



# **Current Trends in Self- Regulation of Civil Society Organizations in Europe**

*A general overview*

EUROPEAN CENTER FOR NOT-FOR-PROFIT LAW



**Address:** 1052 Budapest, Apáczai Csere János u. 17, Hungary

**Web:** [www.ecnl.org](http://www.ecnl.org)

**Phone:** +36 1 318 6923

**Twitter:** @enablingNGOLaw

**Fax:** +36 1 266 1479

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Web: [www.ecnl.org](http://www.ecnl.org)

Phone: +36 1 318 6923

Twitter: @enablingNGOLaw

Fax: +36 1 266 1479

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## 1. INTRODUCTION

Self-regulatory initiatives are adopted by civil society organizations (CSOs)<sup>1</sup> with the aim to establish and agree on well-defined set of common standards that will have positive impact on the organization's accountability and effectiveness both internally and externally.

According to the One World Trust, self-regulation may be defined as: *"the development and administration of common norms and standards of behavior by and for CSOs that is not fully mandated by government regulation."* Other definition, proposed by Gugerty and Prakash, stipulates that self-regulations are *"schemes or initiatives in which participation is fully voluntary."*<sup>2</sup>

Both definitions combine two common elements: (1) **cooperation model** and (2) **voluntary participation**. Self-regulatory initiatives are, hence, driven by the shared will to cooperate on a voluntary basis to achieve better results in CSOs' everyday operation. Common will to cooperate is typically compelled by the **common interest/goal** of the organizations that brings them together and stimulates them to abide by the same principles of conduct. Also, important underlying approach for any self-regulation initiative is that it is designed through a **collaborative process**.

This paper aims to provide a general overview of the different types of selected self-regulation models introduced at the European and international level. The paper was developed based on a desktop research and is organized around following main sections:

- Reasons for adoption of self-regulations;
- Types of self-regulatory initiatives and issues for consideration when designing a tailor-made self-regulation;
- Compliance and enforcement mechanisms for implementation;
- Examples of the European and regional/international self-regulatory models, with the analysis of the potential benefits and challenges of each model; and
- Conclusions extracted from the examples.

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<sup>1</sup> The term **civil society organizations (CSOs)** is understood to encompass the narrow definition of civil society which relies on the following criteria: 1) it is voluntarily organization established by a private instrument (contract, act on establishment), rather than by law; 3) it may be a membership or non-membership; 4) it is not part of the government structure; 5) it is established to pursue public or mutual benefit goals; 6) it is not-for-profit. Therefore, the term includes associations, foundations, private institutions, centers, not-for-profit corporations, and any other organization falling under the above criteria. The experts recognize the existence of other forms of CSOs (e.g., political parties, religious organizations, trade unions) but for the purposes of this paper, the focus is only on organizations under the narrow definition.

<sup>2</sup> One World Trust: *Effective Accountability? The drivers, benefits and mechanisms of self-regulation*, 2012. Available at: <http://www.oneworldtrust.org/component/content/article/93-showcase/361-effective-accountability>.



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## 2. REASONS FOR ADOPTION OF SELF-REGULATIONS

Increasingly, CSOs worldwide adhere to shared principles and standards and design their own self-regulation schemes. Most common goals of the European self-regulatory initiatives include:

- ✓ **Promotion of transparency & accountability-** self-regulatory initiatives typically aim to promote transparency and accountability and improve their internal management, governance and organizational effectiveness;
- ✓ **Increased credibility with donors and public-** commitment to standards on transparent and accountable operation may positively present CSOs in the eyes of grant makers and wider public;
- ✓ **Participation of stakeholders/coalition building-** considering that self-regulations are developed in a collaborative manner, the process of adoption fosters cooperation among participating CSOs. It enables the participants to identify common principles and values and address potential challenges while building effective CSO alliances;<sup>3</sup>
- ✓ **Quality management-** application of a system of standard and transparent management processes may help CSOs to achieve their previously determined goals. Detailed evaluation of CSO's operation against set of indicators reveals the deflections and fosters improvement of the organization's management. <sup>4</sup>

## 3. TYPES OF SELF-REGULATORY INITIATIVES AND ISSUES FOR CONSIDERATION

### 3.1. *Types of self-regulatory initiatives*

As every self-regulation is typically unique, designed for certain group of organizations and with a specific goal or purpose, there are variations of self-regulatory initiatives around Europe and worldwide. According to One World Trust Database of Self-Regulatory Initiatives, they may be divided into several groups based on the following criteria:

1. **By location:** based on the area covered by the self-regulation, we can identify *international and world-wide initiatives* that are functioning in multiple countries; *regional groups* that are present in all countries within the group; and *country initiatives* introduced in one single country.
2. **By models of regulation:** according to the common principles and design of the initiative we can identify several self-regulatory models, including *codes of conduct/ethics; certifications and*

<sup>3</sup> European Center for Not-for-Profit Law: *Code of Conduct as a Self-Regulatory Mechanism (Overview of Issues and Types of Codes)*, 2007.

