

RAISING CIVIC VOICE



INTERNATIONAL
CENTER FOR
NOT-FOR-PROFIT LAW

ANNUAL REPORT
2012-2013

Cover photo: Bagan, Myanmar. Novice Buddhist monks walking along temple complex corridor, holding traditional parasols. © Martin Puddy/Corbis



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ICNL President Douglas Rutzen (on right) speaks on a panel with (L-R) US President Barack Obama, United Nations Deputy Secretary General Jan Eliasson, and Mexican civil society leader Alejandro Gonzalez Arreola. Photo: White House

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Message from ICNL's Chair and President

The theme of this year's annual report is "Raising Civic Voice." Around the world, the law has increasingly been used as a tool to silence the voice of civil society. In response, ICNL is leading efforts at the international, regional, and local levels to address this troubling trend.

At the international level, we are working with the United Nations Special Rapporteur on the rights to freedom of peaceful assembly and of association to provide tools to empower partners seeking to enhance civic space and global philanthropy. We are also engaging with a number of multilateral initiatives, including the Lifeline Fund and the Community of Democracies.

At the regional level, we support networks of civil society legal experts in every region to help advocacy efforts for enabling environments, launching new initiatives this year in sub-Saharan Africa and Asia. We are also working with professors in Latin America to educate the next generation of lawyers on civil society issues.

At the country level, ICNL has worked in over 100 countries. For example, in this report, you will read about our work supporting partners in Afghanistan, promoting civil society-government cooperation in Moldova, and protecting Kyrgyz organizations from overreaching counter-terrorism legislation.

To provide comparative information to our partners, we also launched the world's largest online library of civil society legal materials. Thanks to the support of the Bill & Melinda Gates Foundation, this library contains over 3300 documents in more than 60 languages from 200 countries and territories.

In terms of organizational developments, this year Lindsay Driscoll completed her distinguished service as ICNL's Chair. We thank Lindsay for her tremendous contributions. We also welcome our new Board member, Oonagh Breen of Ireland.

As always, we thank our funders for their dedication to our cause and their confidence in ICNL. Finally, we recognize the skill and passion of ICNL's staff and our partners around the world, who devote each day to raising civic voice.



Filiz Bikmen
Chair of the Board



Douglas Rutzen
President and CEO



The International Center for Not-for-Profit Law (ICNL) promotes a legal environment that strengthens civil society and advances the freedoms of association and assembly, philanthropy, and public participation around the world. Since 1992, ICNL has provided technical and research assistance in more than one hundred countries.

We come from virtually every continent, and we share

**a vision in which people are
empowered to work together
to improve their lives.**

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

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

ICNL's Global Reach



Afghanistan	Guatemala	Panama
Albania	Guyana	Paraguay
Algeria	Haiti	Peru
Argentina	Honduras	Philippines
Armenia	Hungary	Poland
Australia	India	Romania
Azerbaijan	Indonesia	Russia
Bahrain	Iraq	Rwanda
Bangladesh	Ireland	Saudi Arabia
Belarus	Israel	Senegal
Bolivia	Japan	Serbia
Bosnia-Herzegovina	Jordan	Sierra Leone
Brazil	Kazakhstan	Slovakia
British Virgin Islands	Kenya	Slovenia
Bulgaria	Kosovo	Somalia
Cambodia	Kyrgyzstan	South Africa
Canada	Latvia	South Sudan
China	Lebanon	Sri Lanka
Colombia	Libya	Sudan
Croatia	Lithuania	Tajikistan
Cyprus	Macedonia	Tanzania
Czech Republic	Malawi	Tunisia
Democratic Republic of the Congo	Malaysia	Turkey
Dominican Republic	Mexico	Turkmenistan
Ecuador	Moldova	Uganda
Egypt	Mongolia	Ukraine
El Salvador	Montenegro	United Kingdom
Estonia	Morocco	USA
Ethiopia	Myanmar	Uzbekistan
Fiji	Namibia	Vanuatu
France	Nepal	Venezuela
Georgia	Nicaragua	Vietnam
Germany	Nigeria	Yemen
Ghana	Pakistan	Zambia
	Palestine	Zimbabwe



