

New Boost for Capacity Building in the CEE Region

(RE)BUILDING DEMOCRACY²

04 - 05 October 2023 | Pécs, Hungary

CONFERENCE REPORT



DONORS

EXPERTS

NGOS

INTERMEDIARIES

ACTIVISTS

Iceland
Liechtenstein
Norway grants

Organized by:



AIM AND FRAME OF THE CONFERENCE

Introduction speech by András Nyirati (Power of Humanity Foundation)

During the last decade, a democratic backlash occurred in the Central Eastern European region, which can be seen in legislation, in the autonomous functioning of civic organizations, and in active citizenship. Vibrant civic life and a resilient civil society sector are an integral part of any democratic society. Smaller organizations in rural areas are more dependent on local power, which influences their opportunities. In recognition of this process, there is a growing focus from major donors on supporting capacity building in the countryside lately. A common challenge of these programs in the CEE region is to bring sustainable development in the long term. This conference offers an opportunity to talk about common issues and problems and help each other, as the shrinking civic space is a shared experience. It also enables actors, who develop the civil sector, the intermediary organizations and donors to meet, share, and discuss ideas.

The focus is on learning from existing lessons and channeling new energy into the civil sector. Before acting again, we have to pause and ask questions like what happened, how we feel, and what are our experiences. Parallely, we try to understand the environment, the society, and the culture in which things are happening and fill up the maps and frames we use to understand them.

ENERGY

Keynote presentation by Tamás Scaurszki (Roots and Wings Foundation) and Q&A: Trends of civil society in the CEE region based on CSO Sustainability Index

In the first part of the presentation, the shrinking possibilities that can be felt in our CSO's daily operations are presented using numbers and expert feedback with the help of USAID's CSO Sustainability Index (CSOSI for short, see it here <https://csosi.org/>). It measures the strength and viability of CSOs of countries by applying seven dimensions evaluated by 8-10 local experts and a narrative analysis of the experts' experience. The seven dimensions consider for instance legal environment, financial viability, or public image. This index highlights both strengths and constraints in CSO development and allows for comparisons both across countries and over time to better understand the sustainability of the civil sector. The presentation compared the index of 10 countries, the Visegrád countries, Romania, Bulgaria, and the Baltic States, during the period of 2010-2021, and identified five common trends for each country.

1. **Attacks:** CSOs are attacked, harassed, and criticized by other actors such as the government.
2. **Amazing jobs:** despite all odds, CSOs are doing a fantastic job, adapting to crisis, providing services, and being innovative in their operation, and fund-raising.
3. **Domestic resources and foreign funds:** CSOs are built on domestic money, but they need foreign funds to support projects dismissed by their country/state.
4. **Trajectories:** CSOs have a common narrative or storyline in the different regions, or within countries.
5. **Shrinking space:** CSOs live and work in shrinking space, meaning they have narrowing legal, financial, and other fields-related possibilities.

SUPPORT

All in all, the presenter concluded that the civil sector was able to strengthen and develop in the Baltic states, it was more or less stagnant in the Balkans, while it weakened in the Visegrad countries except for the Czech Republic. But the decline is dramatic in Poland and especially in Hungary.

In the second part, the presenter reacted to the functioning of his own organization in terms of the trends formulated. He emphasized that narrowing possibilities affect his and other CSOs work significantly: although grants are available, CSOs are not developing, many of them have been closed or blacklisted in recent years. There are no or only few cross-sectoral partnerships, and designing a strategy, and setting clear goals are a challenge for many CSOs. It is also difficult to talk about the CSOs' work without feeling incompetent or weak – conferences and gatherings such as the current one are therefore gap-filling because they enable the sharing of more personal thoughts and feelings. At the end of the presentation, the presenter listed a few positive things such as the professionalism of CSO members, their well-being handled as a priority by the CSO, general purpose grants (core funding) enabling security, having resources for learning, developing impact measurement systems and capacity building programs, which can offer an opportunity to gain feedback on the CSO's operation. To sum up, many organizations can be proud of their work, but overall the entire civil sector is declining and problems should be discussed honestly and openly.

In the following Q&A section, participants worked in small groups to discuss how these trends relate to their own country, what their challenges and realistic successes look like, and how foreign and national donors cooperate with each other. A peek into a group's work confirmed (1) that the trends mentioned in the presentation are present in most countries, and the participants face similar challenges. It was also stated that (2) the involvement of young people is a central issue and challenge, (3) participants see the future bleakly and because of this they feel less motivated in their work. In addition, (4) EU funds and their limitations were also mentioned: they are mostly earmarked for advocacy, and activities related to human rights and the rule of law, and this may be the reason rural CSOs cannot prosper financially.