<sup>4</sup> CIVICUS: *Accountability for Civil Society by Civil Society: A Guide to Self-Regulation Initiatives*, April 2014. Available at: <http://civicus.org/images/stories/CIVICUS%20Self-regulation%20Guide%20Eng%202014.pdf>.



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*accreditations; information services, working groups and awards.* The models are further described in this paper.

3. **By areas addressed by the initiative:** depending on the goal of a self-regulation, the initiatives may address various areas, for example, *communications/advocacy/fundraising; governance and management; human resources; beneficiary/client/supporter participation; monitoring and evaluation.*
4. **By target activity/sector:** a self-regulatory initiative may target one or more specific sectors or be cross-sectoral. Possible sectors subject to self-regulation may include *advocacy/lobbying; agriculture/food/nutrition; fundraising; health; humanitarian/emergency relief; human rights and many others.*<sup>5</sup>

### 3.2. Issues for consideration

Prior to the design of a self-regulation model, CSOs have to agree on **the purpose of the initiative**. This will help to decide what is the best model to adopt and will fundamentally influence the content. It is very important to invest in creating a common understanding and agreement as to the purpose and expectations about the process of development and implementation, as well as the resources that need to be invested.

**Public perception of CSOs** may be a determinative factor when deciding on a right self-regulatory model. In countries with a high level of trust and prestige of the sector, a simple code of ethics with no strongly enforceable compliance mechanism may be sufficient. On the contrary, in countries where CSOs need to improve governance or image an independent certification system may help to increase overall trustworthiness of the sector.

Organizations that aim to develop a self-regulation must consider their **size, needs and available resources** when choosing the most appropriate model. While self-evaluation and evaluation of compliance by peer members is less costly, independent evaluation may be much more demanding in terms of resources. In addition, there is a need to allocate sufficient human and financial resources even for the less costly evaluation mechanisms.<sup>6</sup>

## 4. COMPLIANCE AND ENFORCEMENT MECHANISMS

Compliance with the principles and standards is crucial for ensuring a positive impact of the initiative in practice. Sound compliance mechanisms provide security that signatories operate or strive to operate consistently within the adopted principles and standards. According to the One World Trust's study

<sup>5</sup> One World Trust: *A database of civil society self-regulatory initiatives.*

<sup>6</sup> Özhaçeş, Hande: *Good Governance and Self-Regulation Models for Civil Society Organizations*, TACSO, 2013. Available at: [http://tacso.org/doc/tr201501007\\_gg.report.pdf](http://tacso.org/doc/tr201501007_gg.report.pdf).



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mapping national level self-regulations, there are two main approaches in assuring CSOs' compliance: **proactive** and **reactive**.<sup>7</sup>

Members of the self-regulations with **proactive approach** are obliged to regularly monitor and report on their compliance with the standards and principles. The compliance assessment may occur at the initial stage of joining an initiative or throughout the whole membership lifecycle. In case of *entry assessment*, signatories have to undergo a process of re-certification or renewal of their membership every 1-3 years.<sup>8</sup> An example of a proactive entry compliance mechanism is the **Seal of Quality awarded by Czech Donors Forum** to certified foundations and funds for 2 years. If the certified organizations wish to keep their Seal of Quality, they have to reapply and go through the same process of compliance assessment.<sup>9</sup> *Regular monitoring and assessment of compliance* is connected with the sanctions, where any signatory may be removed if it fails to demonstrate ongoing compliance. For example, **Central Bureau on Fundraising in Netherlands** performs regular compliance monitoring of the Seal of Approval and Certificate owners.<sup>10</sup>

