

# **Standing and operational space of non-governmental organisations (NGOs) in contributing to respecting and promoting fundamental rights in EU Member States**

## **Cyprus 2017**

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# **1 Regulatory environment for the work of non-governmental organisations**

## *Overview*

The legal framework in Cyprus regulating the operation of NGOs relies on an obsolete law which makes no provision about freedom of expression, assembly, association or any other right.<sup>1</sup> The Cypriot Constitution, the ECHR and the Charter of Fundamental Rights safeguard these rights, as do a number of other international or regional instruments ratified by Cyprus, which have not been amended in any way in the last five years. There have been no developments in the past five years at the legislative or policy level which impacted on NGOs' operational space. A number of developments which had a rather insignificant impact on NGOs are recorded below.

## *Freedom of expression and freedom of assembly*

None of the NGOs consulted reported any restrictions or problems in this field<sup>2</sup> save for the NGO Accept LGBT, who reported one positive observation and one negative incident:

- The policing of the pride parades was described as excellent. Since the first pride parade in 2014 and every year since, the police make an extra effort to ensure that the parade and side activities run smoothly and that participants were and felt safe.
- On 20 November 2014, the Cypriot police entered an art gallery operated by the Nicosia Municipality and confiscated an entire exhibition of photographs taken by a transsexual photographer and activist, which depicted the male nude in an artistic fashion. Accept LGBT had organised the exhibition. The police pressed charges against its president under a law dating back to 1963 regarding the publication of obscene material.<sup>3</sup> The Ombudsman, whose representative was a speaker at the opening of the exhibition, condemned the police's actions and asked for a revision of the law on obscene publications under which the president of Accept LGBT

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<sup>1</sup> Cyprus, Laws on associations and foundations of 1972 and 1997 (Οι περί Σωματείων και Ιδρυμάτων Νόμοι του 1972 και 1997), available at: [http://cylaw.org/nomoi/enop/non-ind/1972\\_1\\_57/full.html](http://cylaw.org/nomoi/enop/non-ind/1972_1_57/full.html).

<sup>2</sup> The NGOs consulted were Future Worlds, NGO Support Centre, Accept LGBT and KYSOA, the confederation of disability organisations.

<sup>3</sup> Law on the publication of obscene matters of 1963 (Ο περί δημοσιεύσεως αισχρών θεμάτων Νόμος του 1963) No. 35/1963, available at: [www.cylaw.org/nomoi/enop/non-ind/1963\\_1\\_35/full.html](http://www.cylaw.org/nomoi/enop/non-ind/1963_1_35/full.html).

had been charged.<sup>4</sup> Following the Ombudsman's intervention, the Attorney General publically criticised the police for this action and instructed them to drop the charges and return the confiscated exhibition items to the artist. The law on obscene publications was not rescinded.

### *Freedom of association: The current legislative framework*

The currently applicable law sets out a rather inflexible framework of requirements for the registration and operation of associations, with burdensome and detailed provisions about administration and decision-making processes.<sup>5</sup> Two of the requirements for registration emerged as particularly burdensome for many NGOs: the requirement that organisations must have at least 20 members at any given time; and the pre-condition that its purpose must not 'tend to undermine the security of the Republic or public order or public safety or public health or public morals or fundamental rights and freedoms'.<sup>6</sup> For years, the requirement of a minimum of 20 members prevented the only gay rights organisation existing at the time from registering as an association because most of its members were closeted homosexuals who did not want to go public about their sexuality.

When a new gay rights organisation emerged – operated by young professionals determined to de-marginalise the gay rights movement – the Ministry of the Interior sought the Orthodox Church's opinion on the group's application to register as an association. Their registration application was stalled for an entire year pending the church's endorsement, until the group sought the intervention of the Ombudsman who ensured that the group's application was accepted. The group is now registered as Accept LGBT Cyprus.

The far right nationalist group ELAM, a sister organisation to Greece's 'Golden Dawn' party, was somehow able to pass the close scrutiny to which the Ministry of the Interior subjected other applicants and managed to register itself under this law. The only precondition that the Ministry of

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<sup>4</sup> Cyprus, The Office of the Commissioner for Administration and Human Rights (2014), Position of the National Independent Authority for Human Rights regarding the confiscation of photographs in the frame of the photography exhibition "Correction" (Τοποθέτηση Εθνικής Ανεξάρτητης Αρχής Ανθρωπίνων Δικαιωμάτων σχετικά με την αποκαθήλωση φωτογραφιών στα πλαίσια της φωτογραφικής έκθεσης «Διόρθωση») File No. A/D/12/2014, 26 November 2014.

