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signed by Mr Jordi AYET PUIGARNAU, Director

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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL  
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**The roots of democracy and sustainable development: Europe's engagement with Civil  
Society in external relations**

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**The roots of democracy and sustainable development: Europe's engagement with Civil  
Society in external relations**

**1. BACKGROUND**

**1.1. The importance of Civil Society**

An empowered civil society is a crucial component of any democratic system and is an asset in itself. It represents and fosters pluralism and can contribute to more effective policies, equitable and sustainable development and inclusive growth. It is an important player in fostering peace and in conflict resolution. By articulating citizens' concerns, civil society organisations (CSOs) are active in the public arena, engaging in initiatives to further participatory democracy. They embody a growing demand for transparent and accountable governance.

While states carry the primary responsibility for development and democratic governance, synergies between states and CSOs can help overcome challenges of poverty, widening inequalities, social exclusion and unsustainable development. CSOs' participation in policy processes is key to ensuring inclusive and effective policies. CSOs therefore contribute to building more accountable and legitimate states, leading to enhanced social cohesion and more open and deeper democracies.

**1.2. What the EU means by CSOs**

The concept of "CSOs" embraces a wide range of actors with different roles and mandates. Definitions vary over time and across institutions and countries. The EU considers CSOs to include all non-State, not-for-profit structures<sup>1</sup>, non-partisan and non-violent, through which people organise to pursue shared objectives and ideals, whether political, cultural, social or economic. Operating from the local to the national, regional and international levels, they comprise urban and rural, formal and informal organisations. The EU values CSOs' diversity and specificities; it engages with accountable and transparent CSOs which share its commitment to social progress and to the fundamental values of peace, freedom, equal rights and human dignity.

**1.3. A changing landscape**

The last decade has witnessed contrasting developments. CSOs are now widely recognised as development actors in their own right. They have increased in number and respond to new social bases, building coalitions at all levels. CSOs stand out thanks to their capacity to reach

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<sup>1</sup> They include membership-based, cause-based and service-oriented CSOs. Among them, community-based organisations, non-governmental organisations, faith-based organisations, foundations, research institutions, Gender and LGBT organisations, cooperatives, professional and business associations, and the not-for-profit media. Trade unions and employers' organisations, the so-called social partners, constitute a specific category of CSOs.

out to, empower, represent and defend vulnerable and socially excluded groups, and trigger social innovation. Against this background, governments in several countries have strengthened their engagement with CSOs.

Yet the relationship between states and CSOs is often delicate. A limited tradition of dialogue still prevails in many countries and far too often the space for civil society remains narrow or is shrinking, with severe restrictions applied. In many contexts, CSOs focused on human rights and advocacy, including women's organisations, face limitations in their opportunities to work and to secure funding.

On their side, CSOs may face challenges of representativeness, transparency, internal governance and capacity, dependency on international donors as well as competition over resources, exacerbated by the economic crisis. Furthermore, new and more fluid forms of citizens and youth actions are on the rise: the "Arab Spring" and the "Occupy" movements highlight the potential of social and cultural *movements* as agents for change. The space and opportunities opened up by the Internet and the social media are also playing a substantial role in driving this change.

## 2. A RENEWED EU RESPONSE

In light of this context, the Commission proposes an enhanced and more strategic approach in its engagement with local CSOs covering all regions, including developing, neighbourhood and enlargement countries. Due consideration will be given to country-specificities, particularly in highly volatile political contexts.

The EU gives value to a dynamic, pluralistic and competent civil society and recognizes the importance of constructive relations between states and CSOs. Therefore the emphasis of the EU policy will be on CSOs' engagement to build stronger democratic processes and accountability systems and to achieve better development outcomes<sup>2</sup>.

