

THE FUTURE OF EU SUPPORT TO CIVIL SOCIETY



IPA III: WHAT IS NEW AND WHAT IS MISSING?

The EU supports the reforms in the enlargement countries with financial and technical assistance. The main framework through which such support is provided is the Instrument for Pre-Accession Assistance (IPA) which “helps the beneficiaries make political and economic reforms, preparing them for the rights and obligations that come with EU membership.”¹ The current EU assistance has its legislative basis established with Regulation (EU) No 231/2014 of the European Parliament and of the Council establishing an Instrument for Pre-Accession Assistance (IPA II) for the period 2014-2020, which expires on 31 December 2020. In continuation of the accession support, a proposal for a new Regulation on IPA III, which will be the framework for the planning and delivering assistance for the period 2021-2027, is currently in preparation.²

The IPA III will continue to support the beneficiary countries in adopting and

implementing the political, institutional, legal, administrative, social and economic reforms, with main priorities set out in the EC medium-term enlargement strategy from November 2015. In addition to these priorities already included in IPA II, other key issues such as migration, security, environmental protection and climate change are more visibly addressed in the proposal. The proposed budget for the IPA III is 14.5 billion for the 2021-2027 period, which is an increase from the previous IPA II budget of EUR 11.7 billion.

The biggest novelty of the IPA III is in the Programming framework where there is a shift from the principle of ‘fair share’ of partner allocations to the principle of performance; from 2021, “access to funds should be based on criteria such as project/programme maturity, expected impact and progress on the rule of law, fundamental rights and governance.” This simply means that the IPA III will be equipped with the tools to provide a financial reward for good progress done in the EU integration reforms of a country, and “penalty” for lack of progress or backsliding.

¹ https://ec.europa.eu/neighbourhood-enlargement/instruments/overview_en

² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018PC0465>

MAKING EU SUPPORT TO CIVIL SOCIETY MORE EFFECTIVE

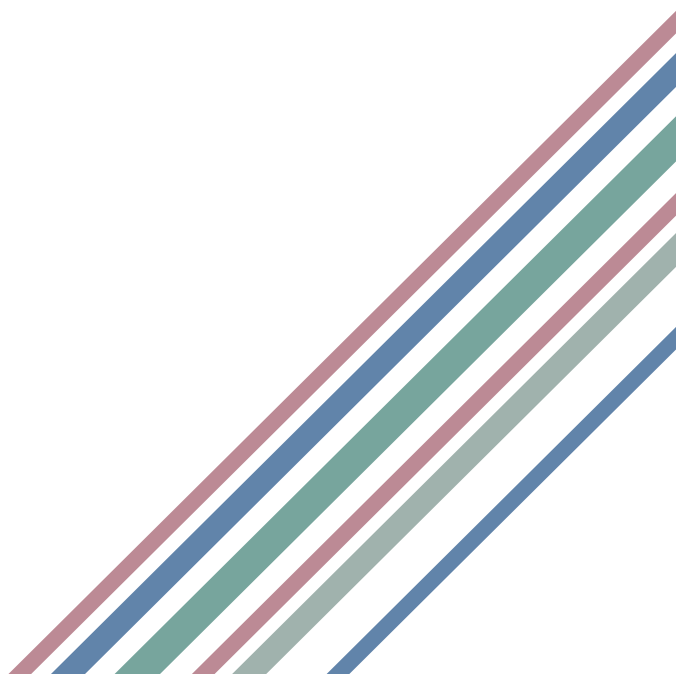
The IPA III does not bring much novelty in regards to **civil society**. Similarly to the previous IPA II, it calls for “the role of civil society to be enhanced both in programmes implemented through government bodies and as a direct beneficiary of Union assistance”. Where previously it was the *development*, now it is the **strengthening** of civil society that is among the IPA III specific objectives, and “strengthening the capacities of CSOs and social partners' organizations” is again among the thematic priorities.

The way IPA III addresses civil society does not seem to acknowledge sufficiently that an **enabling environment and free civic space is crucial for civil society** to continue “to play constructive role in supporting democratic processes and ensuring greater checks and balances.”

Currently, the trend of shrinking of civic space threatens the strengthening of the democracies in the countries of the region, which is why the **new Regulation establishing the IPA should provide clear basis for defending the civic space and for responding to its immediate threats**. Investment in civic education, more enabling environment, civil society infrastructure and joint action would be crucial to achieve this.

