

# STATE FUNDING FOR CSOs

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## **DIRECT FUNDING**

- Funding for special organizations – direct budget subsidies
- Funding for programs/projects - budget grants
- Funding for provision of services – procurement, social contracting, vouchers, etc.
- Percentage mechanism



## GRANTS VS. PROCUREMENT

- **Grants:**
  - The government outlines a set of objectives and policies that need to be implemented without indicating the means to achieve them
  - NGOs formulate ideas on how best to achieve the state-targeted goal in their project
- **Service procurement:**
  - The state knows exactly what it wants to buy
  - The service is clearly defined and measurable
  - The provider gets paid to deliver the service



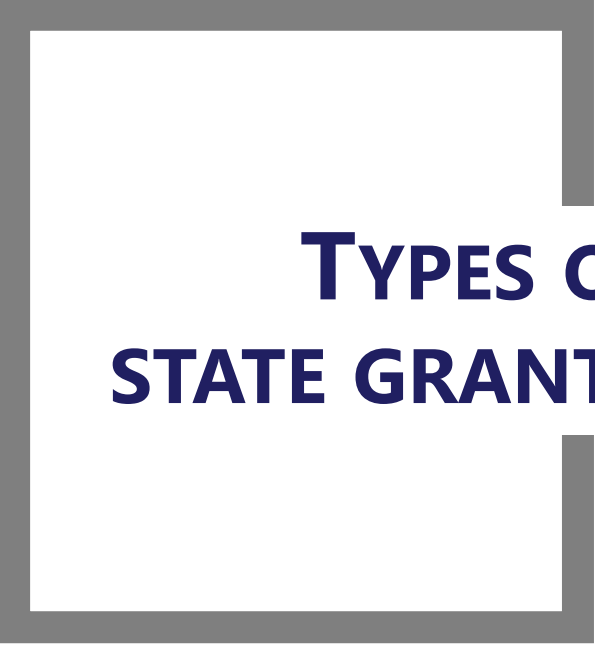
## **SOCIAL CONTRACTING**

The state delegates the provision of public services to private entities. However the state keeps its responsibilities and its role in terms of:

- Funding;
- Control on the expenditures;
- Control on the quality of the service;
- Monitoring the activity of the service provider.

A large green circle with a thick border, centered on the page. Inside the circle, the word "GRANTS" is written in a bold, grey, sans-serif font.

# GRANTS



## TYPES OF STATE GRANTS

- Direct subsidies vs. **Competitive procedures**
- Centralized vs. **Decentralized**
- National and Local



**WHAT IS  
FUNDED?**

## **General civil society:**

- Strengthening the sustainability of civil society organizations (Albania);
- Innovative civil society projects or important events e.g. National NGO Conference, Volunteer Awards (Estonia);
- Development of democratization, active citizenship and the community (Croatia);
- Projects leading to social innovation (Bulgaria);
- Fundraising (Hungary);
- Strengthening national coalitions (Latvia, Czech Rep.)

## **Thematic:**

- People with disabilities, culture, education, the social area, protecting the environment, etc.



**COUNTRY  
EXAMPLES**

- **Estonia**
  - Special entity - Estonian Foundation for Civil Society
  - Ministry budgets
- **Serbia**
  - Budget line 481
- **Bulgaria:**
  - Ministry budgets (e.g. the Ministry of Youth and Sports)
  - New competitive mechanism through the Civil Society Development Council





## REGULATION

- “The criteria for determining the level of public funds available for each association must be objective and non-discriminatory, and clearly stated in laws and/or regulations that are publicly available and accessible.” (point 208; Joint Guidelines)
- A separate law (Georgia)
- A legal provision in a law:
  - Law on Associations (Serbia) or the NGO Law (Bulgaria)
  - Law on State Budget (Bulgaria)
  - The Law on the National Foundation (Croatia)
  - The Gambling Tax Act (Estonia); Law on Gambling (Bulgaria)
  - Specialized laws –domestic violence; culture (Bulgaria).
- A Regulation (based on the legal provision):
  - Annually adopted (Croatian regulation on games of chance revenue)
  - General (Croatian Regulation on financing projects)
  - Thematic (Rules of the Culture Fund Bulgaria)



## WHY CLEAR REGULATION IS NEEDED?

- **Budget line 481** (Serbia)
  - It is for all types of CSOs including sports organizations, political parties, churches, etc.
  - No transparency how organizations or activities are selected for funding
- **Games of Chance Regulation** (Croatia)
  - Changed annually
  - In 2016 protests and terminated projects
- **Responsible Gambling** (Bulgaria)
  - Collection of funds by 31 March
  - Announcement for projects until the end of May
  - Reporting in November

# ODIHR/VENICE COMMISSION JOINT GUIDELINES

- "Any form of public support for NGOs should be governed by **clear and objective criteria.**" (58)
- "Associations should be **involved** in the drafting of legislation and policies on state funding and support." (207)
- "State bodies providing funding to an association should not deprive it of its **independence.**" (215)
- "Public funding should be allocated through a **transparent procedure** and be accompanied by a broad informational campaign delivered to all potentially interested associations." (211)
- "State authorities should **inform the public** about the allocation of funds by providing data on the beneficiaries and the quantities of funding allocated to each, as well as on the purpose for which the funding has been used." (209)
- "Reporting requirements relating to public support **should not be too burdensome** and, at the very least, should be **proportionate** to the level of public support received." (214)
- "States may also establish mechanisms that allow for **long-term funding**, the covering of real costs of produced services or implemented projects, or the covering of **institutional support** provided to associations." (210)



## **IMPORTANT ISSUES**

- Centralization of funding
- Funding priorities
- Types of grants:
  - Institutional vs. project funding
  - Long-term vs. short-term
- Proportionality of administrative requirements
- Payment (advances, own contribution, etc.)



# THANK YOU!

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