**Reactive mechanisms** monitor the compliance or threaten removal from an initiative when there is a reasonable belief that a member is non-compliant.<sup>11</sup> They tend to use complaints-based sanctioning mechanisms, where all stakeholders may submit a complaint whenever they feel an organization is breaching agreed standards and principles. Complaint is typically further examined by the initiative's lead organization.<sup>12</sup> For example, the **Code of Conduct for NGOs in the Republic of Montenegro** regulates a complaints procedure that may be brought against any signatory, group of signatories, employees, volunteers and members of the organization/s. The procedure is led by a self-regulatory body appointed by the Coalition's Assembly and may result in various sanctions, from warning up to the suspension of a membership.<sup>13</sup>

Compliance may be assessed through various means and by different parties or even by the organization itself. The following are various methods of assessment identified throughout Europe:

- *Self-assessment*: is a desk-based method of assessment, performed by the organization itself;
- *Peer-assessment*: consists of interviews, surveys or field visits done by another member of the initiative;
- *Third party assessment*: is a mixed method, composed of both desk-based assessment and field visit by an external body;

<sup>7</sup> One World Trust: *Building a common framework: Mapping national level self-regulation initiatives against the INGO Accountability Charter*, May 2012. Available at:

<http://www.oneworldtrust.org/component/content/article/93-showcase/358-building-a-common-framework>.

<sup>8</sup> Ibid.

<sup>9</sup> For more information please visit Czech Donors Forum official website at: <http://www.donorsforum.cz/sluzby-a-projekty/znamka-kvality.html>.

<sup>10</sup> Central Bureau on Fundraising: *Objective and Tasks*. Available at:

[http://www.cbf.nl/Uploaded\\_files/Zelf/objective-and-tasks-2015.pdf](http://www.cbf.nl/Uploaded_files/Zelf/objective-and-tasks-2015.pdf).

<sup>11</sup> One World Trust: *Building a common framework: Mapping national level self-regulation initiatives against the INGO Accountability Charter*, May 2012.

<sup>12</sup> CIVICUS: *Accountability for Civil Society by Civil Society: A Guide to Self-Regulation Initiatives*, April 2014.

<sup>13</sup> Coalition of NGOs "By Cooperation to the Goal": *Code of Conduct for NGOs in the Republic of Montenegro*. Available at: <http://www.oneworldtrust.org/csoproject/images/documents/MNTG1.pdf>.



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**Phone:** +36 1 318 6923

**Twitter:** @enablingNGOLaw

**Fax:** +36 1 266 1479

- *Complaints procedure:* as described above, it is a formal procedure enabling all stakeholders to submit complaints to a body responsible for the investigation.<sup>14</sup>

Compliance could be appraised prior to the adherence to the self-regulatory initiative scheme, subsequently during the acceptance procedure or throughout the whole membership lifecycle.<sup>15</sup> The first three methods of assessment are typically used with the certification and accreditation mechanisms. However, they may be employed also alongside other models, such as codes of conduct or working groups.

## 5. EXAMPLES OF SELF-REGULATION MODELS

### 5.1. *National level self-regulation models*

As described earlier, according to the common principles and design of the initiative, we can identify following models of self-regulation:

1. **Codes of Conducts and Ethics**
2. **Certification and accreditation schemes**
3. **Information services**

#### 1. Codes of Conduct and Ethics

Codes of conduct (“CoC”) are the most widespread self-regulatory initiatives. They are typically adopted by umbrella CSO organizations and could be both sector-wide codes or with focus on a specific subsector.

A Code of Conduct or a Code of Ethics is a set of standards and principles created by a group of CSOs as **guidelines to their own behavior and practices**. Signatories of the Codes commit to abide by the determined standards and principles and follow them throughout their everyday operation. Codes typically regulate diverse areas, including governance, transparency and accountability, fundraising practices, and others. Some Codes may focus solely on one area of CSO operation with detailed rules of performance.<sup>16</sup>

#### Country examples from Europe:

- ✓ **ESTONIA:** *Code of Ethics of Estonian Non-profit Organizations*, adopted in 2002, provides guiding principles for actions taken by the non-profit organizations that aim to increase the overall credibility of the sector. The principles are organized around following main areas:
  - (1) Democratic governance;
  - (2) Civic courage and care;

<sup>14</sup> Ibid.

<sup>15</sup> CIVICUS: *Accountability for Civil Society by Civil Society: A Guide to Self-Regulation Initiatives*, April 2014.

<sup>16</sup> Ibid.



