



International Center for Not-for-Profit Law

Annual Report | 2008 - 2009





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We are people dedicated to the promotion of a legal environment that strengthens civil society, advances freedom of association, fosters philanthropy, and enables public participation around the world. We come from virtually every continent, and we share

a vision in which individuals are empowered to improve their everyday lives.

About Us

In our work, we are committed to the following core values:

- Reform should result from an indigenous and transparent process;
- Our assistance should be professional and non-partisan;
- Programs should incorporate public participation; and
- Our activities should support, and not displace, local expertise.

Our program areas include the legal framework for civil society, civil society sustainability, public-private partnerships, self-regulation, public participation, and educational initiatives.

I suspect that when we look back at the year 2008-09 with a bit of perspective given by the passage of time, the major “event” will still be seen as the worldwide economic meltdown. No economic sector has escaped damage, least of all non-governmental organizations (NGOs).

Even where there have been no direct organizational losses, a combination of economic pressure on funders which have seen endowments shrink and increasing demand for NGO services driven by domestic governmental reactions to the crisis, have made the period difficult.

Message from the Chair



Thus I am happy to be able to confirm what the balance of this annual report tells, namely that ICNL has so far weathered the storm in good shape. Of course, the lion’s share of the credit goes to the staff which has taken necessary steps on the go, so to speak, to ensure the organization has been able to continue its mandate in its usual effective fashion. While no person is indispensable, our President Doug Rutzen comes as close to putting the lie to that observation as any chief executive I have ever worked with in the NGO sector.

While the staff deserves full marks, I do want to make a point of saying that behind the scenes, the Board Members have played their roles admirably. I cannot remember a year in which we had so many Board committees operating and performing so well despite the communication tribulations of time zones which often have a twelve-hour differential.

Last year, I mentioned how pleased I was with the high quality of ICNL’s *International Journal of Not-for-Profit Law*. We have now added ICNL’s newest publication, *Global Trends in NGO Law*, which is a brief, quarterly synthesis of key developments relating to the legal and regulatory issues that affect NGOs. Long-time senior staff member Catherine Shea has done an exemplary job with the inaugural issues.

Finally, I wanted to thank Hestern Banda for serving six years as a Board Member. As has become almost routine, his departure is due to our term limits policy. But I am delighted to welcome our newest Board Member Feliciano Reyna Ganteaume from Venezuela who was elected to the Board at our Budapest meeting in June. He is the first Board Member from South America, and we particularly welcome his expertise and experience.

Next year will continue to be challenging for us as an organization, but I am confident given the quality of our leadership and staff that ICNL will continue its successful ways.

A handwritten signature in black ink, appearing to read "Arthur B.C. Drache". The signature is fluid and cursive.

ARTHUR B.C. DRACHE
Chair of the Board

In some countries, it has become fashionable to speak of “whole of government” initiatives to address contemporary challenges. But the tears and toil of history have shown that many critical challenges are beyond the capacity of any government – or alliance of governments – to solve. Whether we consider the HIV/AIDS pandemic, poverty, human insecurity, climate change, or other issues, it is essential that we shift the paradigm from a “whole of government” to a “*whole of society*” approach. In turn, this requires that nongovernmental actors have safe legal space to contribute to the betterment of society.

It is against this backdrop that ICNL undertakes its work. Last year our projects took us to countries as diverse as Afghanistan, Bahrain, China, Ethiopia, Honduras, Iraq, Kenya, Laos, Turkmenistan, and Zambia, to name just a few. We have now worked in more than 100 countries, covering virtually every political, economic, religious, and legal context.

Our cornerstone work remains technical assistance on the legal framework for civil society, philanthropy, and public participation. Our goal is to promote participatory processes, led by local experts and informed by international perspectives.

To achieve this goal, we design our programs to deepen in-country capacity. For example, we provided one-month fellowships to government officials and civil society representatives from Latin America and Africa. We provided grants to organizations in the broader Middle East to promote demand-driven innovation. And we worked with partners to produce game shows, films, radio programs, and murals to promote civic education.

This year, we also expanded the information base available to policy-makers and practitioners alike. In addition to our research, our on-line library grew to 2,900 documents from 170 countries.

We seek to provide an international perspective. Our Board, Council, and staff come from 40 countries, with backgrounds in civil society, government, academia, and the private sector. I welcome Feliciano Reyna Ganteaume (Venezuela) to our Board. I also welcome our new Advisory Council Members: Jin Jinping (China), Taaka Awori (Ghana), Noshir Dadrawala (India), Geoff Prewitt (US), Nick Roseveare (Australia), Ramesh Singh (South Africa), and Dan Songco (the Philippines).