AGORA – *Time and space for networking*

The Agora aimed to promote informal acquaintance with each other and networking opportunities. The method is actually a training exercise: the participants were given a printed analog clock with 12 hours, and their task was to organize dates for themselves – they could meet a new partner at every hour. On each date, the participants were given a question, on which they could express their opinion in 3–4 minutes. The questions were the following:

1. Where are you from (name, city, country, organization)?
2. What is your motivation to participate in the event?
3. What was the most exciting travel experience you ever had?
4. What do you consider as the biggest success of your professional life?
5. What is the most annoying thing about your daily work?
6. What are the most important values for you?
7. What is your first memory about making a change?
8. Who do you consider as a role model?
9. What is your guilty pleasure?
10. What would your colleagues say about you?
11. Share one epic fail from your work life!
12. What is that one very important truth that very few people agree with you on?



AGORA

ROUNDTABLES – Role of donors and intermediary organizations

With Chris Abrams (USAID), Iryna Smolina (NED), György Farkas (Embassy of the Netherlands in Hungary) and Veronika Móra (Ökotárs) as moderator: Restructuring - what does the future hold?

The first roundtable offered an insight into the donors' perspective through the invited speakers. In the 1990s, American donations and assets influenced the operation of the civil sector. Then, with the accession of the European Union, new and different types of donations became available, but at the same time, CSOs were seen as service providers that implement EU policies. Starting from 2010, the phenomenon of shrinking spaces became noticeable, the consequence of which is that currently reorganization is taking place in the CEE region: familiar players are currently rearranging their portfolios, while others who were last active in the 1990s, for example, are making a comeback. The donors present can be described as re-comers or newcomers in supporting CSOs in the region and in Hungary.

The most important trigger for their (re)appearance was the outbreak of the Ukrainian-Russian war. Each donor's operational priorities target democratic issues, political rights and freedom, human rights issues, rule of law, anti-corruption initiatives, and independent media and have similar methods by which they contribute to these. USAID supports embassies and ensures two-way communication between the US government and CSOs. NED tries to rebuild old collaborations, looks for new partnerships, and emphasizes the development of regional collaborations based on the approach of trust, flexibility, and local ownership. The Embassy of the Netherlands in Hungary tries to build cooperation with other embassies, while also emphasizing the regional approach. In addition to the priorities, the donor organizations also have in common that they are in the process of (re)building a portfolio, and accordingly, they are now in a learning process by studying the region and the countries in order to be able to offer and implement programs properly.

The challenges they have faced so far are quite similar to those experienced by the intermediary organizations:

- to prove and communicate properly the impact of the programs,
- to defend the legitimacy of programs,
- to learn how to implement programs in a diverse region with diverse needs,
- to overcome the lack of financial and human resources,
- to emphasize the importance of regional cooperation among CSOs and of donor coordination,
- to have a stronger approach from the EU to incentivize private, local businesses to support CSOs,
- and to cope with economical and political changes.

In addition to all this, the old and new financial opportunities significantly influence the operation of the CSOs: many more organizations apply, so it is necessary to be more selective and prioritize those organizations that have a complex approach and programs. A further difficulty is that although donor coordination and discussion work on relatively many levels, it should at the same time become more focused. This is especially true when we are talking about cooperation between the US government and the EU: it's hard to adjust to government levels and find the right people to talk to. Despite the challenges, every organization intends to be present in Europe in the long run, which is supported by the sustainable operation of donors, the need and creation of new strategies for funding, and increasing or stable financial support from the government they receive. The main takeaway of this panel is that we are adapting and learning to cope with the situation we are in, how to be more impactful, and ultimately what concrete steps we should take.

RT 1

ROUNDTABLES – Role of donors and intermediary organizations

With Balázs Jarábik (Dexis), Zsófia Makádi (NIOK), Veronika Móra (Ökotárs), Maria Perchuc-Żółtowska (Shipyard Foundation) and András Nyirati (Power of Humanity Foundation) as moderator: Recent experiences and perspectives of capacity building programs

The second roundtable offered an insight into the intermediaries' perspective through the invited speakers. The organizations of the discussion participants have been running national and international programs, are part of smaller or larger consortiums, and are currently coordinating USAID and CERV programs. It quickly became clear from the first question that the representatives of the organizations were not completely satisfied with the progress of the programs. Although they have had successes and are mostly optimistic about the future, they have faced serious challenges as well.