<sup>5</sup> Cyprus NGO Initiative (2015), Civil society in Cyprus: Building for the future, available at: [www.ngoinitiativecyprus.org/en/feature/policy-paper-on-the-empowerment-of-civil-society-in-cyprus/](http://www.ngoinitiativecyprus.org/en/feature/policy-paper-on-the-empowerment-of-civil-society-in-cyprus/).

<sup>6</sup> Cyprus, Laws on associations and foundations of 1972 and 1997 (Οι περί Σωματείων και Ιδρυμάτων Νόμοι του 1972 και 1997), Art. 3, available at: [http://cylaw.org/nomoi/enop/non-ind/1972\\_1\\_57/full.html](http://cylaw.org/nomoi/enop/non-ind/1972_1_57/full.html).

the Interior set for the organisation at the time was that they would eliminate references to 'Golden Dawn' from their name.<sup>7</sup>

A further manifestation of the impact of the inflexible and burdensome provisions of this law was that many NGOs chose instead to register themselves as non-profit companies under the Companies Law.<sup>8</sup> Although this framework is more modern, flexible and responsive to the contemporary needs of NGOs, it is at the same time more expensive to maintain than that of associations, due to the obligation to submit audited accounts and other formalities. In addition, the tax exemption conferred on these companies concerns only income tax – all other taxes (VAT, annual company tax, etc) must be paid.

#### *Freedom of association: The new bill on NGOs*

A bill is currently undergoing consideration in the House of Parliament purporting to create a new comprehensive framework for the operational space of NGOs. The bill is not yet in its final form and no safe predictions can be made as to the draft that will finally be approved. However certain trends have emerged from the consultation process which are likely to be incorporated in the draft to be adopted. The bill abolishes previous forms of private organisations (charitable organisations, clubs, etc.) and introduces a new form labeled as 'private organisations of common benefit'. The proposed legal framework provides detailed bookkeeping requirements which must follow guidelines to ensure that the organisation's sources of income are always visible and that no activities are carried out which may be termed as 'commercial' and potentially competing with for-profit organisations

In this context, the Ministry of Finance has compiled three separate draft laws purporting to exempt the 'private organisations of common benefit' from income tax, capital gains tax and stamp duty on receipts issued for money collected. The draft law also restricts the income generating activities of these NGOs to a specified approved list: the realisation of items donated, the sale of its own magazine where the authors offer their contributions without charge, the collection of items donated, monetary donations, a once-a-year fundraising event, such as a dinner or a concert, the sale of art and memorabilia in an exhibition, charging an entrance fee for exhibitions and contributions of their members. Any other income generating activities are to be deemed as 'commercial' and therefore

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<sup>7</sup> Information supplied to the author off-the-record by officers of the Ombudsman's office, 28 January 2017.

<sup>8</sup> Cyprus, Companies Law (Ο περί Εταιρειών Νόμος) Art. 113, available at: [http://cylaw.org/nomoi/enop/non-ind/0\\_113/index.html](http://cylaw.org/nomoi/enop/non-ind/0_113/index.html).

unlawful because they are viewed as activities which compete with for-profit organisations.<sup>9</sup>

Consultations and preparation about the bill started in 2007, when a group of NGOs formed a platform aimed at pursuing a change in governmental policy regarding NGO funding. The government appointed an expert to compile a proposal to modernise the legal framework and launched a consultation process with several stakeholders which is still ongoing. The platform of NGOs transformed into an initiative to change the law, in which several NGOs actively participated. The initiative's critique of the current framework was recorded in a comprehensive report which describes the existing legal framework as outdated and burdensome and the existing funding arrangements as discriminatory and non-transparent.<sup>10</sup>

### *Finances: Managing in the new banking environment*

The collapse of the Cypriot banking system in 2013 had a severe impact on the financial activities of every organisation in Cyprus. NGOs were no exception. In one particular case, an NGO, which in 2013 had just received funds from the European Commission as leaders in a EU funded project, was subjected to the so-called 'deposit haircut', i.e. banks forfeited all amounts in excess of € 100,000. The bank finally reinstated the money to the NGO after six months of persistent letters and the European Commission's intervention.<sup>11</sup>