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- (3) Sustainability and prudence in utilization of funds and resources;
- (4) Responsibility and accountability;
- (5) Openness and transparency;
- (6) Independence and avoiding conflicts of interest;
- (7) Honor of the commitments and recognition of authorship of ideas; and
- (8) Tolerance.<sup>17</sup>

- ✓ **FRANCE:** *The Shared Ethics Charter (Une éthique partagée)*, developed by Coordination SUD, an umbrella coalition of French humanitarian CSOs. The Charter includes financial and programmatic rules that are binding for its signatories. From the financial rules, organizations have to diversify their sources of funding to preserve their financial independence, particularly from the state. In addition, they shall prepare annual financial and narrative reports, approved by the General Assembly of the organization. In the programmatic rules, the Charter describes uniform approach in the implementation of members' activities and preparation of their strategies. In addition, it requires an open dialogue about actions taken by all of its signatories.<sup>18</sup>
- ✓ **UNITED KINGDOM:** *Code of Fundraising Practice*, developed by the Institute of Fundraising Standards Committee, is an example of a detailed Code that includes standards related solely to the fundraising practices. The Code touches upon various issues related to fundraising, such as, for example, work with vulnerable groups, performance of different fundraising methods, handling of donations and other.<sup>19</sup>



- The adherence to CoC may send a positive signal to donors that the CSO is committed to certain predictable transparency and accountability rules;
- CoC facilitates cooperation and exchange of experiences among the signatory organizations and is oftentimes developed in consultation with peer members;
- CoC are typically not financially demanding in terms of organization and maintenance.



- It may be challenging to differentiate between CSOs that fully or only partially comply with the standards if no effective compliance mechanism is in place;
- It may be time demanding to set up and ensure the relevance of the Code.<sup>20</sup>

<sup>17</sup> General Assembly of the Roundtable of Estonian Nonprofit Organizations: *Code of Ethics of Estonian Non-profit Organizations*. Available at: <http://www.arenduskeskus.ee/code-of-ethics-of-estonian-nonprofit-organizations/>.

<sup>18</sup> Coordination SUD: *The Shared Ethics Charter*. Available at: [http://www.coordinationsud.org/wp-content/uploads/3.chartre\\_une\\_ethique\\_partagee.pdf](http://www.coordinationsud.org/wp-content/uploads/3.chartre_une_ethique_partagee.pdf).

<sup>19</sup> Institute of Fundraising: *Code of Fundraising Practice*. Available at: <http://www.institute-of-fundraising.org.uk/code-of-fundraising-practice/sections/>.

<sup>20</sup> CIVICUS: *Accountability for Civil Society by Civil Society: A Guide to Self-Regulation Initiatives*, April 2014.



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## 2. Certification and Accreditation Schemes

**Certification and accreditation models** are based on a process through which CSO's governance, programmes and practices are assessed against a set of written standards and principles. When approved, a CSO may receive a "seal" or mark of compliance providing sound credibility to the certified CSO. Some industries specifically define accreditation and certification and these two terms are not to be used interchangeably.<sup>21</sup> In the civil society sector, both accreditation and certification mechanisms refer to the schemes evaluating compliance of an organization with a set of standards.<sup>22</sup>

Certification may involve self, peer or third party assessment of the compliance with the initiative's standards and principles. **Self-certification** schemes envisage an internal assessment of a CSO that results in a formal declaration of compliance with the determined standards by the CSOs themselves. The declaration is typically accompanied with an evidence of compliance, however, no external verification is required. **Peer certification** involves a group of CSOs active in a same field of work and compliance is verified by a peer member. **Third party certification** involves a non-peer organization that develops and verifies the compliance against set standards.<sup>23</sup>

### Country examples from Europe:

- ✓ **FRANCE:** *Governance and Responsible Management Label for Foundations and Associations*, run by AFNOR<sup>24</sup> is a label available to all types of associations and foundations. This certification mechanism focuses on good governance and financial transparency, but sets standards also for other areas, such as human resources. Compliance is verified through a desktop self-assessment and may be complemented by a voluntary audit. Re-certification is required every three years.<sup>25</sup>
- ✓ **NETHERLANDS:** *Seals of Approval and Certificates* awarded by Central Bureau on Fundraising ("CBF") to compliant charities engaged in public fundraising. The mechanism is three-tiered and provides different criteria for starting charities, small charities and large charities. While criteria for large charities are strict and cover many areas, including governance, policy, spending,

<sup>21</sup> See, for example, International Standards Organization, "Certification, Registration, and Accreditation," defining, for ISO purposes, certification as the process for issuance of a written assurance that an independent body has audited an organization's management system and verified that it conforms to a standard, and accreditation as the process by which a body becomes competent to carry out a certification. Available at: <http://www.bsigroup.com/en-US/About-BSI/Media-Center/Media-FAQs/#faq5>.