Panel members (L-R): Burmese activist Khin Lay, Mongolian President Tsakhiagiin El-begdorj, US President Barack Obama, UN Special Rapporteur Maina Kiai, Mexican civil society leader Alejandro Gonzalez Arreola, and ICNL President Douglas Rutzen.
Photo: Pavol Demes

“We must take action at every level to strengthen the voices of democracy.”

-UN Secretary-General
Ban Ki-moon

On the margins of the 68th United Nations General Assembly, heads of state, UN leadership, and civil society members gathered to discuss the protection of civil society. Speakers, pictured above, emphasized the fundamental role of civil society in human progress and social and economic development.

This event served as a launching pad for a year-long international effort to support civil society. Following the event, twenty-four governments adopted a Joint Statement on the Promotion and Protection of Civil Society. Specifically, they committed to undertake joint diplomatic action to protect civil society in countries where it is restricted and to lead by example in promoting laws fostering civil society.

These governments also agreed to strengthen multilateral initiatives, including the Community of Democracies and Lifeline: The Embattled CSO Assistance Fund. ICNL serves on the Community of Democracies Working Group on Enabling and Protecting Civil Society, which helps mobilize the international community on civil society legal issues. ICNL is also a consortium partner in the Lifeline Fund, which is supported by seventeen governments and two foundations and provides emergency financial assistance and advocacy support to civil society organizations.

With these multilateral initiatives, the future holds promise for **coordinated global action to raise civic voice.**



Maina Kiai, UN Special Rapporteur. Photo: UN photo/Jean-Marc Ferré

From De-Funding to Defending Civil Society

In recent years, an increasing number of governments have been restricting civil society organizations' (CSOs) access to funding, especially from foreign sources. The UN Special Rapporteur on the rights to freedom of peaceful assembly and of association, Maina Kiai, elaborated on this key area of international law in his second report to the UN Human Rights Council. ICNL provided its expertise to the Special Rapporteur in developing this report.

This groundbreaking report **defined access to funding as a key element of the right to freedom of association.** Mr. Kiai asserted that "the ability of CSOs to access funding from domestic, foreign and international sources is an integral part of the right to freedom of association." CSOs around the world can now use the standards and principles set forth in the report to advocate against restrictions on foreign funding.

ICNL is leading the **Civic Space Initiative (CSI)**, a \$13 million program funded by Sweden to protect and expand civic space at the global, regional, and national levels. The CSI also supports the UN Special Rapporteur. Consortium partners: ARTICLE 19, CIVICUS: World Alliance for Citizen Participation, and World Movement for Democracy

The protests of the Arab Spring prompted a backlash against freedom of assembly in many parts of the world. A ‘contagion effect’ of restrictive laws and practices infected one country after another. Marches were criminalized in Bahrain, Malaysia banned street protests, and Azerbaijan dramatically increased penalties for unauthorized protests. In 2013, mass protests from Cairo to Kiev and beyond once again grabbed the world’s attention.

For civil society to thrive, the right to peaceful assembly must be upheld. ICNL is promoting and protecting the right to peaceful assembly through the following initiatives, among others:

- Providing up-to-date information on freedom of assembly issues in over 50 countries through our NGO Law Monitor;
- Developing a Freedom of Assembly Knowledge Platform to increase understanding of this right;
- Hosting an online webinar on best practices and international standards for the freedom of peaceful assembly; and
- Organizing a workshop on “Freedom of Assembly Under Threat: African Civil Society Responds” to collect best practices across the continent in organizing assemblies, advocating for progressive legislation, and seeking redress for violations of the right to assembly.

These initiatives are contributing to a world where citizens’ voices are heard.