The legacy of the banks' collapse is the banks' uncoordinated and ill-conceived effort to randomly check on clients who they do not know well and whose area of activity they do not understand. The random check is branded as a 'due diligence procedure' and consists of consecutive requests for the supply of documents whilst the bank blocks the capital in the account to pressurise account holders to deliver the requested documents. This is particularly onerous for NGOs who have to deal with limited resources and who may find themselves in a difficult position when the bank blocks funds intended for paying for services delivered by partners in projects as a means of securing the documents it requires for its due diligence procedure. Often, when the NGO submits the requested

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<sup>9</sup> Cyprus, Ministry of Finance, Explanatory Note on modernisation of the legal and institutional framework of NGOs, File No. 4.2.29, 23 February 2012, available at: [www.mof.gov.cy/mof/TaxDep.nsf/All/701B4BECBE34D0E9C2257F6800320704?OpenDocument](http://www.mof.gov.cy/mof/TaxDep.nsf/All/701B4BECBE34D0E9C2257F6800320704?OpenDocument).

<sup>10</sup> Cyprus NGO Initiative (2015), Civil society in Cyprus: Building for the future, available at: [www.ngoinitiativecyprus.org/en/feature/policy-paper-on-the-empowerment-of-civil-society-in-cyprus/](http://www.ngoinitiativecyprus.org/en/feature/policy-paper-on-the-empowerment-of-civil-society-in-cyprus/).

<sup>11</sup> Interview with the officer at NGO Support Centre, 28 February 2017.

documentation, the bank produces an additional list of documents required to release the NGO's funds.<sup>12</sup>

### *Transparency in the legislative process: the 'Guide for consultation'*

The Council of Ministers adopted a 'Guide for consultation' in 2009. The guide is based on good practices across the EU, and sets out a detailed framework on the consultation procedure that governmental departments and independent bodies should follow for conducting public dialogue as part of the procedure for the preparation of new laws and regulations.<sup>13</sup> The guide does not explicitly refer to NGOs but to 'stakeholders' and 'social partners' and is also intended to serve as a guide for the completion of a questionnaire that the government adopted as an impact assessment tool for new legislative proposals. On the basis of a procedure institutionalised in 2007, the completed questionnaire which must be attached to every legislative proposal must set out the details of the public dialogue which preceded the finalisation of the draft proposal.<sup>14</sup>

Despite the binding nature of this document,<sup>15</sup> most NGOs and all government officers consulted save for one officer in the Ministry of the Interior, were unaware of its existence. Most NGOs were convinced that no particular protocol was followed in the consultation process that they were involved in.

### *Defamation*

There is no policy or legislative provision particularly applied in the case of NGOs. The applicable legal framework is that which applies to individuals. None of the stakeholders consulted reported any concerns in the use of defamation as a means to silence NGOs or curtail their freedom of expression.

Title of legislation and reference	Topic (please make reference to	Effect on civil society (positive or negative)
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<sup>12</sup> Consultation with NGO Support Centre and Future Worlds, 28 February 2017.

<sup>13</sup> Cyprus, Ministry of Finance, Guide for consultation (Οδηγός Διαβούλευσης) November 2009, available at: [www.mcw.gov.cy/mcw/rtd/rtd.nsf/rtd26\\_gr/D87D46FCFFF4310DC2257B73002C3CCA/\\$file/%CE%9F%CE%B4%CE%B7%CE%B3%CF%8C%CF%82\\_%CE%94%CE%B9%CE%B1%CE%B2%CE%BF%CF%8D%CE%BB%CE%B5%CF%85%CF%83%CE%B7%CF%82.pdf](http://www.mcw.gov.cy/mcw/rtd/rtd.nsf/rtd26_gr/D87D46FCFFF4310DC2257B73002C3CCA/$file/%CE%9F%CE%B4%CE%B7%CE%B3%CF%8C%CF%82_%CE%94%CE%B9%CE%B1%CE%B2%CE%BF%CF%8D%CE%BB%CE%B5%CF%85%CF%83%CE%B7%CF%82.pdf).

<sup>14</sup> Cyprus, Circular letter from the Permanent Secretary of the Ministry of Finance, File no. 04.02.005.24/04.02.001.12, 24 October 2007, approved by a circular of the Attorney General File No. Γ.Ε 71/84/3, 19 November 2007.