Our work is possible thanks to the tremendous support and dedication of our donors and local partners. We recognize that challenges abound as we close the first decade of the 21st Century, but we look forward to our continued work together to create a peaceful, just, and sustainable world.

Message from the President



A handwritten signature in black ink that reads "Douglas Rutzen". The signature is written in a cursive, flowing style.

DOUGLAS RUTZEN
President & CEO

ICNL's Global Reach

ICNL's projects encompass every political, social, and economic context. Our global engagement includes:



Afghanistan
Albania
Algeria
Argentina
Armenia
Australia
Azerbaijan
Bahrain
Belarus
Bosnia-Herzegovina
Brazil
Bulgaria
Canada
China
Colombia
Cook Islands
Croatia
Cyprus
Czech Republic
Ecuador
Egypt
El Salvador
Estonia
Ethiopia
Fiji
France
Georgia
Germany
Ghana
Guatemala
Guyana
Honduras
Hungary
India
Indonesia
Iraq
Ireland
Israel
Japan
Jordan
Kazakhstan
Kenya
Kiribati
Kosovo
Kyrgyzstan
Laos
Latvia
Lebanon
Lithuania
Macedonia
Malta
Mauritius
Mexico
Micronesia
Moldova
Mongolia
Montenegro
Morocco
Namibia
Nauru
Nepal
Netherlands
New Zealand
Nicaragua
Nigeria
Niue
Oman
Palau
Paraguay
Peru
Philippines
Poland
Romania
Russia
Rwanda
Samoa
Saudi Arabia
Senegal
Serbia
Sierra Leone
Slovakia
Slovenia
Solomon Islands
Somalia
South Africa
Sri Lanka
Tajikistan
Tanzania
Turkey
Turkmenistan
Tuvalu
Uganda
Ukraine
United Kingdom
USA
Uzbekistan
Vanuatu
Venezuela
Vietnam
West Bank/Gaza
Yemen
Zambia
Zimbabwe

ACROSS LATIN AMERICA, ICNL's partners are helping to improve local understanding of the laws governing civil society organizations (CSOs). The results are significant:

In **Mexico**, a working group of CSO representatives, with technical support from ICNL, has engaged in meetings with Tax Administration Service officials to reform laws and regulations. As but one result, the number of Mexican CSOs eligible to receive tax deductible donations has doubled.

In **Honduras**, ICNL has a long history of working with a federation of CSOs to help develop a consensus-based model draft law to govern the sector. When a version of the bill with several highly-restrictive provisions progressed in the Congress, ICNL's local partner led an effective, united campaign in defense of the sector that succeeded in halting debate on the bill.

ICNL recognizes that this is a critical time in the region, and we are providing assistance in countries ranging from **Paraguay** to **Nicaragua** to **Venezuela**.

Spotlight on Latin America



A Focus on Fellowships

ICNL was joined during the summer of 2009 by senior research fellows from Latin America and Africa, sponsored by USAID's Legal Enabling Environment Program.

From Kenya, ICNL was honored to host Rahma Jillo and Faith Kisinga. Rahma works for the government and Faith works for a civil society organization. Collaboratively, they are reviewing the 19-year-old NGO law, the NGO Coordination Act, and providing recommendations to better integrate international standards into the NGO legal framework in Kenya. ICNL was fortunate to be engaged in this important example of cross-sectoral collaboration.

ICNL was also joined by two fellows from Latin America. Ireri Ablanedo Terrazas is a Mexican government official. After conducting her research, she engaged with top-level officials to promote comprehensive legal reform for the sector. Ezequiel Francisco Santagada is a lawyer for a Paraguayan CSO that focuses on environmental law. He completed an assessment of the laws governing CSOs, which is now serving as a resource for legislative reform in Paraguay.

The support and encouragement from ICNL's staff have inspired me to look forward to contributing to the enabling environment for NGOs in Kenya, despite the hurdles.

Faith Kisinga, Kenya

You may view the papers written by our research fellows online at www.icnl.org.



Fellows Rahma Jillo (left) and Faith Kisinga (right).

The NGO Legal Enabling Environment Program (LEEP) is funded by the United States Agency for International Development and implemented by ICNL. During the past year, LEEP enabled ICNL to engage in a number of countries including Ecuador, Ethiopia, Guyana, Paraguay, Peru, Sierra Leone, and Zambia.