“ICNL is building mechanisms for public participation so that social movements can create lasting change.”
– Filiz Bikmen, Turkey



Protests in Cairo, Egypt. August 3, 2013. Photo: Phil Gribbon

Regional Initiatives

Uniting Latin American Professors of Civil Society Law

Many civil society organizations across the Americas struggle to understand legal requirements that are confusing or even hostile to the sector. The challenge is greater because they typically lack access to lawyers trained to meet their special legal needs. In fact, instruction in the laws governing civil society is generally absent from the curriculum of Latin American law schools; only a few professors in the region teach the subject.

To address this void, ICNL organized a “Regional Conference on Teaching Civil Society Law.” Colleagues from fifteen Latin American and Caribbean countries met at the University of San Pedro Sula in Honduras. They shared experiences and explored how to introduce or improve civil society legal programs.

Bearing fruit almost instantly, the Conference provided the space for professors to **launch the Inter-American Network for Civil Society Law**. This network will promote stronger academic programs in civil society law and support legal reform initiatives benefiting the sector.



The network of civil society law professors during ICNL's regional conference in Honduras.

African Civil Society Support Initiative:
In 2013, ICNL launched this network to strengthen linkages among civil society defenders across the continent. It has already played a catalytic role in encouraging exchanges among African CSOs.

“Our relationship with ICNL was never that of a grantee and a grantor but a true partnership that can be best described as ‘co-thinking and ‘co-funding.’”
-Atallah Kuttub, SAANED



Filiz Bikmen, chair of ICNL's Board of Directors, represents ICNL at a conference on emerging market philanthropy, convened in Russia. Photo: Russian Donors Forum

Enabling Giving in the Middle East and North Africa

Around the world, ICNL is engaging foundations, policy-makers, and advocacy networks to expand space for philanthropic giving. ICNL is also working with philanthropic groups and funder networks to help increase knowledge about laws, best practices, and challenges affecting philanthropy.

In the Middle East and North Africa, the number of foundations and the level of corporate philanthropy have both steadily grown over the last twenty years. However, many countries in the region lack specific laws enabling philanthropic giving.

In response, ICNL partnered with local organizations, the Arab Foundations Forum and SAANED, to develop guidelines for foundations laws for the region. Drafted by philanthropic leaders from Egypt, Saudi Arabia, Lebanon, Jordan, Morocco, Palestine, United Arab Emirates, and Yemen, the guidelines were adopted in April 2013. These guidelines will inform the work of local advocates and drafters across the region, who will adapt them based on local context. This initiative contributes to **a more sustainable and vibrant philanthropic sector throughout the region.**



Village near the Tien Shan mountains, Kyrgyzstan. Photo: © Nikita Maykov/Getty

Kyrgyzstan: Freeing Civil Society from Over-Regulation

Following a worrisome global trend, Kyrgyzstan has attempted to clamp down on civil society in the name of counter-terrorism. In April 2013, the government introduced provisions to a bill on terrorism and money laundering that could potentially make all Kyrgyz organizations, from gardening clubs to human rights groups, suspects of terrorism and extremism. The draft law imposed invasive controls that were not in accordance with international standards. Of particular concern was a provision calling upon citizens to inform the authorities if they suspected CSOs (but not businesses) of illegal activities.

In response to this attack on civil society, ICNL and our partner Kyrgyz CSOs organized to advocate against the draft law. ICNL analyzed the draft law and distributed this information throughout civil society. ICNL also organized public hearings, which led to the creation of a joint civil society-government working group to redesign the draft law.

As a result, the troublesome and discriminatory provisions were removed from the draft, **ensuring that the resulting law will combat terrorism rather than injure civil society.**

“Serious efforts must be made to balance society’s interests in freedom from terrorism with society’s interests in a vibrant, autonomous, and powerful charitable sector.”