One of the biggest challenges is that CSOs are in a bad state – exhausted, worn out, and hopeless. They lost a lot of human capacity because of this, which in turn affects their operation and what they can realistically achieve. CSOs are in survival mode and cannot really look outside the usual circles. There is a lack of support in general that enables the CSOs to strategize, reflect, and learn from what happened to them, as well as to build a network. The other challenge is that the grants often operate with abstract concepts, and they want to push these more and more, such as the rule of law or EU values. These are concepts that CSOs cannot necessarily relate to their own work, and intermediaries must work strongly and directly to bring these concepts closer to them. In addition, an increasingly sharp difference can be observed between capital and rural organizations in terms of access to resources and capacity. To overcome these challenges, participants agreed that one of the most important solutions is the flexibility of the EU.

Intermediaries think it is essential for EU projects to take reality into account and in addition to formulating the vision, also to remain flexible in the face of changes, and to incorporate the lessons learned from the first call. The other solution lies in the work with CSOs, it is critical to prepare them for the application process, to allow them to participate in capacity-building programs, and to set a good example for them. A common perception among the representatives of the roundtable is that it is difficult to reach rural organizations: for example, a program aimed at reaching, transforming into a network, and activating rural organizations was unsuccessful. These organizations do not have many opportunities to apply for financial support, and the complicated application process makes it difficult for them to get started. There are activities and topics that are preferred by the donors, and this does not coincide with the activities of rural organizations.

Furthermore, their operation is largely determined by regional differences, the local context, the local governments, and the expectations they have of them. It is also noticeable that the local media is starting to take over the role of the CSOs, giving voice to local problems. As a solution, the creation of smaller grants with simpler conditions, closer strategic cooperation between intermediaries, civic education, and depolarization of various activities were suggested, and the rise of other modes of activism, such as informal groups or individuals. In this regard, success could mean the survival of smaller organizations.

In addition to the solutions presented so far, at the end of the session, important lessons were presented along the lines of the questions. Every intermediary organization has its limitations, which do not allow all smaller organizations to be kept alive. However, it is important to find and invest in those who already have experience, infrastructure, and vision. The key word here is, on the one hand, investment in people, and on the other hand, the preservation and transfer of knowledge and know-how, which is most effective if we present it through simple actions, becoming an example to be followed.

RT 2

PARALLEL SECTIONS - Long-term effectiveness of capacity building and Youth engagement

Each section found an important concerned question to deal with: whether youth involvement is a capacity issue, and whether core funding is the only solution for problems. The participants were divided into two groups based on personal interest in the topics and then worked in small groups throughout the second day.

Section 1: Increasing the long-term effectiveness of capacity building - Facilitators: Anikó Porkoláb (NIOK) and Zoltán Mester (Power of Humanity Foundation)

This section enabled the discussion of four main questions: (1) the barriers from the implementer's, donor's, and CSO's side and (2) how to overcome these, moreover (3) the specificity of target groups and reaching them, and (4) impact assessment methods.

Section 2: Engaging young people in civil society as a new capacity - Facilitator: Vilja Arató (Power of Humanity Foundation) and Dániel Bartha (Dexis)

A peak into this section showed that questions such as the number of present CSOs, (1) that actively seek to engage young people into their work and/or (2) that offer internships, whether (3) the state or (4) the private sector encourages young people to participate in CSO activities, moreover (5) whether the youth are interested mainly in non-political issues rather than political ones.

After the group work, a summary section was provided to elaborate on the outcomes of the parallel sections. The key takeaways in the Youth engagement discussion are the following:

- First step is getting in contact with young people
- Then bring general and entertaining topics and get their attention
- To this point, getting them active is not relevant, more important is to enable them to feel empowered (e.g., that you are able to do something)
- Overall, youth engagement is a capacity issue
- Organizations have to be more flexible in the topics, so they can move closer to the youth
- How organizations approach youth matters: discussions should be organized around the forms of engagement
- Internship programs make much sense, but they are a long-term investments (investing in keeping contact with youth)

Challenges and recommendations in the long-term effectiveness section are the following:

Donors

- Donors have bold visions that do not take reality into account short timeframes, limited source of money
- Their goals are not clear: good implementation of the supported program or long term sustainability of organizations
- Quality of relationship between donors and intermediaries: flexibility depends on this