ICNL is committed to building knowledge

and expertise on legal regulatory issues affecting civil society organizations (CSOs) around the world. In the Middle East and North Africa, ICNL has provided funding to civil society leaders across the region through our Small Grants Program. ICNL's Small Grants support innovative and effective education and training programs, including:

- A video documentary on the importance of civil society law and the need for civil society law reform in **Egypt**;
- A series of workshops on basic principles of civil society law for Members of Parliament and media organizations in **Yemen**; and
- A study on international legal norms related to civil society and their application in **Jordan**.

Some of the most creative and innovative grants have been awarded to CSOs established in **Iraq**. These grants have funded television and radio programs on civil society law, the publication of a bi-weekly newspaper insert on civil society issues, and documentaries and dramatic movies on civil society-related topics.

In addition, the Ronahee Organization for Social and Cultural Activity is partnering with the Art Institute of Kurdistan to paint more than 100 murals supporting civil society law reform throughout the Kurdistan region, including along the road approaching the Kurdish Parliament.



Art as Advocacy:
Civil Society in Action

Innovations

Entertainment Education | “Bulbul and Friends,” a film produced by ICNL and Counterpart through the Initiative to Promote Afghan Civil Society (I-PACS), was presented this year at “Bridge the Gap: A Film Festival on Resurrecting Afghanistan,” held in New Delhi in February 2009. The film tells a journey of discovery into civil society, the laws supporting civil society, and gender issues using a popular show in Afghanistan.



Even in the complex political environments for civil society that characterize the Central Asian Republics, ICNL and its partners have succeeded in bringing about key improvements in the legal framework for civil society organizations (CSOs). Over its twelve-year history in Central Asia, and with the support of USAID, ICNL has forged effective partnerships with both CSOs and governments to seek improvements to the legal environment, foster local leadership and expertise on issues of CSO law, and engage a network of CSO legal experts.

Among other examples, in early 2009, **Kyrgyz** parliamentarians introduced a draft law that would have greatly restricted the legal space for CSOs. Among other regressive provisions, the law would have limited permissible activities and granted government officials broad discretion to prohibit foreign funding of local organizations. With ICNL's assistance, the CSO community engaged with the government to oppose these restrictive provisions, eventually reaching an "Agreement on Cooperation" between the President and CSO sector—a major victory for ICNL's CSO partners.

Central Asian Republics

In **Turkmenistan**, where severe legal restrictions have prevented all but a few public associations from registering, ICNL has formed a strong partnership with the National Institute of Democracy and Human Rights. With the endorsement and support of this agency, ICNL conducted two intensive seminars on CSO law for over 30 Turkmen government officials. We were also invited to assist the Inter-Ministerial Commission with drafting changes to the Law on Public Associations to ensure it complies with international standards.

