



13TH CIVIL SOCIETY FORUM REPORT



CIVIL SOCIETY FORUM REPORT

13 February 2019, 15:00 – 18:00
EU Programme Support Office, Nicosia

The 13th Civil Society Forum of Civic Space was held at European Union Programme Support Office on 13th February 2019 with the participation of 32 people from 18 CSOs, UNFICYP and Tax Office.

The Forum started with brief welcoming note and introduction of Civil Society Forum Agenda by Emilie Crozet, European Commission Civil Society Programme Manager. The forum continued with the agenda topics, as presented below. *(Please see Forum Agenda in Annex 1 .)*

PRESENTATION OF CSO WORKING GROUP ON STRATEGY FOR CSOs DEVELOPMENT

CSO Working Group members Melis Eroğlu and Emete İmge gave information about the draft strategy prepared for CSOs development. Melis Eroğlu mentioned that the strategy has as an overall objective to create suitable conditions for development of CSOs and to stimulate the partnership between them and the administration at national and local level. Melis Eroğlu added that the strategy will achieve its overall objective by focusing on three specific goals; improving the financial sustainability of CSO, enabling environment for the operation of CSO and enhancing the process of participation in decision-making. She gave a summary of the strategy regarding financial sustainability of CSOs while Emete İmge gave information about enabling environment for the operation of CSOs and enhancing the process of participation in decision-making. *(Please see Annex 2 for Strategy for Support to Civil Society Development in the Turkish Cypriot Community 2018-2020)*

PRESENTATIONS ON STANDARDS, LESSONS LEARNT AND IMPROVEMENT RECOMMENDATIONS FOR CHARITY (PUBLIC BENEFIT STATUS) LEGAL FRAMEWORK

TALEX expert Phil Cooper and Civic Space short-term expert Luben Panov from the European Center for Not-for-Profit Law (ECNL) gave presentations on public benefit status. Phil Cooper focused on the definition of public benefit status, Charity Act 2006 (England) and gave recommendations for developing charity (public benefit status) legal framework in his presentation. Luben Panov gave information about regulations, areas, conditions, requirement and benefits of public benefits status by giving examples from EU countries. *(Please see presentations of Luben Panov and Phil Cooper in Annex 3)*

After the presentations the international experts asked the feedback and comments of the participants. Eleni Karaoli from Civil Society Advocates group shared their experience about the amendment of NGO law and creation of a framework of public benefit law in the Republic of Cyprus. She said the the amendment of NGO law and creation of a framework for public benefit law started at the same period in 2007. While amendments were made in the NGO law and the new law came into force in 2017, the discussions are continuing on the draft public benefit law. Eleni Karaoli mentioned that in the draft law prepared, the activities that are eligible for tax benefits are very limited and very old fashioned. She advised that it is essential to develop relationships with the decisionmakers and make them understand the difficulty of fundraising and the importance of creating sustainable income for CSOs.

Heran Çiftçi from Cyprus Turkish-French Cultural Association said that Cultural Office is providing financial support to CSOs every year. As Cyprus Turkish-French Cultural Association, they also applied to receive financial support, but learned that they are not eligible as "arts" is not mentioned as their area of interest in their charter. Ms. Çiftçi said that there should be transparency in public funds.

Emmanuel Achiri from VOIS Cyprus took the floor and mentioned that they can't register their organisation as an association in the northern part of Cyprus. He added that according to the "Law on Associations" only citizens and those with uninterrupted 6-years' long residency permits can establish or become members to an association. Since VOIS Cyprus is an organisation that consists of international students it is not possible to register themselves. He asked the international experts if to register VOIS Cyprus in Estonia will be feasible. Luben Panov explained that according to the "Law on Associations" only the "citizens of the northern part of Cyprus" and people who are residents for a minimum of 6 years without any interruption can establish an association or be a member of an association. He explained that registration of an association takes 3-5 days in Estonia, and then VOIS Cyprus can register a branch in the northern part of Cyprus.

Armağan Candan, "MP and chair of the EU Harmonisation Committee", mentioned that "Law on Associations" was prepared in 2016 with the consultation of Civic Space and CSOs. He added that "Law on Associations" is not a perfect one, but it is a contemporary "law" compared to its older version. He said that there are problems in the implementation of the "law". He also mentioned that, there was a training on the same day morning for "the district governors" organized by Civic Space and the support of Civic Space is essential in order to bring the implementation of the "Law on Associations" to a better level. He added that he believes that the the EU Harmonisation Committee should involve civil society in preparations for a new "Charity Law". Armağan Candan thanked Civic Space for providing that opportunity to learn from international experts.