<sup>15</sup> Consultation with the officer at the Ministry of the Interior, 1 March 2017.

	categories A-F – see guidelines)	Please include reference to source of information
<p>Draft law: The private organisations of common benefit (Certification) Law [<i>Ο περί Ιδιωτικών Οργανισμών Κοινής Ωφελείας (Πιστοποίησης) Νόμος</i>]</p> <p>There is no text of this draft law available in the public domain.</p>	D	<p>The bill purports to introduce a new framework for the operation of NGOs, introducing a tax relief, bookkeeping obligations and restrictions in income generating activities.<sup>16</sup> The draft is not yet final, but the NGOs consulted believe that the new bookkeeping/auditing obligations will only affect NGOs with an annual turnover above € 25,000.<sup>17</sup> NGOs view the modernisation of the legal framework as a positive development that was long overdue, as it is expected to clarify the current non-transparent way of funding NGOs labelled as ‘charitable organisations’ which are approved by the Council of Ministers, a practice which essentially suggests nepotism and an effort to marginalise those NGOs which are vociferously critical of government policies and practices.<sup>18</sup></p>

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<sup>16</sup> Cyprus, Ministry of Finance, Explanatory Note on modernisation of the legal and institutional framework of NGOs, File No. 4.2.29, 23 February 2012, available at: [www.mof.gov.cy/mof/TaxDep.nsf/All/701B4BECBE34D0E9C2257F6800320704?OpenDocument](http://www.mof.gov.cy/mof/TaxDep.nsf/All/701B4BECBE34D0E9C2257F6800320704?OpenDocument).

<sup>17</sup> Interviews with the officer at the NGO Support Centre; the president of Future Worlds Centre; the president of Accept LGBT Cyprus, 28 February 2017.

<sup>18</sup> Interview with the officer at the NGO Support Centre, 28 February 2017.



Guide for consultation <sup>19</sup>	E	A binding document which has been in existence since 2009 but is not followed in all cases.
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<sup>19</sup> Cyprus, Ministry of Finance, Guide for consultation (Οδηγός Διαβούλευσης) November 2009, available at:

[www.mcw.gov.cy/mcw/rtd/rtd.nsf/rtd26\\_qr/D87D46FCFFF4310DC2257B73002C3CCA/\\$file/%CE%9F%CE%B4%CE%B7%CE%B3%CF%8C%CF%82\\_%CE%94%CE%B9%CE%B1%CE%B2%CE%BF%CF%8D%CE%BB%CE%B5%CF%85%CF%83%CE%B7%CF%82.pdf](http://www.mcw.gov.cy/mcw/rtd/rtd.nsf/rtd26_qr/D87D46FCFFF4310DC2257B73002C3CCA/$file/%CE%9F%CE%B4%CE%B7%CE%B3%CF%8C%CF%82_%CE%94%CE%B9%CE%B1%CE%B2%CE%BF%CF%8D%CE%BB%CE%B5%CF%85%CF%83%CE%B7%CF%82.pdf)

## **2 EU Member State government funding for non-governmental organisations – trends and developments 2011-2016**

### *Overview and trends*

The available data on governmental funding to NGOs does not lead to any safe conclusions regarding decreases, increases or changes of allocation. All NGOs who responded to our enquiry stated they were not currently receiving or had not previously received governmental funding, and therefore did not experience any change.

From a glance at the lists of organisations receiving government funding for infrastructure costs, which were supplied by the Ministry of Justice and Public Order and the Social Welfare Services, it emerges that funding is paid annually to specific organisations which are more or less the same every year and which in most cases carry one or more of the following characteristics:

- They are classified as 'volunteer' organisations, having a charitable status or character rather than engaging in activism for the promotion of fundamental rights.
- They are set up by and operate from within local governments.
- They are members of the Council of the Mechanism for the rights of women, a unit of the Ministry of Justice and Public Order.

In 2013, the Ministry of Justice reduced the amount of annual grants it paid to the women's organisations by 30 %. Beyond that, it is not possible to conclude whether the funding that the NGOs received decreased or increased at any given period. The only information supplied by the Ministry of Interior – which handles a number of EU funds – was that two NGOs received funding for specific projects, providing the names of the NGOs and the respective amounts of EU funding and national contribution, without providing information regarding the period.<sup>20</sup> The Ministry of Interior did not clarify whether it provides funding to NGOs for infrastructure or only for specific projects. The grants that the Social Welfare Service paid to NGOs increased in some cases, decreased in others and remained the same in several cases. No conclusions can therefore be drawn.