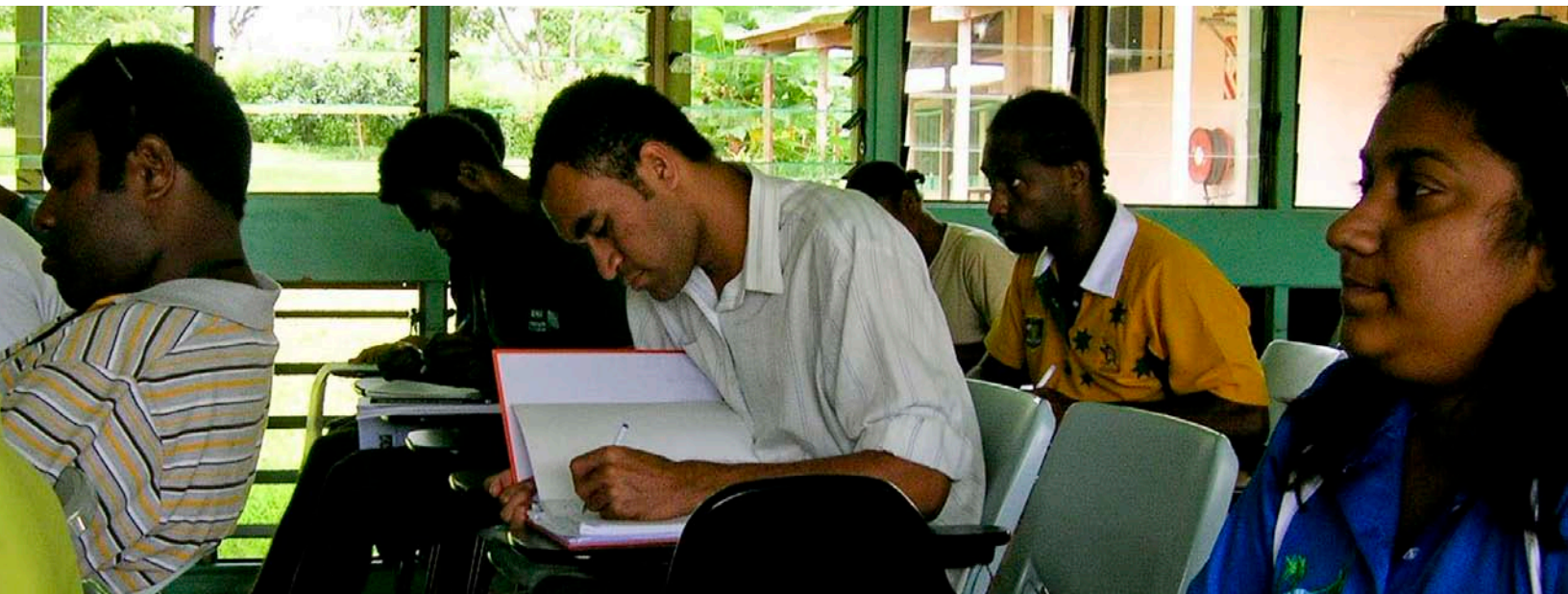
Education

FOR A COUPLE WEEKS IN JANUARY, in a classroom at the University of the South Pacific School of Law in Vanuatu, students from nine South Pacific countries immersed themselves in the region's laws governing civil society. The class was comprised of undergraduates, law students, government officials, and CSO staff lawyers.

The class explored regulatory systems inherited from long-ago colonial regimes as well as some more recent laws. Few laws reflected the traditions, cultures, or even everyday practices of the countries where they were enforced, usually rudimentarily, by the government.

Interspersed with classroom time was a practicum component. Students were grouped by their home countries and worked as teams to identify problems in current CSO laws that should be changed, drafted amendments to address the issues, and prepared advocacy documents to support the changes.

As a capacity-building exercise, the brief 10-day course advanced two objectives: learning about a new subject area and learning how to influence laws. For some, these lessons were put straight into practice - after taking the course, one student, an employee of a major youth-related CSO, was so inspired that he now is a leading member of a government-CSO working group preparing draft legislation to replace Vanuatu's outmoded Law on Associations.



Civil Society leaders sign a petition for a “modern NGO law for Kurdistan” at the Iraqi Kurdistan Regional Government’s Civil Society Day.



NGO Law Monitor | Thanks to the generous support of the John D. and Catherine T. MacArthur Foundation, ICNL is pleased to introduce the NGO Law Monitor. The NGO Law Monitor seeks to provide up-to-date information on legal issues affecting not-for-profit, non-governmental organizations (NGOs) around the world. A network of individuals and organizations will work with ICNL to monitor legal developments affecting civil society in 30 countries as well as the activities of 8 multilateral institutions. The reports can be viewed at www.icnl.org/ngolawmonitor.

Entertainment Education | Counterpart and ICNL collaborated to organize a student competition on civil society, gender, and legal issues in Kabul. The competition gathered 400 students from two of Kabul’s English language teaching centers – The Kabul Center and Afghan Awaz. Designed as an interactive televised quiz, the competition was produced by the Radio Television of Afghanistan and aired on its nationwide network twice.

Global Trends | Launched in the spring of 2009, ICNL’s newest quarterly publication synthesizes key developments and trends relating to the legal and regulatory issues that affect NGOs. The inaugural issue, released in March, provides an overview of the major themes that emerged during the past few years. The second issue, published in May, examined legal developments affecting global philanthropy, particularly obstacles to foreign philanthropy, and posed potential responses to various restrictions.



UN Volunteers | In collaboration with ECNL, ICNL completed a global research project for the United Nations Volunteer Programme to identify changes in laws, regulations, and policies governing volunteers around the world since the International Year of the Volunteer in 2001.



UNDP | The United Nations Development Programme commissioned ICNL to write a primer entitled “The Role of Legal Reform in Supporting Civil Society.” Released in summer 2009, the primer is aimed at facilitating state-citizen relations through a better understanding of the often sensitive issue of legal and regulatory frameworks for NGOs.