- Mark Sidel
ICNL Advisory Council

Moldova: A Roadmap to Civil Society Sustainability

In Moldova, the most serious problem facing CSOs is financial sustainability. According to the 2012 USAID CSO Sustainability Index, 92% of local CSOs are dependent on funding from external donors and lack access to government funds. CSOs that provide social services often struggle to access sustainable domestic funding resources in order to ensure continuity of these services.

To support CSO-government cooperation and improve the financial sustainability of civil society, the European Center for Not-for-Profit Law (ECNL) assisted CSOs and state officials to elaborate a comprehensive strategy that outlines the government's objectives for supporting civil society. ECNL supported local stakeholders in identifying the most important areas and most feasible mechanisms for improving the viability of the sector.

Collaboration in Iraq:

In the Kurdistan region of Iraq, ECNL supported local CSOs and public authorities in developing a compact among the Parliament, government, and CSOs. The compact is the first of its kind in the Middle East.

The strategy sets a roadmap for CSO policies to be harmonized with European best practices. Among other improvements, the strategy enables the reform of state funding mechanisms to make possible social service delivery by non-state actors, including CSOs. This important development will support the financial sustainability of Moldovan CSOs.



Neohumanist, a CSO that works with elderly people in vulnerable conditions to improve their quality of life, at a CSO fair in Chisinau, Moldova. The civil society strategy opens up new funding for CSOs like Neohumanist. Photo: FHI 360

Enabling Laws

Expanding Associational Rights in Afghanistan

Since 2002, individuals in Afghanistan have been able to form social organizations, but were highly constrained in their ability to contribute to the country's development. A new Associations Law enacted in May 2013 by the Afghan National Assembly promises new freedom for associations to operate effectively.

Most significantly, the prior legal framework legally prohibited social organizations from receiving donations from foreign sources, including both foreign governments and foreign private organizations. **Now social organizations have the right to access foreign funding.**

Registration under the 2002 law was centralized in Kabul, requiring social organizations to travel from the provinces to apply with the Ministry of Justice. The new law, however, envisions a decentralized system, which will **allow associations to register throughout all 34 of Afghanistan's provinces for the first time.**

These changes resulted from the advocacy efforts of social organizations in Afghanistan with support from ICNL, who brought these organizations and parliamentarians together and provided legal expertise to ensure that the new law complies with international standards.

In a global context of increasing constraints in too many countries, Afghanistan demonstrates that progress is possible.

“Partnerships built on mutual respect, trust, and local ownership of reform efforts are key elements to ICNL's success.”
-USAID, 2013 ICNL Performance Evaluation



Afghan CSO activists discuss the new Associations Law at an ICNL seminar.



**“Thanks to ICNL,
national CSOs were able to
present a strong,
unified voice arguing that
the draft bill would
hamper civil society.”
-David Deng, SSLS**

SSLS, ICNL's local partner in South Sudan, and other CSOs discuss their recommendations for improvements to the draft Non-Governmental Organizations Bill.

CSO Law in the World's Newest Nation

After more than twenty-five years of war, in 2011, South Sudan seceded from Sudan and became the world's newest country. The South Sudanese people hoped that independence would truly allow them a voice in decision-making. To reach this goal, ICNL and the South Sudan Law Society (SSLS) are working to improve the draft Non-Governmental Organizations Bill. Under the bill, organizations monitoring government performance, combating corruption, promoting good governance, and defending human rights may have no legal basis for their existence. Annual registration requirements may be so costly that many CSOs will struggle to acquire the legal status and funding they need to survive.

ICNL and SSLS mobilized more than 40 South Sudanese CSOs and established an SSLS-led Working Group to convey civil society's concerns to the government. With the support of ICNL, the Working Group presented a Civil Society Statement voicing these concerns and recommending changes to a Parliamentary Committee.

Unfortunately, the newest version of the bill released after the second parliamentary reading does not address fundamental problems of the prior version of the bill. ICNL has responded by drafting a commentary on the bill; by informing and activating a robust international response to developments; and by raising awareness that a vibrant civil society is essential for peace and development in South Sudan.