ROUND TABLE DISCUSSIONS ON THE CS STRATEGY AND HOW TO CREATE ENABLING ENVIRONMENT FOR CSOs DEVELOPMENT

CSO Working Group member Melis Eroğlu started the session by asking the comments of the participants on the questions below.

1. There are different models for the public benefit status as mentioned by international experts. Shall we define the public status under the "Law on Associations" or "Tax Law"?
2. Does "Charity Law" needs to be revised or a new "law" needs be prepared?
3. Which authority should do the monitoring and inspection of public benefit status?
4. What should be the standards of public benefit status?

Kemal Baykallı said that in the Turkish Cypriot community there are so many problems about the implementation, and so much bureaucracy. He continued saying that the, technology should be used effectively to decrease bureaucratic processes.

Melis Eroğlu and Selen Lermioğlu Yılmaz answered the questions of the participants regarding the public benefit status in the northern part of Cyprus. Selen Yılmaz explained that there are 76 organisations that are declared as charity and benefiting from tax exemptions. "Charity Law" was prepared a long time ago and does not fit the conditions and needs of the day. The public benefit status should be redefined. Luben Panov took the floor and mentioned that the first question to be

asked is should there be benefits for all organisations or a group of organisations. He added that if it will be for a small group of organizations, it is better to start with the eligibility requirements of that category that will be benefiting from the public benefit status.

Melis Eroğlu said that the associations should also benefit from tax exemptions and other benefits, and there is a need to revise the "law" regarding the exemptions.

Selen Lermioglu Yılmaz commented that it is easier to decide which organisations should not have the public benefit status. Should organisations like unions, labour-unions, vocational and professional organisations, etc. be given this status or not can be a question to start thinking about the first question that Luben Panov raised.

Muzaffer Sevim from Kalkanlı Solidarity and Cooperation Association said that as an inspector working in Morphou region, he believes that "Law on Associations" needs to be revised. He added that the more "laws" means the more bureaucracy, so it is better and faster to revise the "law" and make amendments to it.

Melis Eroğlu said that she agrees that it is better to do amendments in the "Law on Associations" and amendments in "Tax Law".

Luben Panov commented that when a new "law" is made, generally it is never a simple document, and ends up as a long document covering limitations, bureaucracy, etc. Hence it might be easier, faster and more effective to make amendments in existing "laws".

Then Melis Eroğlu closed the session informing that participants can send their feedbacks and comments for the Civil Society Strategy to Civic Space via bilgi@civicspace.eu.

ANNEX I – Agenda

13TH CIVIL SOCIETY FORUM

N I C O S I A

CREATING AN ENABLING ENVIRONMENT FOR THE CIVIL SOCIETY DEVELOPMENT

WITH PRESENTATIONS AND PARTICIPATION OF INTERNATIONAL EXPERTS

 **13 February 2019**
15.00 - 18.00

 **EUPSO**
EU Programme Support Office
Nicosia



 Disabled access

 This project is funded by the European Union and implemented by a consortium led by B&S Europe.

AGENDA

15:00 - 15:15 Arrival & Registration

15:15 - 15:30 Presentation of the CSO working group on strategy for CSOs development

15:30 - 16:30 Presentations of international experts on standards, lessons learnt and improvement recommendations for charity (public benefit status) legal framework

16:30 - 16:45 Coffee Break

16:45 - 17:15 Questions & Answers

17:15 - 17:45 Round table discussion on the civil society strategy and how to create enabling environment for CSOs' development

17:45 - 18:00 Closure & Recommendations



ANNEX II– Strategy for Support to Civil Society Development in Turkish Cypriot Community 2018 -2020

Strategy for Support to Civil Society Development in the Turkish Cypriot community 2018 - 2020

The present document is a result of an initiative by a wide group of CSOs that started a process of strategic discussion about the problems CSOs in the northern part of Cyprus face and the need for a clear joint vision between the administration and CSOs on how to support the development of a sustainable and independent civil society.

CSOs are an indispensable part of Cypriot society. Currently in the northern part of Cyprus there are approximately 1000 associations and foundations that engage with more than 20.000 volunteers.