Global Initiatives

International Grantmaking | ICNL is in its ninth year of partnership with the Council on Foundations on the United States International Grantmaking (USIG) Project. In total, 35 “Country Notes” assist grantmakers and their advisors to meet IRS requirements when making grants abroad. To learn more about the project, and to view the Notes, please visit www.usig.org.

IJNL | The eleventh year of ICNL’s *International Journal for Not-for-Profit Law* focused on a broad array of issues, including: new challenges facing civil society in the Middle East; public benefit status in various European countries; and cross-border issues in regulating charities. IJNL also marked the beginning of a new American presidential administration with an issue devoted to the opportunities and challenges devoted to the relationship between reformist leaders and civil society. This issue featured responses by the Secretary General of CIVICUS and authors from regions and countries around the globe, including Australia and New Zealand, Uganda, the United Kingdom, the Philippines, and Central Europe.

All publications are available at www.icnl.org.

GEORGETOWN LAW

Education | ICNL’s President Doug Rutzen taught International and Comparative Civil Society Law with Advisory Council member Adam Kolker at the Georgetown University Law Center. The course covered topics including introduction to civil society, international law, comparative law, counter-terrorism and civil society law, the backlash against civil society, and the process of advancing NGO law reform.

2009 - 2010 Board of Directors & Advisory Council

Board of Directors

Arthur Drache, Chair
Canada

Gavin Andersson
Botswana/South Africa

Feliciano Reyna Ganteaume
Venezuela

Bindu Sharma, Vice Chair
India/Singapore

Filiz Bikmen
Turkey

Stephan Klingelhofer, ex-officio
United States of America

Rochelle Korman, Treasurer
United States of America

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United Kingdom

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United State of America

W. Aubrey Webson, Secretary
Antigua

Lindsay Driscoll
United Kingdom

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Gavin Andersson - Botswana/
South Africa
Diana Aviv - USA
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Joseph Baidoe-Ansah – Ghana
Hestern E.J. Banda - Malawi
Filiz Bikmen - Turkey
Consuelo Castro – Mexico
John Clark - UK
Noshir Dadrawala - India
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Arthur Drache - Canada
Lindsay Driscoll - UK
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Philippe-Henri Dutheil – France
Aroma Dutta – Bangladesh

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Sa'ed Karajah – Jordan
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Rochelle Korman - USA
Beatriz Parodi Luna – Peru
Malcolm Lynch – UK
Miklos Marschall – Hungary
Myles McGregor-Lowndes –
Australia
Harriet Namisi - Uganda

Paul Nathanson - USA
Geoffrey Prewitt - Jerusalem
Feliciano Reyna Ganteaume -
Venezuela
David Robinson – New Zealand
Nick Roseveare - UK
Adriana Ruiz-Restrepo – Colombia
Ziad Abdel Samad - Lebanon
Howard Schoenfeld – USA
Bindu Sharma - India/Singapore
Mark Sidel – USA
Ramesh Singh - South Africa
Dan Songco - Philippines
Eduardo Szazi – Brazil
Jeff Thindwa – Malawi
Victor Thuronyi - USA
W. Aubrey Webson - Antigua

Financial Overview

Statement of Activities and Changes in Net Assets For the Years Ending December 31, 2008 and 2007

	2008		2007	
	Unrestricted	Temporarily Restricted	Total	Total
PUBLIC SUPPORT AND REVENUE				
U.S. Government and pass-through grants	-	4,275,113	4,275,113	5,245,513
Foundation and corporation grants	52	376,976	377,028	140,422
Individual contributions	2,145	-	2,145	4,146
Interest	6,499	-	6,499	13,799
Other	3,000	-	3,000	3,000
Net assets released from restrictions	4,254,725	(4,254,725)	-	-
Total public support and revenue	4,266,421	397,364	4,663,785	5,406,880
EXPENSES				
Program services	3,325,037	-	3,325,037	3,136,829
General and administrative	834,054	-	834,054	679,418
Total expenses	4,159,091	-	4,159,091	3,816,247
OTHER ITEM				
De-obligation of funding	-	(62,896)	(62,896)	(171,129)
Changes in net assets	107,330	334,468	441,798	1,419,504
Net assets at beginning of year	297,233	6,269,452	6,566,685	5,147,181
NET ASSETS AT END OF YEAR	404,563	6,603,920	7,008,483	6,566,685

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