<sup>22</sup> International Center for Not-for-Profit Law: NGO Accreditation and Certification: The Way Forward? An Evaluation of the Development Community's Experience, available at: [http://pdf.usaid.gov/pdf\\_docs/Pnadb766.pdf](http://pdf.usaid.gov/pdf_docs/Pnadb766.pdf).

<sup>23</sup> Warren, Shana and Lloyd, Robert: *Civil Society Self-Regulation (The Global Picture)*, One World Trust, 2009. Available at: <http://www.oneworldtrust.org/csoproject/images/documents/CSO-self-regulation-the-global-picture-OWT-119-2009.pdf>.

<sup>24</sup> Association Française de Normalisation

<sup>25</sup> More about AFNOR and their certification mechanism at: <http://www.afnor.org/metiers/certification/panorama-certification>.



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fundraising, accounting and reporting, the criteria for small and starting charities are less stringent. Interestingly, local authorities grant fundraising permissions based on the information obtained from CBF.<sup>26</sup>



- Represents a public mark of quality;
- Possibility to ensure that the CSO stays committed to proclaimed standards and principles, as the review is conducted regularly;
- Possibility of peer review and self-check mechanisms;
- Adherence to the scheme compels the organization to seriously abide by the standards and typically results in a transparent and accountable practices in the sector.



- The certification and accreditation procedures are oftentimes lengthy and demanding in terms of finances and human resources;
- Some schemes may not be accessible for small organizations with limited capacities and financial resources.<sup>27</sup>

### 3. Information Services

This type of self-regulation aims to enhance transparency and accountability of its members through **public disclosure of certain data**. In addition, information services may be complemented with data from official CSO databases, such as CSO registries, official lists, official journals, tax administration etc.<sup>28</sup>

The scope of information published varies from one model to another and is usually gathered in searchable database. Information services can benefit particular stakeholders: some are CSO directories providing basic information on active members of the sector, while others comprise more detailed information, including financial reports. These may be used by donors to verify CSO's bona fides. Information services typically do not have any compliance mechanism, however, the information included may be subject to external verification.<sup>29</sup>

#### Country examples from Europe:

- ✓ **UNITED KINGDOM + Europe:** *GuideStar* the first European model of information services, introduced in the United Kingdom.<sup>30</sup> Within a few years it spread around Europe, including, for example, Germany and Ireland. The GuideStar country models work on common principles and

<sup>26</sup> More about Central Bureau on Fundraising available at: <http://www.cbf.nl/the-central-bureau-on-fundraising/>.

<sup>27</sup> CIVICUS: *Accountability for Civil Society by Civil Society: A Guide to Self-Regulation Initiatives*, April 2014.

<sup>28</sup> Ibid.

<sup>29</sup> Warren, Shana and Lloyd, Robert: *Civil Society Self-Regulation (The Global Picture)*, One World Trust, 2009.

<sup>30</sup> Official website of the GuideStar UK: <http://www.guidestar.org.uk/>.



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combine the same data collection methods. It promotes accountability and transparency by enabling direct public access to essential information about CSOs. Firstly, the administering body gathers CSOs data from state registers and databases, and arranges the information in the GuideStar database. This information consists of contact details of the organization and financial information published by the organization. Secondly, it invites CSOs to self-report on its work and activities.<sup>31</sup>

- ✓ **HUNGARY:** The NIOK database is independently run online platform, which includes information from the National Office for the Judiciary and other sources voluntarily uploaded by the participating CSO. The database provides diverse information, such as for example, the organization's purpose, goals, current activities, achievements and indicates whether it is a recipient of 1% tax designations. In addition, the platform allows for credit card donations to some of the organizations.<sup>32</sup>



- Constitutes a useful tool for enhancing the visibility of CSOs;
- Information service may be linked to an online donation platform;
- Helps to promote CSOs' activities and inform donors about results of their partnerships with CSOs.