CSOs are an important partner to the administration in solving existing social problems and ensuring the democratic development of Cyprus. They have a very important role by:

- Representing the interests of various groups including of vulnerable groups that have problems to defend their own interests;
- Providing contributions to the decision-making process and in finding the best policy solutions;
- Providing necessary services to the needy including on behalf of the government;
- Defending human rights and supporting the development of a democratic system and rule of law;
- Bringing innovative models and involving people in societal life, etc.

The Strategy has as **an overall objective** to create suitable conditions for development of CSOs and to stimulate the partnership between them and the administration at national and local level. It also aims to ensure that the environment in Cyprus creates conditions for active, independent and sustainable CSOs. The primary target group of the Strategy are CSOs that are subject to the “Law on Associations” and “Law on Foundations”.

I. The Current Situation

An evaluation of the CSO sector carried out in 2016¹ has identified a number of weaknesses of the environment in which CSOs in the northern part of Cyprus operate. Below are listed some of the key problems that CSOs face:

- Weak civil society

Reports have identified that civil society organizations are small in size and suffer from insufficient resources. There is a limited number of donors that can support the work of CSOs. This is one of the reasons why also the impact of the work of CSOs is limited. Most of the organizations rely primarily on volunteers and have no employees.

According to the assessment *“it should be noted that due to political constraints and other limitations mentioned in the Report the concept and understating of “civil society” is still in a nascent stage and growing. It is likely that if more favourable conditions are presented a viable civil society focusing on diversified areas will emerge in the northern part of Cyprus.”*

¹ Panov, Luben and Varon, Liana; Assessment of the Civil Society Environment in the northern part of Cyprus, 2016

- Lack of trust among people

One of the biggest problems that exist in the northern part of Cyprus is the lack of trust. Survey show that CSOs are among the most trusted but, it is important to note that there are a number of cases when CSOs are treated with suspicion. Among the wrong perceptions about CSOs are that there are too many organizations, that it is not clear what they are doing and whether they are engaged in political issues.

- Lack of understanding of CSOs

There is low involvement of people in CSOs. It is difficult to state whether this is a result of the lack of knowledge of CSOs or it is vice versa – because people are not involved in CSOs, they do not know them well.

- Limited number of funding sources

The lack of sufficient funding sources is the biggest problem that CSOs in the northern part of the island face. EU and USAID have been the main sources of support for civil society organizations. But with the end of USAID funding, the situation of CSOs in terms of access to funding sources has deteriorated. The level of development of alternative sources of funding (different from the traditional donor grants) has not been too high. While there are examples of organizations that achieve good results in fundraising, these are rather the exception. Funding from the Turkish Cypriot administration is also limited.

2. Principles

The listed principles are a prerequisite for honest and working partnership. The cooperation between CSOs and the administration will be based on them.

- **Independence of CSOs:** Civil society is free and independent in defining its goals, making decisions and planning its own activities. The authorities respect the independence regardless of whether they implement activities financially supported by the administration and or participate in the policy making processes.
- **Respect:** The principle of respect reinforces the different and mutually beneficial role CSOs and the public sector play in developing and implementing policies. Each party shall respect the viewpoint of the other party. The varying opinions and perspectives and their ability to be expressed and heard are essential elements of democracy.
- **Participation/Civic engagement:** Authorities support the involvement of civil society in policy making, so as to integrate the interest and proposals of citizens in the processes of decision-making, implementation of the policies and their monitoring and evaluation.
- **Partnership:** Successful cooperation between administration authorities and civil society is based on partnership relations. The principle of partnership means cooperation on equal grounds among all entities for the purpose of establishing dialogue and respect for different opinions when defining and implementing the common goals.
- **Transparency and accountability:** Acting in the public interest, both CSOs and the administration authorities show openness, responsibility and accountability for the activities carried out and the funds used. The central and local administration authorities undertake to openly distribute the funds for the civic sector under this principle, while CSOs give a public account of the use of the funds received, the activities performed and the results achieved.
- **Equal treatment and opportunities:** Public authorities aim at observing equal opportunities for all citizens in view of exercising the fundamental human rights. They maximize the opportunities

for all people to contribute based on their distinctive traditions, religions, cultures, values and abilities to the shared life of their community.

3. Goals and Measures

The Strategy will achieve its overall objective by focusing on three specific goals:

- Improving the financial sustainability of CSOs;
- Enabling environment for the operation of CSOs;
- Enhancing the process of participation in decision-making.

For each of the three goals, a set of specific measures are listed below.