Implementer

- Capacity in terms of resources and knowledge
- Lack of coordination between donors and intermediaries
- Not effective evaluation of programs and proper evaluation of intermediaries from donors

PARALLEL
SECTIONS

CSO

- Financial instability can be balanced by core funding
- Capacity issues can be addressed by capacity building programs, mentoring, flexible and long term capacity support
- To strengthen grantees' work networks could be built, that exist beyond training programs

Target groups and reaching them:

- Core grant, project funding
- Proper assessment of programs and mapping
- Improving relationships on all levels
- Mental health aspect
- Donors need to coordinate better

Impact assessment:

- It depends on the program: one size fits all approach is not good for the long term, tailor made programs and evaluation are better
- Considering always the aim of measuring the impact: learning new things or defending the legitimacy
- Acknowledging that it is not possible to measure all the impacts and consider the applicability of data for the organizations
- Methods: questionnaires, interviews, observing social changes



ROUNDTABLE – Cross-sectoral partnerships (private and civic sector)

Csilla Turnár (Webstar Csoport Kft.), Jitka Hausenblatova (Glopolis), Martin Kirbach (The Civic Innovation Hub), Monika Kociova (CIPE) and Bendegúz Tikász (Power of Humanity Foundation) as moderator: Cross-sectoral partnerships for democracy

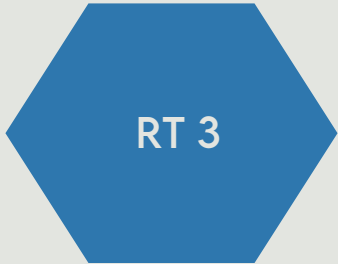
The third roundtable offered an insight into the intersection between civil and private sector through the invited speakers. Each of the roundtable participants had various experiences with cooperation between the two sectors and created and led programs (e.g., women in leadership and other social, systemic issues) in which the two sectors can meet and mutually benefit from each other. Their private sector partners are local SMEs (small and medium enterprises), larger companies, state institutions, chambers, clusters, and business associations.

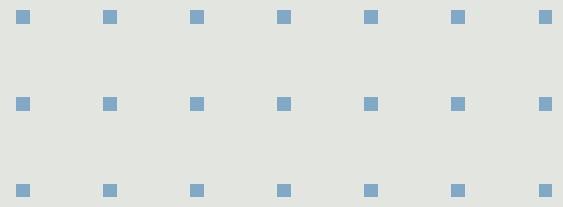
The importance of cooperation between the two sectors lies in the fact that a healthy private sector is part of a well-functioning democracy, because companies have influence over local decision-making processes due to their status, and SMEs are the backbone of the economy. Both sectors have a lot of knowledge and experience that they could share with each other, thus improving each other and their cooperation. Although there are CSR activities within organizations, there is still a need for their development – cooperation with CSOs can help this, and also for employees and their environment to become familiar with civic concepts. The reality shows that the CSOs and the companies are on different paths, there is little or no communication between them, which also creates other obstacles and prejudices. This is not the question of respect or the lack of respect on either side, but the fear of the unknown.

This is also nuanced by the fact that there are topics that companies are afraid of being associated with. Often only one individual, probably the HR manager, is aware of very specific topics such as inclusion, and not the whole company. Despite all this, collaborations between the two sectors already exist: small clusters cooperate with CSOs, or business associations promote progressive platforms where you can get involved in CSO activities or get behind such a goal. Bridge organizations have also been created and operated, but these help the two sectors find each other more in the capital. Many companies start dealing with civil issues as CSR activities, and they typically give the impression that they only deal with certain topics, such as diversity, for the sake of image. These can be checked through audits, or they are revealed during cooperation with the company. What is certain is that time and energy must be invested in translating the concepts of the civil sector for the private sector and presenting them simply, with examples, and in terms of profit. The most proven method so far is to call civic education skills development, because it is much more acceptable for companies. Smaller companies otherwise suffer from the advance of populism and tend to band together, so it is worthwhile for civics to recognize this and reach out to them, offering them a safety net and support.

If the cooperation between the two sectors were to be represented on a scale, it would start from communication, through joint projects, to a common vision and the related action plan. One of the pivotal points of the joint projects is carrying out CSR activities during or outside working hours, for which the mixture of the two is the solution for the time being. The point is to open the doors for the employees to see these opportunities.

In summary, the idea has been strengthened that the private sector is also largely dependent on the state, especially in Hungary, so it sometimes struggles to survive. This similarity may help bring the two sectors closer together.





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