- Administration of data and regular maintenance is often time-consuming;
- Information services typically require widespread promotion to provide direct effective benefit to participating CSOs.<sup>33</sup>

## 5.2. International and Regional self-regulatory initiatives

In addition to the national level self-regulatory initiatives, there are numerous international and regional ones. International/regional self-regulations can establish general rules on transparency and accountability for CSOs or regulate a specific field, such as advocacy/ lobbying, social service provision, or fundraising activities. They may also combine elements of several self-regulation models, for example, code of conduct, certification mechanisms and working group.

International/regional self-regulatory initiatives could be formed through working groups and consultations or by sector experts specialized on certain aspects of CSO operation. Members of such initiatives are typically large international non-governmental organizations (INGOs) and/or large national civil society organizations, while grassroots organizations are rarely members. This may be due to the

<sup>31</sup> European Center for Not-for-Profit Law: *Study on Recent Public and Self-regulatory Initiatives Improving Transparency and Accountability of Non-profit Organizations in the European Union*, 2009.

<sup>32</sup> Available at: <http://adhat.hu/kereses/szervezet>.

<sup>33</sup> CIVICUS: *Accountability for Civil Society by Civil Society: A Guide to Self-Regulation Initiatives*, April 2014.



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obligatory entry fees and high level standards that could be difficult to comply with for smaller organizations. The membership in such initiative, however, brings the organization a greater visibility and credibility in the eyes of potential donors.<sup>34</sup>

#### Examples of International Initiatives:

- ✓ **World Association of Non-Governmental Organizations (WANGO) Code of Ethics and Conduct** project was initiated at the 2002 Conference on the Culture of Responsibility and Role of NGOs in Washington D.C. A number of conference speakers, WANGO members and other prominent attendees suggested to create a general, broadly applicable code of ethics to guide NGOs worldwide. The Code was finalized in 2005 and remains an evolving document. The Code covers a wide range of issues, including, for example, transparency and accountability, good governance, public trust, human resources and human rights. In 2009, a Compliance Manual was developed to complement the Code. The Manual works as a checklist of compliance with the core principles and standards introduced by the Code.<sup>35</sup>
- ✓ **International Non-Governmental Organizations (INGO) Accountability Charter** is a framework of international standards for accountability, transparency and effectiveness of CSOs developed by a group of CSOs in 2006. The Charter has three main goals, which are greater accountability of international CSOs, streamlining of CSOs accountability commitments across sectors and regions and improvement of CSOs' effectiveness through exchange of best practices. The Charter is organized around 10 accountability commitments: (1) Respect for Human Rights; (2) Independence; (3) Transparency; (4) Good Governance; (5) Responsible Advocacy; (6) Participation; (7) Diversity/Inclusion; (8) Environmental Responsibility; (9) Ethical Fundraising; (10) Professional Management. Members are committed to annual reporting that is reviewed against the set standards by the Independent Review Panel. The initiative has currently 23 international CSO members and large number of their national entities.<sup>36</sup>

#### Examples of Regional Initiatives in Europe:

- ✓ **European Foundation Centre Principles of Good Practice** provides a set of core values that every foundation should aim to embrace. The first version of Principles was introduced in 1995 and have undergone regular revisions, the last one being in May 2014. The Principles cover following main areas: (1) Independent Governance; (2) Sound Management; (3) Transparency; and (4) Accountability. The Principles are tiered and enable organizations to decide on the level of abundance while setting the fundamental base that should be core to every foundation.<sup>37</sup>
- ✓ **The European Fundraising Association (EFA)** is an active and visible network of 20 member associations and observers from across the Europe that represent the European fundraising

<sup>34</sup> CIVICUS: *Accountability for Civil Society by Civil Society: A Guide to Self-Regulation Initiatives*, April 2014.

<sup>35</sup> Official website of WANGO available at: <http://www.wango.org/default.aspx>.

<sup>36</sup> More about INGO Accountability Charter available at: <http://www.ingoaccountabilitycharter.org/>.

<sup>37</sup> Official website of European Foundation Center available at: <http://www.efc.be/>.



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community. EFA was established in 2002 with a mission to strengthen and develop the fundraising profession in Europe and increase fundraising activity. It facilitates trainings and provides certificates for fundraisers, fundraising associations, and trainers. In addition, it serves as a platform for sharing best practices and information hub for fundraising and fundraisers in Europe. Members of EFA have to abide by the International Statement of Ethical Principles in Fundraising, co-ordinated by the Association of Fundraising Professionals.<sup>38</sup>

### 5.3. Other CSO methods for promotion of best practices

In addition to the above models, there are other methods that aim to promote best practices in the sector. They are typically informal, lacking an institutionalized management system or compliance mechanism. Examples of these initiatives include **working groups and awards**.