3.1. Improved Financial Sustainability

Public Funding

Public funding is one of the most important sources of funding for CSOs internationally. Such funding is used in many different ways e.g. the to support the institutional development of CSOs or their participation in decision-making; to finance the delivery of services that are needed; to tackle social problems to which the state does not have a solution; to innovate and develop new models; etc. In the northern part of Cyprus funding provided by the administration is really limited and there are very few examples of institutions providing funding to CSOs. That is why it is important to take the first step to promote the existing good examples and to ensure the system of funding provided by the administration is further developed.

Guaranteed Funding

Each year, the central budget should allocate funding for CSOs. The funding shall be sustainable and shall not be politicized. The funding will be provided for support to the development of CSOs based on the current strategy.

Each administration institution (including municipalities) will include in its own budget a separate line item for funding CSOs. The priority themes/issues of the funding will be determined after public consultations.

Clear Criteria for Distribution of Funding

Allocation of the funding shall be based on the presentation of projects and their evaluation. Clear criteria shall be determined for funding allocation and the procedures shall be very transparent. To ensure all institutions follow at least minimum transparency standards, the administration shall develop a Code of Standards for financing CSOs. This document, which will be prepared in consultation with CSOs will contain the most important principles for transparent funding.

Fund for Support of Civil Society

The administration shall establish a special Fund for Support of Civil Society. The Fund will not replace existing funding mechanisms in “ministries” that target specific sectoral policies but will aim to provide support for activities that are beneficial for the whole CSO sector or aim to improve the sustainability and capacity of CSOs, support human rights or propose innovative solutions. The Fund will be created under the **Turkish Cypriot Leadership OR “council of ministers”²**. It will be an independent entity with a separate budget, managed by a Committee composed of a majority of CSO representatives. Similar to the Evaluation Committee of the Culture Unit, this Committee will also be responsible for evaluating and selecting the projects to be funded. The identification of the CSO members of the

² Consultations with CSOs are ongoing as to which body seems to be the best suited for such a Fund to be established. Once all consultations with stakeholders are finalized, this part of the draft strategy will be revised accordingly.

Committee will be based on clear criteria, in a transparent manner and by an open call. The detailed rules of the Fund should be adopted by a “legal decree/bylaw”, to be developed in consultation with the civil society. The work of the Fund will be transparent and information about the amount of funding distributed and the projects supported will be publicly available including by being available on the institutions’ websites. The CSOs receiving support from the Fund shall also be held liable to publicly announce the financial report of their project implemented with the funding they received.

The Fund will be subject to the “court of public accounts” (Sayıştay) annual audit, which shall be brought to the review and evaluation of a “parliamentary committee”. With regards to implementation and impact, an independent evaluation will be conducted every 3 years by an evaluator to be selected by CSOs to assess its operation, activities and results achieved. An independent mechanism shall be created to review complaints and assess the integrity of the Fund.

The priorities that the Fund will provide support to each year shall be determined after transparent public consultations (and taking into consideration the overall goals of the Fund as listed above). Once grants have been awarded, the implementation criteria shall be flexible and simple. An approach encouraging participation shall be adopted and funding should be accessible to CSOs, regardless of their year of establishment as well as various other stakeholders such as civil society units at universities and not-for-profit companies, etc.

Contracting CSOs for Services and Promoting Social Entrepreneurship

A feasibility study will be conducted to compile and analyse the existing legal and operational framework around contracting of CSOs by the Turkish Cypriot administration as service providers as well as social entrepreneurship, which will also imply the engagement of CSOs in mission related economic activities to generate income. This study will also include an analysis of EU standards and best practices regarding the two topics, as well as amendment recommendations within the existing frameworks.

Philanthropy

Philanthropy is another key source of funding for CSOs internationally. There should be a possibility for both individuals and corporations to donate to CSOs and there should be tax benefits donors receive for contributing to the public good. Another important element is to ensure philanthropy is promoted to the people as a good practice, good examples are shared and CSOs have the necessary capacities to engage in fundraising.

Legal Framework for Fundraising

In the northern part of Cyprus, the legal texts on charity and fundraising are very outdated, some even dating back to the British rule. As it stands at the moment, it is mandatory to obtain a permit from the “district governorship” for each public fundraising activity which is not in line with international and EU level standards. It shall be amended in its entirety to lift permission requirement for CSOs and allow them to conduct fundraising activities freely.

Tax Relief for Donors

The current legal texts are far away from drawing a clear and explicit framework. It is necessary to review the existing benefits in the legal texts governing both the corporate tax and income tax to ensure they provide sufficient and clear benefits for donors to CSOs.