The government funding paid to NGOs on a per project basis usually relates to the services that NGOs provide to vulnerable groups. No specific instance was recorded where funding was made available for advocacy, litigation or campaigning purposes. Funded projects relating to public education are normally carried out by or in collaboration with public organisations attached to the Ministry of Education, such as the

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<sup>20</sup> Letter from the Ministry of Interior, 1 March 2017.

Pedagogical Institute, and do not necessarily have a fundamental rights angle.<sup>21</sup>

## **2.1 Overall amount of government funding**

The Social Welfare Services, which form part of the Ministry of Labour Welfare and Social Insurance, allocate part of their budget to NGOs for services in areas falling under their competency. These are mainly the operation of service centres and the provision of services to children, the elderly, migrants and persons with disabilities.

To comprehend the funding environment, it is important to bear in mind that there is no concise definition at the national level as to what precisely is an organisation promoting fundamental rights, or an NGO in general. A distinction is often made between the volunteer organisations, which engage mostly in charitable work, and the NGOs which intervene, amongst others, at the policy level. Often the distinction between the two is blurred, as volunteer organisations that provide services to children or to persons with disabilities may at the same time directly or indirectly intervene at the policy level with the aim of improving the situation of the vulnerable group they support. The state funding they receive relates only to the service provided to the vulnerable groups (e.g. psychosocial support to persons with disabilities or their families) and not to their interventions at the policy level (e.g. lobbying, reviewing draft legislation, participating in advisory boards or in multi-thematic committees).

Another type of organisation known as a Community Volunteer Council (*Συμβούλιο Κοινοτικού Εθελοντισμού*) are organisations that local authorities set up for the purpose of securing funding. The vast majority of organisations that the Social Welfare Services funds under the scheme known as De Minimis are the volunteer organisations set up by and operated from within the various local authorities. They are typically funded to provide services for the elderly, for children, for infants and for persons with disabilities, either in the form of home care or for the operation of centres such as homes in the community for persons with disabilities, child care centres, homes for the elderly, etc.

The Social Welfare Services supplied a full list of beneficiary organisations, the type of activity funded and the amount of the grant it gives to each beneficiary for four years, from 2013 until 2016.<sup>22</sup>

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<sup>21</sup> For details about the projects operated by the Pedagogical Institute please see its website at [www.e-epimorfosi.ac.cy/index.php?cat=107&a=1&main\\_cat=107](http://www.e-epimorfosi.ac.cy/index.php?cat=107&a=1&main_cat=107).

<sup>22</sup> Cyprus, Ministry of Labour, Welfare and Social Insurance, Social Welfare Services, State grants of minor significance (Κρατικές ανιχύσεις ήσσονος σημασίας), available at: [www.mlsi.gov.cy/mlsi/sws/sws.nsf/All/6D758FF5E541A873C2257921002F19C3/\\$file/%CE](http://www.mlsi.gov.cy/mlsi/sws/sws.nsf/All/6D758FF5E541A873C2257921002F19C3/$file/%CE)

No pattern emerged as regards the amount granted to these groups. In many cases, the amount was the same in all four years; in some cases the amount increased and in others it decreased. From the description of the activities, it may be concluded that the amount of the grant would change where the services provided changed, in nature or in volume – for example, if an NGO opened an additional shelter for victims or unaccompanied children – or if a new service was introduced which was not provided in previous years. In some cases, the annual grant was discontinued because the NGO concerned did not submit an application for funding. The grant invariably concerns specific services to vulnerable groups and not any activities that empower NGOs, further lobbying activities or encourage their participation in policy development.

Even where some of the beneficiary NGOs also operate at the level of policy, such as the anti-trafficking organisation Cyprus Stop Trafficking or SPAVO which deals with domestic violence, the activities that the Social Welfare Services funded did not concern their policy-related activities but their services to the victims, such as operating helplines and shelters for victims. Along the same lines, although some of the disability-related NGOs who are beneficiaries of grants from the Social Welfare Services are active at the policy level, the activities funded are the provision of psychosocial support to persons with disabilities or the operation of homes for blind persons. The only exception is the confederation of disability organisations KYSOA, which receives an annual grant from the Department of Social Integration of Persons with Disabilities of the Ministry of Labour, Welfare and Social Insurance for its infrastructure expenses. KYSOA is the only NGO in Cyprus granted the status of a social partner by law.<sup>23</sup> The grant to KYSOA is foreseen in the legislation which also provides that the views of KYSOA must be taken into account in determining the sum.<sup>24</sup> KYSOA reported that their annual grant has been increased from 2015 to 2016 from € 50,000 to € 65,000, on the understanding that KYSOA would hire an additional employee. This was the first increase they received in the last five years.<sup>25</sup>