This Communication puts forward three priorities for EU support:

- **To enhance efforts to promote a conducive environment for CSOs in partner countries.**
- **To promote a meaningful and structured participation of CSOs in domestic policies of partner countries, in the EU programming cycle and in international processes.**
- **To increase local CSOs' capacity to perform their roles as independent development actors more effectively.**

At the operational level, while the principles of concentration and differentiation<sup>3</sup> will be taken into account, a more strategic engagement with CSOs will be mainstreamed in all instruments and programmes and in all sectors of cooperation.

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<sup>2</sup> Since the 1970s the EU has progressively engaged with CSOs through participatory policy frameworks and support schemes focusing on their participation in EU programming. This approach was reflected in the last Communication (COM (2002) 598 final) on the participation of Non State Actors in EC Development Policy.

<sup>3</sup> As proposed in the new EU policy for development (the "Agenda for Change"), EU bilateral development cooperation will be concentrated in a maximum of three sectors in each partner country and resources will be

The EU will support the implementation of the provisions of this Communication also through its political and policy dialogues with partner countries.

The elaboration of *EU roadmaps for engagement with CSOs*<sup>4</sup> at country level should activate and ensure structured dialogue and strategic cooperation, increasing consistency and impact of EU actions.

The new policy is based on the results of the worldwide “*Structured Dialogue on the involvement of CSOs and Local Authorities in EU development cooperation*”<sup>5</sup> (2010 – 2011). The initiative allowed for a thorough revision of the multifaceted partnership with CSOs – spanning from policy and strategic aspects to operational and funding issues. It resulted in a shared vision on a more ambitious and coherent EU engagement with CSOs.

Additionally, this Communication further develops the provisions relating to CSOs contained in the new *Agenda for Change*<sup>6</sup> and takes account of the renewed *European Neighbourhood Policy*<sup>7</sup>, the recent *Enlargement strategies*<sup>8</sup> and statements on *EU Budget support to Third Countries*<sup>9</sup>, together with international commitments under the 2011 *Busan Partnership on Effective Development Cooperation*<sup>10</sup>. It also integrates the results of the online consultation on “Civil Society Organisations in development cooperation”<sup>11</sup>.

### 3. PROMOTING AN ENABLING ENVIRONMENT

The ability of CSOs to participate in different domains of public life depends on a set of pre-conditions commonly referred to as the “CSO enabling environment”, for which different actors carry responsibility.

To operate, CSOs need a functioning democratic legal and judicial system – giving them the *de jure* and *de facto* right to associate and secure funding, coupled with freedom of expression, access to information and participation in public life. The primary responsibility to ensure these basic conditions lies with the state.

Yet many countries lack favourable legal and regulatory frameworks to guarantee CSOs the right to operate independently and free from unwarranted interference. In some countries governments fail to recognise the role of CSOs. As a result, CSOs often face restrictions regarding the legal and policy frameworks within which they work, attempts to discredit or criminalise them, constraints on access to funds, intimidation and even physical harassment, detention and violent attacks.

In this context, the international community, the EU included, has a duty to advocate for a space to operate for both CSOs and individuals. The EU should lead by example, creating

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targeted at the ones most in need, including those in situations of fragility, and where they can have the greatest development impact in terms of poverty reduction.

<sup>4</sup> See section 4.5

<sup>5</sup> Structured Dialogue: [http://ec.europa.eu/europeaid/who/partners/civil-society/structured-dialogue\\_en.htm](http://ec.europa.eu/europeaid/who/partners/civil-society/structured-dialogue_en.htm)

<sup>6</sup> COM (2011) 637, Council Conclusions 9316/12

<sup>7</sup> COM (2011) 303

<sup>8</sup> COM (2010) 660

<sup>9</sup> COM (2011) 638, Council Conclusions 9323/12

<sup>10</sup> [http://www.aideffectiveness.org/busanhlf4/images/stories/hlf4/OUTCOME\\_DOCUMENT\\_-\\_FINAL\\_EN.pdf](http://www.aideffectiveness.org/busanhlf4/images/stories/hlf4/OUTCOME_DOCUMENT_-_FINAL_EN.pdf)

<sup>11</sup> DEVCO 'Have Your Say' (2012): [http://ec.europa.eu/europeaid/how/public-consultations/6405\\_en.htm](http://ec.europa.eu/europeaid/how/public-consultations/6405_en.htm)

peer pressure through diplomacy and political dialogue with governments and by publicly raising human rights concerns.