It is equally important to focus on how to facilitate the implementation of the respective legal texts. It is important to review the implementation practices and prepare a related guide and information on how tax benefits for donors could be used. The respective Guide shall cover information about under

what circumstances and for whom tax exemptions/deductions are applicable, how much deduction can be awarded to what type of donations, what shall the corporations and individuals (donors) do in order to benefit from tax deductions.

Policies/Measures Supporting Philanthropy

Organizing campaigns and making advertisements that encourage donations is important. Equally important is to ensure that CSOs have the necessary capacity to engage in fundraising but also in ensuring they report on how they use the donations collected. The administration should support philanthropy through:

- Providing support for the promotion of good examples and the need to donate for CSOs;
- Supporting capacity building initiatives aimed at increasing the level of knowledge and skills of CSOs to engage in fundraising; etc.;
- Providing annual awards for the biggest corporate and individual donors.

Tax Exemptions for CSOs

There is a need to revise the legal text on Charitable Organizations which is outdated and not compatible with today's conditions. In addition, there shall be a review of the existing tax exemptions for CSOs, to ensure that the tax framework provides a spectrum of benefits to all CSOs and not only to charitable organizations. As such, the legal framework will be developed and amended by bringing a public benefit status compatible with EU standards and good practices.

Outcomes

Amended legal text on public fundraising

New legal framework is available for a more inclusive public benefit status

A transparent and accountable fund for CSOs is established and operational

A feasibility study is available on contracting CSOs for public services and social entrepreneurship

Established an award for philanthropy

A guide is developed and published on tax reliefs to promote donations

3.2. Enabling Legal Framework for Civil Society

Reviewing the legal texts governing foundations and associations

A new legal text for associations has been adopted in July 2016. It has improved to a great extent the legal framework for associations but there still remain a few issues to ensure that it is completely in line with international standards. In addition, there are some practical problems that have arisen out of the new legal text that need to be addressed. At the same time, the legal framework around foundations is outdated, dating back to the British times, contains vague and unclear elements and is not compatible with today's conditions.

Drafting and adopting a new legal text for foundations

There is a need to update the "law on Foundations" and render it as amenable to current conditions and needs. Specifically, the needs and operations of the "modern (çağdaş) foundations" cannot be properly met with the existing legal framework. There are several problems in the existing legal text on a variety of issues such as vagueness and challenges in founding and managing a foundation and to which authority they are liable to in their activities, permissions, etc. These all result in implementation problems.

Thereby, a new legal text governing the founding and operations of foundations shall be drafted and adopted, which will be compatible with EU standards. Compatibility with the legal text on associations

shall also be sought. This draft will be prepared in consultation with the CSOs, specifically with foundations.

Amendments to the “law on associations”

A number of issues with the implementation of the new legal text have been noted and that is why it is necessary to make a thorough assessment of how it has affected CSOs in practice. One problem already noted is that a part of the civil society sector is not covered– the existing unions, for example. In addition, there are several specific provisions that should be reviewed to ensure that foreigners enjoy the same rights as citizens; foreign associations (and associations of foreign origin) can operate in the northern part of Cyprus in all areas just like local associations and the procedure for this is not too burdensome; there is no requirement for preliminary approval in case of foreign funding but only notification for all types of associations; etc.

Improved Implementation

A “regulation/by-law” for the new legal text is necessary for proper, consistent and systematic implementation and it shall be drafted in consultation with CSOs. Guidance and trainings will also be provided to ensure its proper implementation.

There is a need for increasing the knowledge of the employees/staff in the “district governorships” about the legal framework and their implementation. The lack of sufficient expertise leads to a considerable loss of time and labour. Insufficient and incoherent knowledge and guidance of the employees may, from time to time, lead the organizations to take wrong steps and even be fined. The respective employees of the “district governorships” shall be provided periodic trainings on civil society and its role, international and EU standards around freedom of association, as well as the existing legal framework.

Other measures to improve the implementation framework shall also be taken as below:

- Publishing simple questions and answers on the official website of the “ministry of interior” on the most frequently asked questions;
- Providing contacts of a person in the administration that can provide brief information to CSOs on the new law,
- Outreaching to CSOs for reminders (e.g. when annual reporting deadline is approaching) and for raising awareness about the requirements and provisions of the legal environment.

Volunteering

Regulations shall be amended, new ones will be drafted if/when necessary and put into effect for promoting and encouraging volunteerism.