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[%9A%CF%81%CE%B1%CF%84%CE%B9%CE%BA%CE%AD%CF%82%20%CE%95%CE%BD%CE%B9%CF%83%CF%87%CF%8D%CF%83%CE%B5%CE%B9%CF%82%202013%202014%202015%202016.pdf.](#)

<sup>23</sup> Cyprus, Law on the process of consultation of state and other services regarding persons with disability of 2006 (*Ο περί της Διαδικασίας Διαβούλευσης Κρατικών και Άλλων Υπηρεσιών σε Θέματα που Αφορούν Άτομα με Αναπηρία Νόμος του 2006*) No. 143(I)/2006, available at: [www.cylaw.org/nomoi/enop/non-ind/2006\\_1\\_143/full.html](http://www.cylaw.org/nomoi/enop/non-ind/2006_1_143/full.html).

<sup>24</sup> Cyprus, Law on the process of consultation of state and other services regarding persons with disability of 2006 (*Ο περί της Διαδικασίας Διαβούλευσης Κρατικών και Άλλων Υπηρεσιών σε Θέματα που Αφορούν Άτομα με Αναπηρία Νόμος του 2006*) No. 143(I)/2006, Art. 4, available at: [www.cylaw.org/nomoi/enop/non-ind/2006\\_1\\_143/full.html](http://www.cylaw.org/nomoi/enop/non-ind/2006_1_143/full.html).

<sup>25</sup> Consultation with the president of KYSOA, 23 February 2017.

Overall in the majority of cases listed by the Social Welfare Services, the grants increased from previous years, but this is generally related to an increase in the number of persons serviced or a change in the service offered. A typical case is that of the NGO 'Hope for Children' which, since 2014, operates shelters for unaccompanied children seeking asylum under the supervision of the Social Welfare Services. Prior to that, the shelters were run directly by the Social Welfare Services themselves. The first of the shelters operated by the NGO was established in 2014 and a second one was set up in 2015. In 2016, the same NGO was awarded the operation of the Home of the Child, a centre for abused children which will come into operation in 2017. The grant paid to this organisation increased from year to year, reflecting the changing nature of the services it provides.

### *Women's organisations*

A number of women's organisations receive annual grants from the National Mechanism for the rights of women of the Ministry of Justice and Public Order. In 2013, the year when the Cypriot economy crashed, the National Mechanism's budget was reduced from € 450,000 to € 400,000. All grants to NGOs dropped by 30 % compared to previous years: the total sum of annual grants fell to € 120,249 whilst the amount paid upon application for specific projects fell to € 22,671. For those NGOs which are members of the council of the National Mechanism, the maximum annual grant was € 12,000; for non-members it was € 7,000.<sup>26</sup>

According to the Ministry of Justice, the 30 % drop in the funding of NGOs was the result of the Ministry's compliance with observations from the Auditor General in 2012 and 2013, regarding the utilisation of state expenditure.<sup>27</sup> Based on revised regulations approved by the Council of Ministers in 2014,<sup>28</sup> in addition to reduced funding, the Ministry introduced stricter criteria for accessing Ministry grants and for closer monitoring of the implementation of the projects funded. Under the revised regulations, the NGOs benefiting from the annual grant of € 12,000 are still the members of the Ministry's National Mechanism for Gender Equality, but they now must be registered as an association or other form of legal entity and submit information regarding the allocation of the annual grant of the previous year. Gender equality NGOs which are not members of the Ministry's National Mechanism for Gender Equality stand to receive, from 2013 onwards, € 7,000 annually (reduced from € 10,000 in previous

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<sup>26</sup> Cyprus, Ministry of Justice and Public Order, Annual Report 2013, available at: [www.mjpo.gov.cy/mjpo/MJPO.nsf/42EB85AE2EFF6C3FC2257F9A00311D97/\\$file/Annual\\_Report\\_2013\\_GR.pdf](http://www.mjpo.gov.cy/mjpo/MJPO.nsf/42EB85AE2EFF6C3FC2257F9A00311D97/$file/Annual_Report_2013_GR.pdf).

<sup>27</sup> Letter from the Ministry of Justice, 13 February 2017.