- **Working groups**

Working groups are informal CSO consortia that **meet regularly to share and define best practices and discuss various common concerns**. They may consist of individuals and organizations operating in a particular field of work or may be cross-sectorial collectives. To encourage the compliance with best practices they may develop self-assessment toolkits and guidelines for their members.

Working groups are typically less formalised and lack institutional structure compared to other self-regulatory initiatives. However, they oftentimes lead to a **creation of more formalized initiatives**, such as Codes of Conduct. Working groups may also create action plans aiming to increase members' accountability and transparency, or undertake capacity building activities through workshops and trainings for their members and non-members.<sup>39</sup>

#### Examples:

- ✓ *Open Forum for CSO Development Effectiveness (Secretariat):* working group in official existence from 2009 to 2012 was a global participatory space run by and for CSOs with the aim to improve the impact of their work and define principles and practice of effective civil society action. As a part of their activities, they developed the **International Framework for CSO Development Effectiveness** which includes **8 Istanbul Principles** and defines critical requirements for CSO enabling environment. The Principles contain, for example, CSO commitment to human rights and social justice, gender equality and equity, democracy and empowerment, environmental sustainability and transparency and accountability. The working group prepared also several other documents, including toolkits and practitioner's activity guides for signatories of the Framework.<sup>40</sup>

<sup>38</sup> Official website of the European Fundraising Association available at: <http://www.efa-net.eu/>.

<sup>39</sup> Ibid.

<sup>40</sup> Available at: <http://cso-effectiveness.org/-home,091-.html>.



**Address:** 1052 Budapest, Apáczai Csere János u. 17, Hungary

**Web:** [www.ecnl.org](http://www.ecnl.org)

**Phone:** +36 1 318 6923

**Twitter:** @enablingNGOLaw

**Fax:** +36 1 266 1479

- ✓ *The Wheel (Secretariat)* – Irish working group composed of eight umbrella organizations established in 2012. The working group was meeting once a month for two years to develop a common governance code for the civil society sector. The **Governance Code** is organized around five main principles related to the leadership of the organization, exercising the control over it, transparency and accountability rules, effective work and behaviour with integrity. Besides works on the Code, the group was organizing regular awareness raising workshops and capacity building activities for the implementation of the Code. The group was predominantly financed through volunteer resources, the consultancy costs were covered by the member organizations.<sup>41</sup>



- Working groups enable the participants to share best practices, experiences, knowledge and build better relationships among peer members;
- Compared to other self-regulatory initiatives, working groups are more flexible and accessible, which may motivate many organizations to participate.



- In the absence of leadership and commitment of participating CSOs, tangible results and substantial improvements may take a long time;
- Achievement of consensus and coordination of a working group with diverse participants may be challenging;
- Funding may be difficult to secure and the ongoing operation may be dependent on voluntary contributions.<sup>42</sup>

- **Awards**

Awards are prizes given to organizations in recognition of excellence, innovation and best practices in diverse areas. They are granted through a competitive procedure where participants are evaluated by an independent jury against a set of defined criteria. Participating organizations may either apply through an open call or may be nominated by third parties. Awards could be divided into several categories, according to the size, field of activity and annual turnover of the organization. The evaluated areas of operation vary from one scheme to another and include, for example, governance, transparency and accountability, fundraising practices and others.<sup>43</sup>

#### Examples:

- ✓ **MOLDOVA:** *Organizational Transparency Awards* aim to reward and promote positive examples of transparent CSOs and to stimulate the adoption of principles of transparency, ethics and good governance by the entire CSO sector. Applicants are assessed by an independent jury of seven volunteers from the media, civil society, and donor communities and receive scores in following

<sup>41</sup> Official website of The Wheel: <http://www.wheel.ie/>.

<sup>42</sup> CIVICUS: *Accountability for Civil Society by Civil Society: A Guide to Self-Regulation Initiatives*, April 2014.

<sup>43</sup> Ibid.