Outcomes

A new legal text is adopted for foundations

Amendments made on the legal text for associations

A “by-law/regulation” is adopted for better implementation of the legal text on associations

The capacity of duty-bearers for implementing the legal framework for CSOs is increased via guidelines and periodical trainings

A system of information is created by the administration to provide CSOs with guidance and information about the legal framework and its implementation

The legal framework is improved to promote volunteerism

3.3. Participation in Decision-Making

CSOs are important partner to the administration in the decision-making process. They can provide a different point of view, provide alternative ideas and can also provide the opinion of groups that otherwise may be difficult to reach e.g. people with disabilities, etc. More importantly, participation is a recognized right under the International Covenant for Civil and Political Rights (art. 25) and under the Council of Europe Guidelines on Civil Participation in Political Decision-Making (adopted by the Committee of Ministers on 27 September 2017). It is important to establish mechanisms through which to ensure that CSOs have access to information on the planned policy and legislative initiatives, are involved in the consultation process and in active dialogue and participation.

Consultation Standards

In order to strengthen the consultative role of CSOs, the Turkish Cypriot administration shall develop standards for involvement of CSOs – these will be simple rules on when and how CSOs should be involved in the development of policies and legislation. Examples of such standards include the need to publish draft legal texts for consultation, to provide a minimum number of days to receive opinions of CSOs, to provide feedback with motives for rejecting/accepting the proposals made, etc.

A mechanism shall be developed and put in practice for promoting the participation of CSOs in decision-making, by measures such as making the information about draft decisions and laws publicly accessible, together with the analysis of recommendations proposed.

Structures for CSO Participation

There is a need for the appointment of “civil servants” with duties that are related to civil society in all administration institutions (“municipalities”, EVKAF, “ministries”, etc.). Such contact points/officials within the administration shall be responsible for organizing public consultations, engaging CSOs and serving as a liaison between the institutions and CSOs.

Clear Criteria for Selection of CSO Members in Joint Bodies

There are some committees, the establishment of which is stipulated in certain legal texts, and which envisage participation from civil society. Very often the selection criteria are not defined and clear in the respective provisions. Such “laws” shall have clearer rules on how organizations participate. The bodies established under them shall also be open to control and monitoring of civil society - they shall be more transparent and accountable.

Increasing the Capacity of CSOs and the Administration

Capacity building work about the role and importance of CSOs shall be carried out in all existing administration units (such as the “ministry of interior” or the “district governorships”). This will help the administration understand better their potential partners. Similarly, the administration should support and help organize trainings for CSOs in collaboration with civil society on how to be involved in the decision-making process and what is the benefit for them.

Civic Education

A crucial element of participation is civic education. In order for people to participate either directly or through CSOs, they need to understand the benefits of participation and the value of being involved in the decision-making process. It is necessary to encourage the youth to engage in civil society, and include civic education in the schools. The new “law on associations” facilitates the membership of the children to the associations so it is important to organize awareness and capacity building at schools. The curriculum shall be reviewed and revised to ensure young people receive education on civil society and participation.

Outcomes

Criteria and standards for CSOs' consultation developed and in place

A consultation system is created and in place to ensure the implementation of standards, to encourage involvement of CSOs and publish analysis of feedback

Focal points in all administration units are identified for improved CSO relations

Clear criteria developed and adopted for CSO members in joint committees in administration units

Increased capacity of the administration and CSOs on the importance of CSOs and participation mechanisms

4. Monitoring and Implementation

To ensure smooth implementation of the Strategy, the administration will also adopt an Implementation Plan for the measures listed within three months of the Strategy's adoption. The Plan should include the exact activities to be undertaken to implement the measures, the timeline in which the respective activities will be implemented, the primary responsible administration agency for the implementation (as well as any related agencies) and the budget necessary for the implementation. Each year the Implementation Plan will be reviewed and updated, if necessary.

The institution responsible for the overall implementation and coordination will be special unit to be established under the **Turkish Cypriot Leadership OR "council of ministers"**.

Additional monitoring mechanisms shall also be developed as below:

- Internal reports by all obliged units/institutions to the main administration institution responsible for the Strategy implementation;
- Annual report on the implementation (taking into account the reports of obliged institutions);
- A website that visualizes the progress in the implementation of the Strategy;
- Once every two years "parliamentary" level deliberations on the implementation of the Strategy where both the administration and CSOs present reports;
- Annual conferences held by the "parliament" with the CSOs to review the progress and deficiencies in Strategy implementation;
- Mid-term and final evaluation by independent expert(s).