<sup>28</sup> Cyprus, Council of Ministers, Extract from the minutes of the meeting of the Council of Ministers of 30 July 2014, Decision No. 77.333, 30 July 2014, available at: [www.cm.gov.cy/cm/cm\\_2013/cm.nsf/0F4FA4AFCEB0D394C2257D5F003EBAE9/\\$file/77.333.pdf](http://www.cm.gov.cy/cm/cm_2013/cm.nsf/0F4FA4AFCEB0D394C2257D5F003EBAE9/$file/77.333.pdf).

years), must be registered, must submit information regarding the allocation of the grant in the previous year, must have building infrastructure (i.e. an office) and must employ paid staff. The Ministry of Justice also offers funding for programmes and activities following applications submitted at least one month before the commencement of the action, covering 50 % of the actual costs of the action at a maximum of € 5,000. In exceptional cases, the Ministry may decide to fund 100 % of the cost of the action. The funding is paid in two equal instalments, the first upon approval of the application and the second upon successful completion of the action funded, provided the agreed timetable of implementation has been complied with. The Ministry's budget since 2011 for all three types of funding was as follows:

<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>€ 550,000</b>	€ 340,000	€ 328,000	€ 212,040	€ 193,679	€ 204,184	€153,000

## **2.2 Distribution of government funding**

The grants which are paid annually to NGOs to cover operational costs do not rely on any particular allocation. Only in the case of KYSOA, whose grant is foreseen in the legislation, an increase in 2016 was provided on the express understanding that the extra money would be used to hire additional personnel. The funding provided for special projects depends on the applications submitted. In the case of the funding provided by the Social Welfare Services, there is a visible trend of directing funding to NGOs in order to provide services to vulnerable groups, like unaccompanied minors seeking asylum, victims of domestic violence or trafficked victims, which had previously been serviced directly by state organisations.

## **2.3 Restrictions (or other changes) on NGO funding from other sources**

There is no unified record of funding from non-governmental sources. Depending on their field of action, NGOs may apply for grants from the UNHCR Representation in Cyprus for asylum-related services (for services provided to asylum seekers and refugees); from UNDP for peace-building activities; from the US Embassy in Cyprus for activities against trafficking; from the various funds of the European Commission for particular projects; from the EEA and Norway Grants for various fields. The NGO Support Centre, which had previously been operating on the basis of funding from UNDP, has reported that UNDP has withdrawn its financial support from NGOs in Cyprus. UNDP informed the NGO Support Centre that their policy is to support networks of organisations and not individual NGOs.

EU funds typically require 'own contribution' of varying percentage but, according to one of the NGOs consulted, the conditions for accessing the Europaid programme have in recent years become more onerous as they have to show that the sum of the 'own contribution' is already in the applicant's bank account.<sup>29</sup> Some of the EU funds handled by governmental agencies, such as the European Refugee Fund (ERF), require successful applicants to submit a bank guarantee as security for the implementation of the project activities. This is a particularly onerous requirement for many NGOs, particularly after the collapse of the banking system in 2013.

EEA and Norway Grants' website provides data on all projects funded, including names of beneficiaries and amounts paid.<sup>30</sup> From the available data, it is not possible to deduce whether the amount was increased or decreased or whether the allocation changed or additional restrictions were added. The NGOs consulted mentioned the requirement of 'own contribution' as the biggest problem in accessing funding from this source.

### **3 Access to the decision-making process for non-governmental organisations working on fundamental rights**

In spite of the adoption of the Guide for Consultation by the Council of Ministers in 2009,<sup>31</sup> consultation with NGOs remains a key issue and a major source of frustration for NGOs. The institution of the multi-thematic committees or the advisory committees bringing together governmental and non-governmental actors has often seen the resignation of NGOs in protest for the fact that their positions were systematically ignored, the most recent example being that of the multi-thematic committee against trafficking.

KYSOA, the confederation of disability organisations and the only NGO ever granted the status of a social partner, has repeatedly complained about the disability movement being excluded from the policy-making process and referred to a ministerial committee set up in 2016 in order to develop disability related policy without the participation of any disability organisation. KYSOA further criticised the consultation process followed in the case of the government report to the UN Committee for the implementation of the CRPD, since the document supplied by the

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<sup>29</sup> Interview with the officer at NGO Support Centre, 28 February 2017.