The EU has been at the forefront of developing stronger standards and mechanisms for the promotion and protection of human rights at the United Nations, the Council of Europe and the OSCE. The EU will strengthen its efforts to monitor legislation, regulations and operational issues which may affect CSOs, in accordance with international commitments. In parallel, the EU will promote CSO-led initiatives and support international arrangements to promote and monitor an enabling environment for CSOs<sup>12</sup>.

The EU will continue to take action and measures in countries where the government fails to recognise civil society with consequences of human rights violations. When countries loosen their commitment to human rights and fundamental values, the EU can suspend cooperation with national authorities and strengthen its support to local populations through CSOs.

After the Jasmine Revolution in **Tunisia**, a support programme for economic recovery was made available to the Government on condition that it adopted a new law on freedom of association. This law amended conditions used by the previous regime to control this freedom.

In its cooperation with partner governments, the EU will seek to scale up public authorities' capacity to work constructively with civil society, increasing trust and competencies to build up dialogue and opportunities for partnerships. The EU will continue to offer advice and support in strengthening democratic institutions and reforms, also by improving the capacity of policy makers and civil servants to work with CSOs.

The EU sees an essential role for independent media, including social media. They contribute to an open society based on dialogue, cultural diversity and critical reflection, and increase the accountability of both governments and CSOs.

Indirectly, CSOs also have a role to play, particularly in ensuring their independence from the State, their representativeness and internal governance, transparency and accountability. As development actors, CSOs share the responsibility to demonstrate the results of their actions, in particular to their constituencies. Various self-regulatory initiatives are gaining international recognition, such as the *Istanbul CSOs Development Effectiveness Principles* and other actor-specific charters of accountability or national codes of conduct. The EU encourages further efforts in this area.

#### **4. A STRONG FOCUS AT COUNTRY LEVEL**

The contribution of local CSOs as partners in dialogue and in oversight will be at the heart of future EU engagement. The EU believes in the value of CSOs' participation in domestic policies, and is committed to promoting it.

Support to CSOs as service providers, which in the past was particularly sustained by the EU, will be fine-tuned. Wherever possible, it should be framed in collaborative *multi-actor partnerships* coordinated with national authorities, with the long term objective of promoting more accountable, effective and sustainable systems at the service of populations. In addition, CSOs' initiatives can be supported when addressing issues that do not receive adequate

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<sup>12</sup> See also the Busan Partnership Document referenced in footnote 10.

consideration within national policies but are key to social progress and reflect human rights concerns as well as sustainable development issues.

Furthermore, initiatives and innovations for promoting equitable and sustainable growth put forward by CSOs will also be supported.

Countries in context of fragility, in crisis or in post conflict situation deserve a specific approach. The EU recognises an essential role for CSOs in the peace and security agenda, particularly in conflict prevention, peace-building and state-building.

The EU has been at the forefront of promoting CSOs participation in EU programming phases. This approach has been progressively embraced, notably in the African, Caribbean and Pacific countries, following the Cotonou Agreement provisions in this regard. Further efforts should be made to consolidate the practice in all regions.

#### **4.1. Inclusive policy-making for better governance**

Civil society participation in public policy processes and in policy dialogues leads to inclusive and effective policies, if conjugated with adequate allocation of resources and sound management. CSOs participation is a key factor in devising policies that meet people's needs. Governments can benefit from the constructive participation of CSOs in the development, implementation and monitoring of national strategies, at all levels. The political will of public authorities to engage is crucial and the EU will encourage actions to progress in this direction.

