creating a survey list which reflects the population of CSOs in the country. The list should be updated with new organizations on an annual level. If the researchers cannot update the list with organizations retrieved through official records, then they should map new actors in the policy process on local and national level. As per the sampling approach, using a mixed strategy of organizational-centered sampling involving the use of ready-made organizational lists (if available by state and/ or voluntary registers) and a policy-centered sampling involving organizations which are active in policymaking across policy fields is recommended.

**Focus groups** will primarily serve to provide an in-depth insight into the experiences and perspectives of CSOs. The survey will help in identifying key issues to be addressed and deeper explored through focus groups. There should be 3-5 focus groups organized in each country, with 8-12 people per FG, preferably including the following types of CSOs: Non-formal/Non-registered actors including grass-root organizations, Decentralized/Small organizations and/or outside the capital operating CSOs, Service-providing CSOs, CSOs involved in cooperation/consultation processes, cross-sector bodies (although this will be covered also as a horizontal issue in the rest of the FGs), and Gender, youth and/or environment organizations (or other sectors where the survey shows increased challenges). Gender issues should be part of all focus groups as a cross-cutting theme. Focus groups will serve also to check the findings on the enabling environment gathered through the survey, bringing in cases from practice when it comes to basic legal guarantees of freedoms, framework for CSOs' financial viability and sustainability, and CSO-government cooperation framework.

**Expert Interviews** will serve to get a more detailed perspective of relevant stakeholders on specific parts of the enabling environment, collect information on useful secondary data, and also get their insight into the more general civil society situation. There should be 10-15 expert interviews conducted per country with the following stakeholders: CSOs or think-tanks dealing with enabling environment issues, Media associations or CSOs dealing with freedom of expression, CSOs with expertise on Tax/fiscal framework and practices, National level umbrella or representative body on issues such as volunteerism, (if applicable), and National banking association representative. The interviews will deepen the findings on enabling environment, and also help in identifying key challenges and needs of civil society. In addition to the guiding questions provided, researchers can formulate additional questions that capture contextual developments in the country.

## Data analysis and interpretation

To analyse and interpret the data, country researchers use a unified data collection template which provides the indicators description (including the mandatory and additional data types for the practice indicators) and five category descriptions ranging from fully enabling to fully disabling environment provided under each indicator. The five category descriptions are specified for each legal and practice indicator in the Monitoring

Matrix Toolkit, to enable researchers – based on the reported data – to choose one code (score) which most accurately summarizes the state of enabling environment concerning the respective indicator. In a first step, the researcher reports the required data types collected through different sources in the template box. For example, they report factual data from primary sources complemented with descriptive statistics or cross tabulations based on survey data. In a second step, they choose one of five category descriptions specified for the respective indicator which best illustrates the reported data. The categories enable unified comparison of findings on the level of indicators across all country reports.

The system was created to address the need for ‘compressed’ and effective visual communication of findings and a systematic presentation of the changes in the enabling environment for CSDev in terms of standards across countries and years. It does not replace, but rather complements the qualitative assessment, as the narrative country reports are the basis on which categorization is conducted. In this context, the Monitoring Matrix online platform has also been updated and redesigned to be more user-friendly and assist in the achieving of the goals of the Monitoring Matrix, i.e. enable a more practical and efficient method for tracking the enabling environment for CSDev, as well as help in the drawing of comparisons between the countries in the region.