Cutting-Edge Research

ICNL is the leading source of information on the legal environment for civil society, philanthropy, and public participation globally.

NGO Law Monitor: Covering 46 countries and 8 multilateral institutions (such as the African Union and the League of Arab States), the Law Monitor provides up-to-date information on legal issues affecting NGOs around the world. A highly praised monitoring tool, the NGO Law Monitor is the best source for the latest updates on civil society law. www.icnl.org/research/monitor

“The NGO Law Monitor is extremely valuable for comparing Indonesia’s laws to others in the region. There’s no other resource for this type of research.”

-Bivitri Susanti, Indonesian
Centre for Law & Policy Studies

Online Library: Launched in September 2013, the enhanced Online Library is a global legal database that contains more than 3,300 key civil society legal materials in over 60 languages from every UN Member State. <http://www.icnl.org/research/library>

Thematic Portals: Our portals offer access to essential materials on twelve leading topics in civil society law. Topics include freedom of assembly, foreign funding, and counter-terrorism. <http://www.icnl.org/research/resources>

Civil Society Sustainability Index (CSO SI): Covering over 60 countries in 4 regions, the CSO SI analyzes civil society sustainability based on 7 indicators. The CSO SI is the only index in the world that measures the legal framework for civil society and the financial sustainability of CSOs. ICNL serves on the editorial committee of this USAID publication.

Global Trends in NGO Law: This periodical report draws on ICNL’s global expertise to provide a unique perspective of legal trends around the world affecting civil society. www.icnl.org/research/trends

International Journal of Not-for-Profit Law (IJNL): The first journal of its kind, the IJNL publishes pioneering research by legal experts on cutting-edge civil society topics from around the world. The most recent issue features studies on women’s NGO networks in Mongolia, freedom of association in Indonesia, and the culture of giving in Kenya. www.icnl.org/research/journal

International Grantmaking: The United States International Grantmaking (USIG) Project is a joint initiative of the Council on Foundations and ICNL, designed to facilitate effective and responsible international grantmaking by U.S. foundations. As part of this project, ICNL prepares 35 Country Notes to help private foundations undertake “equivalency determinations” when making international grants. www.usig.org

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ICNL's Board of Directors visits ICNL, LLC's office in Amman, Jordan.

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Statement of Activities and Changes in Net Assets for the Years Ending December 31, 2012 and 2011

	2012			2011
	Unrestricted	Temporary Restricted	Total	Total
PUBLIC SUPPORT AND REVENUE				
U.S. and Other Government Grants	-	6,054,639	6,054,639	6,100,063
Foundation and Corporation Grants	-	1,815,841	1,815,841	643,619
Contributions	3,250	-	3,250	2,200
Interest Income	2,213	-	2,213	2,603
Other Revenue	1,516	-	1,516	8,953
Net assets released from restrictions	<u>7,877,430</u>	<u>(7,877,430)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	7,884,409	(6,950)	7,877,459	6,757,438
EXPENSES				
Program Services	5,548,120	-	5,548,120	4,893,797
General and Administrative	<u>1,350,976</u>	<u>-</u>	<u>1,350,976</u>	<u>1,157,156</u>
Total expenses	6,899,096	-	6,899,096	6,050,953
Changes in net assets before other item	985,313	(6,950)	978,363	706,485
OTHER ITEM				
De-obligation of Funding	<u>-</u>	<u>(109,489)</u>	<u>(109,489)</u>	<u>-</u>
Changes in net assets	985,313	(116,439)	868,874	706,485
Net assets at beginning of year	<u>668,339</u>	<u>8,726,097</u>	<u>9,394,436</u>	<u>8,687,951</u>
NET ASSETS AT END OF YEAR	1,653,652	8,609,658	10,263,310	9,394,436

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