The EU will invest more in promoting, supporting and monitoring effective mechanisms for result-oriented dialogues, emphasising their multi-stakeholder dimension. National or sectoral policy dialogues should include all concerned actors, such as CSOs and the private sector where relevant, and partner governments, local authorities, parliaments and other national institutions.

To be meaningful, dialogue must be timely, predictable and transparent. In turn, for a policy process to be credible, CSOs must be independent, representative and competent.

Supported by a multi-donor pooled funding mechanism co-funded by the EU, CSOs in **Ghana** actively contribute to the Public Interest and Accountability Committee which monitors and reports on oil and gas revenues, which are of increasing importance. Through consultations, proposals and presentations to the relevant Parliamentary Committee, CSOs have been successful in influencing the drafting of important energy legislation. They are now monitoring implementation, raising awareness and calling the government to account over possible infringements.

Dialogue schemes are specific to each country, to the sector, and to the actors involved. For example, trade unions' and employers' organisations work are intrinsically linked to independent social dialogue, including with national authorities on policies affecting the labour market.

At the local level, dialogue mechanisms between CSOs and local authorities should be promoted, as they guarantee useful entry points for policy input in decentralised contexts. This enhances the responsiveness of national policies to local realities. CSOs can also help mobilise local resources and social capital, share information and bring marginalised groups into play, thus helping improve local governance and territorial cohesion.

The FLEGT (**Forest Law Enforcement, Governance and Trade**) voluntary partnership agreements are bilateral trade agreements aimed at guaranteeing the legality of timber exported to the EU and supporting



developing countries in improving forest governance. FLEGT fosters dialogue among the stakeholders in partner countries, allowing CSOs to actively help pinpoint governance challenges, help develop the necessary regulatory and technical measures, and monitor VPA implementation. In Indonesia, CSOs found that FLEGT empowered them "to be deeply involved instead of feeling dictated to by government and big business."

#### **4.2. Domestic transparency and accountability**

Poor governance constrains development. The ability to hold those who govern to account is crucial for better governance. In democratic systems it is the prime responsibility of parliaments to hold governments to account; CSOs can also play a role in boosting domestic accountability at local and national levels through a free, clear, accessible flow of information. They can contribute to nurturing respect for the rule of law by monitoring effective implementation of laws and policies and they can initiate and support anti-corruption efforts.

By analysing and contributing to budget proposals, monitoring and tracking public revenues and expenditures, and supporting citizens' budget literacy, CSOs play an important role in the budget processes, helping to ensure that public resources are used effectively and efficiently. Linking the budget to the population's priorities, needs and human rights can increase the impact on poverty reduction and inclusive growth.

The EU should step up support to country-led efforts to strengthen domestic accountability systems, promoting CSOs' role in oversight, alongside parliaments, supreme audit institutions, public procurement monitoring agencies and the media. The EU will support CSO capacities to engage effectively in these systems with a long term perspective, including at local level where a wealth of diverse and innovative approaches is emerging in the area of "social accountability", including through the use of new technologies.

In line with the recent Communication *The Future Approach to EU Budget Support to Third Countries* (2011), when using budget support the EU should pay particular attention to systematically facilitating CSOs' oversight role. The new eligibility criterion on "transparency and oversight of the budget" will focus on the timely availability of comprehensive and sound budgetary information with which CSOs can better hold decision makers to account.

In **Morocco** the EU provided support to two CSOs, a foundation and a research centre, to enhance the involvement of parliamentarians of different political groups in budgetary processes and reform. Through research and trainings, the CSOs have successfully supported parliamentarians in better understanding budgetary issues, enhancing their involvement in reform of the finance law.

#### **4.3. Social services: partnerships for better quality**

Ensuring effective provision of social services - including health, education and social protection - is the responsibility of governments, whether on central or local level, depending on the institutional framework of the country. Beyond the provision of services, states assume responsibility for their oversight, regulation and quality. They may choose to work through a wide array of organisational arrangements, from participatory schemes to public-private partnerships.