An effective **response to the shrinking of civic space** could be provided through applying the newly introduced principle of performance to support civil society action. **Instead of simply withdrawing allocations from countries that regress in their democratic development, the funds could be re-allocated as civil society support aimed at fighting back democratic backsliding in the same country.**

While doing this, the EU can still make a strong political message and ‘punish’ unacceptable government behavior, without penalizing the whole society. Furthermore, in a situation of increasing undemocratic and illiberal sentiments, and - what it seems - decreasing transformative power of EU, introducing such response mechanism to support civil society resilience, might be the long-term investment the EU is looking for in safeguarding rule of law and good governance in the enlargement countries.



In order to provide a more **strategic and effective support to civil society** under the IPA III, the EU should take into account the previous results achieved under The Guidelines for EU support to civil society in Enlargement countries, 2014-2020. The new *Guidelines for the 2021-2027 period* should have clearly defined priorities of what the EU assistance aims to achieve in the upcoming period, and a clear results oriented framework focused on quality of practice, rather than quantitative indicators. The preparations of Guidelines as well as the programming of the EU assistance to the civil society for the 2021-2027 period should have in mind **the needs of the final beneficiaries** and therefore should be done in **close consultation with civil society**.

Such consultations should also be **key to improve the effectiveness of the support**. Through IPA I and IPA II, CSOs have received substantial amount of EU funds, and by implementing EU funded projects, they have gathered extensive experience that can significantly improve the effectiveness and impact of EU funding in the region. Their lessons learned should be taken into consideration in the process of the programming, especially in regards to the **challenges faced with implementation and reporting**.

IPA II LESSONS LEARNED FROM IMPLEMENTATION & RECOMMENDATIONS

Below are some of the main issues and lessons learned emphasized by BCSDN members across the Western Balkans which have been implementing national and/or regional projects within the IPA 2014-2020.

Sub-granting was a positive novelty introduced with the IPA II that allowed EU funds to reach small and grassroots organization (which otherwise did not have access to EU funds), and to cover a wide geographical distribution throughout the countries. However, in most countries sub-granting was applied in all the grant schemes, often without clear definition of sub-granting rules and proper understanding by the EU delegations, which resulted in many challenges in implementation, undermining its purpose. In order for the sub-granting to be more effective and successful, the planning of sub-granting within the new IPA 2021-2027 should take into account the experience and lessons learnt of civil society, and provide clear guidance for both the civil society and the EU delegations staff to avoid different interpretations.

The most pressing issues reported by CSOs that have implemented sub-granting schemes are around the following issues that needs to be addressed with the new IPA III:

- The **definition of targeted CSOs** (e.g. grassroots) has to be more clear, to avoid arbitrary homogenization of groups of CSOs which are not necessarily at the same level of development, capacities and needs;

- The **period for implementation** of the sub granting scheme needs to be longer in order to provide effects and be cost-effective;

- Better **selection of intermediary organizations** - it should take into account the grant management capacities rather than only the CSO's thematic expertise);

- Bigger **flexibility of implementation rules** for intermediary organizations, in terms of: timeline (to address disturbance in the project realization often due to external political factors); financial management (possibility of urgent advance installments for the purpose of sub-granting; possibility for re-allocation of unspent funds by sub-grantees); possibility for the intermediary organizations to implement direct activities and contribute with their expertise in the related field.

- The **rules of co-funding** have to be clear and applicable also to the sub-grantees (not just the intermediary CSOs managing sub-granting schemes), and should recognize in-kind contributions and voluntary work. In a situation where other donors do not support sub-granting, securing co-funding funds is very challenging for the intermediary CSOs;

- Better **definition of reporting rules**, taking into consideration the principle of proportionality, that should also be reflected in the reporting procedures of the intermediary organization. Currently, the discrepancies between reporting rules for sub-grantees and intermediary organizations create problems in the final project reporting.

Finally, the monitoring of the environment in which civil society in the region operates shows that there is a **need for operational grants, in order to ensure CSOs' resilience and sustainability**. With very limited core funding available, traditionally insufficient culture of philanthropy and project-driven donor funding, developing CSOs' own capacities and securing funding for continuous independent monitoring activities has become difficult especially in times of shrinking civic space.

BCSDN Position on the Proposal for a Regulation of the European Parliament and of the Council establishing the Instrument for Pre-Accession Assistance (IPA III)

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