ANNEX III– Presentations on standards, lessons learnt and improvement recommendations for charity (public benefit status) legal framework

A. Presentation on Public Benefit Status by Luben Panov from ECNL



Luben Panov
ECNL



- A special status given to a segment of the nonprofit organizations that allows them to use special benefits
- Who can be a PBO:
 - Types of entities and pre-conditions?
 - Who gives the status?
 - For how long?
- Goal of the status:
 - To differentiate who gets benefits
 - To encourage PB activities
 - To encourage flow of private resources to public benefit

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REGULATION

- In the CSO laws (Bulgaria, Moldova)
- Separate laws (Poland, Lithuania)
- In several laws (Croatia, Slovakia)
- In tax laws (Estonia)

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PB AREAS

- List of areas
- Serving public duties (Hungary)
- Benefiting society at large – “*a significant benefit to society or a part thereof*” (Latvia)
- Benefiting a specific vulnerable group (Estonia)
- Excluded activities/organizations:
 - Political activities (Hungary);
 - Benefitting just the founders (Latvia);
 - Professional sports (Bulgaria);
 - Religious activities;
 - Trade unions, parties, professional associations.

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CONDITIONS

- Effect – services should be provided free of charge or at less than fair market value to disadvantaged individuals or groups (Kosovo) or offering goods or services primarily free of charge or in another non-income seeking manner or generally available manner (Estonia)
- Sufficient resources (Hungary)
- Social support – 1/3 of income should be from public sources (USA) or special conditions (Hungary)
- Predominantly PB activities (principally, primarily, certain percentage)

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REQUIREMENTS

- Two-tiered structure
- Supervisory body
- Audit (by an auditor and/or by a responsible state body)
- Reporting (financial and programmatic) and transparency (publication of reports)
- Distribution of assets, prevention of conflict of interest

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BENEFITS

- Tax benefits for donors
- Tax benefits for the NGO
- Tax designations (Poland)
- Use of state property
- Grants
- Prestige...

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THE EXAMPLE OF ESTONIA

- **Substantive requirements:**
 - Public interest – the public at large or a group
 - Prohibition to support founders, members, managers, donors
 - Assets after dissolution – to another organization
 - Not excessive remuneration (compared to business)
 - Charitable – offering goods or services primarily free of charge or in generally available manner
 - Economic activity – results for charitable purpose
- **Formal requirements:**
 - Active for at least 6 months and submitted annual report
 - Prohibition to advertise goods/services of a donor
 - Reporting grants to natural persons

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THE EXAMPLE OF BULGARIA

- Voluntary decision by the organization;
- No requirement for prior activities;
- To work in one of several public benefit areas;
- Two-tiered structure with collective supreme body;
- Property after liquidation to another PBO;
- Limitations on transfer of property to related entities;
- Public information on funds used, received donations, etc.
- Public annual report.

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THANK YOU!

European Center for Not-for-Profit Law

luben@ecnl.org
[@enablingNGOlaw](https://twitter.com/enablingNGOlaw)
www.ecnl.org



B. Presentation on Public Benefit Status by Phil Cooper from Greenacre Group UK

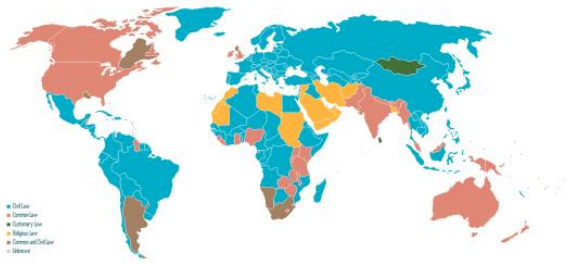


Public Benefit Status

Phil Cooper of the Greenacre Group UK
Presentation for the northern part of Cyprus



Different Legal Systems



Different legal systems- 2

Civil Law

- Based upon legal recognition of associations and foundations;
- Focus on legal form;
- Legal codes (codex);
- Examples:
 - Continental Europe (France, Germany, Spain, Italy)
 - and their former colonies (Vietnam, Mexico, Senegal)

Common Law:

- Based upon legal recognition of charitable purposes
- Focus on use of funds;
- Case law (precedent);
- Examples:
 - England
 - USA
 - Australia
 - former British Empire