CSOs play an important role in service delivery, complementing local and national government provision and piloting innovative projects. Their capacity to identify needs, address neglected issues and human rights concerns, and mainstream services to populations that are socially excluded or out of reach is particularly important.

The overarching objective of the EU in the realm of social services is to support the capacity of public authorities to build sustainable and quality systems for the benefit of population. The EU sees a value in CSOs participation in multi-actor partnerships, particularly in sectors benefitting from EU bilateral cooperation, as a way of promoting a coordinated approach in planning and delivering services. This is relevant also in relation to the emerging role of the private sector in this field. In the long term, the EU encourages funding mechanisms supporting local CSOs in service delivery to be progressively integrated in national systems, underpinned by solid and transparent regulatory frameworks guaranteeing equity of access. To limit fragmentation and duplications, coordination should be sought at all levels.

Direct support to CSOs in service delivery could be provided to ensure disenfranchised groups can access basic services, or to complement the actions of underperforming or absent public authorities, particularly in least developed countries. This is particularly needed in fragile contexts, in conflict and in crisis situations.

In **Somaliland**<sup>13</sup> the EU and other donors supported two European CSOs to establish a regional veterinary training institution. Through a bottom-up approach and using an innovative learning approach, it has educated a new generation of veterinary professionals to addresses the specific needs of the Somali livestock industry. Despite the fragile context, it is now a well-established tertiary education institution with affiliations with European and African institutions.

#### **4.4. CSOs' work for inclusive and sustainable growth**

CSOs have increasingly become active players in the economic realm, with initiatives having an impact on local economy or by monitoring repercussions of national and international economic policies. The EU has long supported the "social economy"<sup>14</sup>, which focuses on achieving social impact rather than profit only. Associations of cooperatives, foundations and NGOs are particularly active in promoting entrepreneurship and job creations by mobilising grassroots communities, delivering services and stimulating income generating activities for the poor and marginalised. In the same vein, in Rio+20 the EU supported references to CSOs as active players for an inclusive green economy, putting emphasis on the importance of including both social and environmental factors in stimulating economic growth.

The EU will support CSO initiatives and partnerships which combine social and economic ambitions, in sectors such as rural development, food security, tourism and culture, environment and energy, among others. Particular attention should be given to job creation and entrepreneurship responsive to community needs, stimulating local economic growth in an inclusive and sustainable manner.

In **Brazil**, the EU supported a local CSO to promote the social and economic inclusion of waste collectors through a Network, providing literacy, vocational and management skills training, environmental education on recycling, and technical assistance (in administration, accounting, marketing, etc.) for their cooperatives. This increases individual incomes, reduces illiteracy, and opens access to social protection. In 2012, this project won the Brazilian National Prize for Millennium Development Goal 1.

The EU will also support innovative schemes to extend access to financial services to those who are excluded from traditional banking systems, particularly women.

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<sup>13</sup> This designation is without prejudice to positions on status.

<sup>14</sup> See *Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation* (2012): [http://ec.europa.eu/internal\\_market/social\\_business/docs/COM2011\\_682\\_en.pdf](http://ec.europa.eu/internal_market/social_business/docs/COM2011_682_en.pdf)

Attention will also be given to CSOs work to promote and monitor corporate social responsibility, ethical and sustainable business models and the decent work agenda, public-private partnerships, fair trade, and actions aimed at equitable access to natural resources and land.

#### **4.5. EU roadmaps for engagement with CSOs**

The EU and the Member States should develop country *roadmaps for engagement with CSOs*, to improve the impact, predictability and visibility of EU actions, ensuring consistency and synergy throughout the various sectors covered by EU external relations. These roadmaps are also meant to trigger coordination and sharing of best practices with the Member States and other international actors, including for simplification and harmonisation of funding requirements.

Roadmaps should be based on a sound understanding of the CSOs arena and the wider socio-economic context in which they operate<sup>15</sup>. This is a prerequisite for a more strategic engagement of the EU at country level, particularly if relevant stakeholders have to be identified in order to establish or facilitate effective and meaningful dialogue schemes.