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areas: efficient management of resources, good governance practices, transparency and accountability, effective communication, and impact of services provided to the community.<sup>44</sup>

- ✓ **ROMANIA:** *Annual Report Awards* is an initiative launched by the Romanian Donors Forum in 2002 with the aim to encourage reporting among Romanian grant makers. The areas subject to evaluation include, for example, general commitment to transparency, financial reporting, impact evaluation and others. In addition, all members of the Donors Forum must abide by the Ethical Code.<sup>45</sup>
- ✓ **UNITED KINGDOM:** *Charity Times Awards* are annually given to winners in 28 diverse categories. The categories include, for example, Charity of the year, divided into 3 sub categories according to the amount of income, Best new charity, Financial Management, Community award, Social investment initiative and many others.<sup>46</sup>



- Oftentimes involves publicity, which may promote organization's commitment to transparency and accountability standards;
- Awards scheme engages multiple stakeholders, including CSOs, media, academia and wider public;
- Participants typically receive a free assessment of their operation with a detailed evaluation that may help the organization to improve in diverse areas.



- Publicity of the award depends on the organizer's image and is not always guaranteed;
- Awards scheme may be financially demanding for both implementation and granting of prizes to winners;
- When the results of the evaluation are negative, it may potentially damage the organization's reputation in case the results are publicized.<sup>47</sup>

## 6. CONCLUSIONS

Based on the presented European examples of self-regulation, following conclusions may be extracted:

- **Diversity of the self-regulatory arrangements:** As almost every self-regulation is specific to the circumstances it aims to address, there is a broad scale of initiatives identified in Europe. These could be categorized according to their location, areas addressed, target activity/sector and

<sup>44</sup> Available at:

[http://www.contact.md/transparency/index.php?option=com\\_content&view=article&id=44%3A moldovan-civil-society-organizations-promoting-organizational-transparency-receive-awards&catid=15%3Anews&Itemid=47](http://www.contact.md/transparency/index.php?option=com_content&view=article&id=44%3A moldovan-civil-society-organizations-promoting-organizational-transparency-receive-awards&catid=15%3Anews&Itemid=47).

<sup>45</sup> Official website of the Romanian Donors Forum: <http://www.forumdonatorilor.ro/>.

<sup>46</sup> Official website of the Charity Times Awards: <http://www.charitytimes.com/awards/categories.php>.

<sup>47</sup> CIVICUS: *Accountability for Civil Society by Civil Society: A Guide to Self-Regulation Initiatives*, April 2014.



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model applied by the initiative. When deciding on a design of a self-regulation, it is important to take into consideration various aspects, such as, for example, financial capacity of the initiator, purpose of the regulation and public trust.

- **Sound compliance mechanism to ensure positive impact in practice:** To ensure the positive effect in practice, it is crucial that the members comply with the principles and standards of the initiative. Sound compliance mechanisms provide security that signatories strive to operate consistently with the adopted principles and standards. Assessment of the compliance could be performed by the organization itself, by the peer members, by the third party or through a complaints procedure.
- **Codes of Conduct as guidelines to CSO behaviors and practices:** Codes of Conduct are the most widespread self-regulatory initiatives that regulate standards and principles of CSO behavior. Adherence to a Code may send a positive signal to donors that the CSO is committed to certain transparency and accountability rules. However, it may be challenging to differentiate between fully and partially compliant signatories of the initiative.
- **Certification and accreditation representing a mark of quality:** Certification/accreditation schemes assess CSO's governance, programmes and practices against a set of standards and principles. Certificate represents a public mark of quality that may increase the organization's public trustworthiness. In addition, schemes that introduce regular reviews of compliance help to ensure that CSOs stays committed to proclaimed standards and principles. However, some schemes may be lengthy and difficult to access for small organizations with limited financial and human resources.
- **Information services as credible sources of data:** CSO databases typically combine publicly available data with the information voluntarily reported by a CSO in a single online platform. If the content of the database is verified, it may be used by donors to check organization's bona fides. In addition, information service may help to promote CSOs' activities and inform donors about the impact of their donation. Administration and maintenance of a CSO database may be, however, costly and time-consuming.
- **Working groups:** Working groups are CSO alliances that meet regularly to exchange best practices and discuss various common concerns. They are more flexible and accessible and they often result into a deeper cooperation between the members. Success of working groups highly depends on the leadership, regularity of the meetings and ability of the members to reach a consensus.
- **Awards promoting the excellence and best practice:** Awards are prizes recognizing excellence, innovation and best practices in diverse areas of CSO operation. When the awards are prominent, they involve publicity that may promote organization's commitment to transparency and accountability standards.