Public Benefit – definition and significance

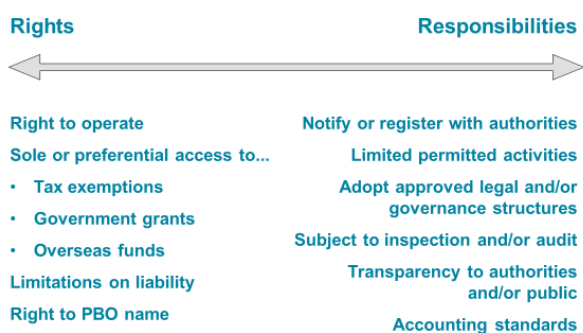
- A descriptive but not legal term
- A legal test used to define the NGO sector (common law system)
- A means of selecting a part of the NGO sector for additional benefits (many civil law countries)



Reasons for a Public Benefit Status



How Public Benefit Status works



What is Public Benefit? Charities Act 2006 (England)

- the prevention or relief of **poverty**;
- the advancement of **education**;
- the advancement of **religion**;
- the advancement of **health** or the saving of lives;
- the advancement of **citizenship** or community development;
- the advancement of the **arts, culture, heritage** or **science**;
- the advancement of amateur **sport**;
- the advancement of **human rights**, conflict resolution or reconciliation, or the promotion of religious or racial **harmony** or **equality and diversity**;



What is Public Benefit? Charities Act 2006 (England)

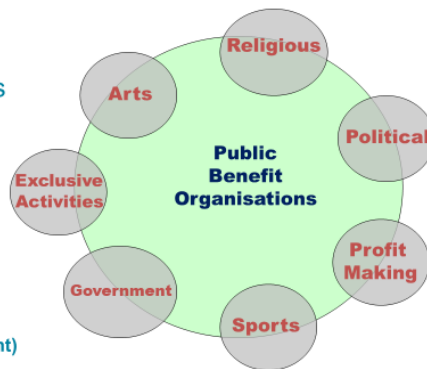
- the advancement of **environmental** protection or improvement;
- the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other **disadvantage**;
- the advancement of **animal welfare**;
- the promotion of the efficiency of the **armed forces** of the Crown, or of the efficiency of the police, fire and rescue services or ambulance **services**; and
- **other purposes** that are currently recognised as charitable or are in the spirit of any purposes currently recognised as charitable.



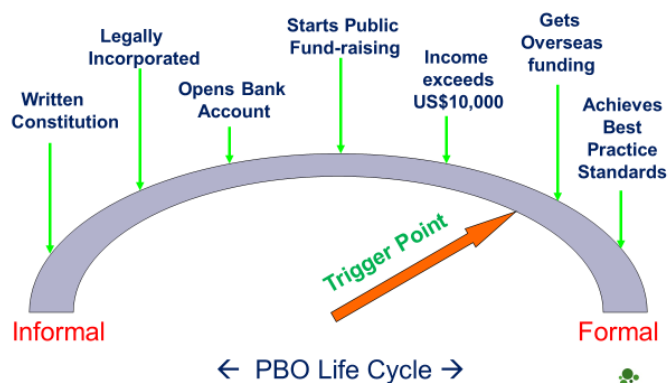
Public Benefit Tests

Fixed or
flexible definitions

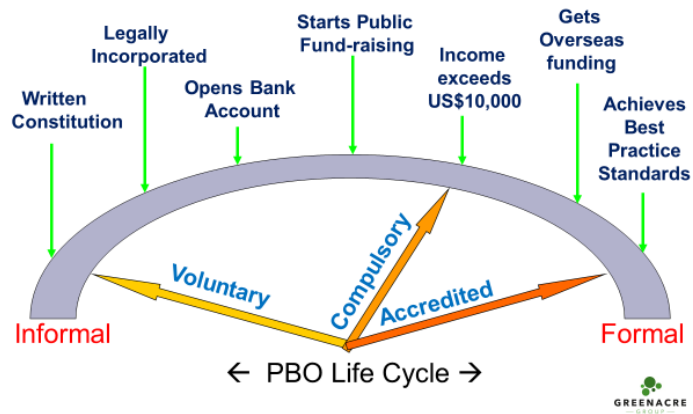
Who applies the
test?
(not always government)



When does an organisation merit PBO status?



When does an organisation merit
PBO status?



Going forward

- Consider what would best fit into existing legal frameworks;
- Work with the not for profit community;
- Consider logistical issues;
- Look at international standards
- Consult; and
- Implement change



Questions and comment's?

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