The roadmaps should identify long term objectives of EU cooperation with CSOs and encompass dialogue as well as operational support, identifying appropriate working modalities. This exercise should be linked to the programming of EU external assistance, namely bilateral, regional and thematic cooperation. The human rights country strategies currently being developed by the EU will be an important reference.

The roadmaps should be developed taking into account the views of civil society, be regularly updated and where appropriate, made publicly available and shared with national authorities.

### **5. CSOs IN REGIONAL AND GLOBAL SETTINGS**

The last decades have seen the rise of international activist groups advocating for and promoting multilateral norms and standards and engaging in global networks and worldwide campaigns. These cover issues such as trade, global justice, human rights, the environment, climate change, transparency, global health and effective development cooperation. The evolution of information and communications technology has played a key role in the growth and changing role of transnational networks.

Organisations, networks and alliances acting at the regional and global levels will be supported in tackling transnational and global challenges.

The EU will also support CSOs active at the European and global levels which, in cooperation and partnership with local CSOs, act to monitor policy coherence for development, holding the international community to account for delivering on aid commitments and contribute to the promotion of global citizens' awareness<sup>16</sup>.

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<sup>15</sup> Regular and participatory mappings are recommended, covering the diversity of actors and including networks and platforms at national/sector levels.

<sup>16</sup> In Europe, this is strongly supported by the Commission with a specific actor-based programme on Development Education and Awareness Raising (DEAR).

At the EU level, particular attention is given to CSOs dialogue with European institutions. In addition to existing mechanisms for consultations on policies and programmes the Commission will set up a consultative multi-stakeholder group allowing CSOs and relevant development actors to dialogue with the EU institutions on EU development policies, as well as on the provisions proposed in this Communication.

## **6. SHAPING EU SUPPORT**

### **6.1. Capacity development in the spotlight**

In order to increase their impact, local CSOs must overcome capacity constraints ranging from limitations in technical management and leadership skills, fundraising, to results management and issues of internal governance.

The EU will reinforce its support to the capacity development of CSOs, particularly local actors, as part of a long-term, demand-driven and flexible approach, giving particular consideration to constituency building and representativeness.

The EU will also support long-term and equitable partnerships for capacity development between local and European CSOs. These should be based on local demand, include mentoring and coaching, peer learning, networking, and building of linkages from the local to the global level.

### **6.2. Funding adapted to local needs**

Tailored funding constitutes an important component of the EU's engagement with CSOs and should allow better access for local organisations. The Commission will use an appropriate mix of funding modalities<sup>17</sup> so as to best respond to the widest possible range of actors, needs and country contexts in a flexible, transparent, cost-effective and result focused manner.

In the **Western Balkans and Turkey** the EU is supporting regional networks of CSOs through Framework Partnership Agreements. This allows for a more flexible, long-term programmatic approach, supporting CSOs to work in partnership to develop and implement strategies for a particular sector while sharing knowledge and experience gained from different country contexts. With a focus on building capacity for analysis, monitoring and advocacy to influence policy reform, CSO partners connect from the regional to the national level and also have the opportunity to pilot small-scale local projects through re-granting to grass-root or other community based organisations.

## **7. CONCLUSIONS**

In an evolving international landscape and in consideration of EU external policies, the proposals put forward in this Communication are meant to boost EU relations with civil society organisations and adapt them to current and future challenges. A renewed EU response is proposed with a view to empower primarily local CSOs in their actions for democratic governance and equitable development. Acting together, the EU and the Member States are in a unique position to engage more strategically to achieve greater coherence, consistency and impact of EU actions.

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<sup>17</sup> The EU may consider all funding modalities and approaches allowed by the financial regulations. These include projects, programme funding, direct award of grants, pool funding, follow-up grants, core-funding, co-financing, ring fencing, simplified calls and re-granting.