<sup>30</sup> For details, see the EEA and Norway Grants web page that relates to Cyprus at <http://eeagrants.org/project-portal/2009-2014?country%5B%5D=Cyprus&type=3&free-text=&page=0&number-per-page=10&order-by=CountryTitle&order-dir=ASC&action=search>.

<sup>31</sup> Cyprus, Ministry of Finance, Guide for consultation (Οδηγός Διαβούλευσης) November 2009, available at: [www.mcw.gov.cy/mcw/rtd/rtd.nsf/rtd26\\_gr/D87D46FCFFF4310DC2257B73002C3CCA/\\$file/%CE%9F%CE%B4%CE%B7%CE%B3%CF%8C%CF%82\\_%CE%94%CE%B9%CE%B1%CE%B2%CE%BF%CF%8D%CE%BB%CE%B5%CF%85%CF%83%CE%B7%CF%82.pdf](http://www.mcw.gov.cy/mcw/rtd/rtd.nsf/rtd26_gr/D87D46FCFFF4310DC2257B73002C3CCA/$file/%CE%9F%CE%B4%CE%B7%CE%B3%CF%8C%CF%82_%CE%94%CE%B9%CE%B1%CE%B2%CE%BF%CF%8D%CE%BB%CE%B5%CF%85%CF%83%CE%B7%CF%82.pdf).

government to KYSOA was not in a format accessible to persons with disabilities and NGOs themselves had to convert it into an accessible format. In spite of delivering a long list of observations on the government's draft, none of these were taken on board in the final draft handed to the UN Committee. KYSOA has repeatedly raised the issue of the coordination mechanism required under Article 33 (1) of the CRPD which is essentially non-existent as the body cited by the government, being the Pancyprian Council for Persons with Disabilities, has not convened since 2013.

In June 2013 a new institution was set up, that of the Commissioner for Volunteerism and NGOs, with the aim of coordinating the work of volunteer groups, NGOs, local governance organisations and the church and to assist with the efforts for the modernisation of the framework regulating their operation.<sup>32</sup> In this context, in 2014, the Commissioner's office organised a series of consultation meetings on the bill purporting to modernise the framework of operation of NGOs. The bill is still at parliament awaiting finalisation and voting.

<b>Title of legislation/policy</b>	<b>Reference</b>	<b>Short summary (max 500 characters)</b>
Law amending the Refugee Law (No. 2) No. 106(I)/2016;  Law amending the Refugee Law No. 105(I)/2016	Cyprus, Law amending the Refugee Law (No. 2) No. 106(I)/2016, 14 October 2016, available at <a href="http://cylaw.org/nomoi/arith/2016_1_105.pdf">http://cylaw.org/nomoi/arith/2016_1_105.pdf</a> ;  Cyprus, Law amending the Refugee Law No. 105(I)/2016, 4577, 14 October 2016, available at <a href="http://cylaw.org/nomoi/arith/2016_1_105.pdf">http://cylaw.org/nomoi/arith/2016_1_105.pdf</a>	In October 2016, the asylum legislation was amended to transpose the recast Asylum Procedures Directive 2013/32 and the recast Reception Conditions Directive 2013/33. The text of the bills were of an enormous volume and the NGO Future Worlds Centre, which is the main provider of legal advice to asylum seekers for over a decade, was given only 10 working days to go through them.

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<sup>32</sup> For more details about the mandate and activities of the Commissioner's office, see the website at [www.volunteercommissioner.gov.cy/volunteer/volunteer.nsf/voco02\\_gr/voco02\\_gr?OpenDocument](http://www.volunteercommissioner.gov.cy/volunteer/volunteer.nsf/voco02_gr/voco02_gr?OpenDocument).



		Out of the several issues flagged by Future Worlds, only one was taken on board. Future Worlds reported that there was no real discussion and no sincere engagement on the part of the authorities and that the consultation process was superficial.
Draft law: The private organisations of common benefit (Certification) Law [Ο περί Ιδιωτικών Οργανισμών Κοινής Ωφελείας (Πιστοποίησης) Νόμος]	The draft has not been finalised yet.	A platform of NGOs was set up in 2007 to lobby for a comprehensive change to the existing legal framework governing the operation of NGOs. <sup>33</sup> Ten years later negotiations about this draft are still ongoing, facing objections from large private sector organisations who oppose the draft law's proposed governmental scrutiny into their financial affairs and the power of the government to liquidate non-compliant organisations. <sup>34</sup>

<sup>33</sup> For details and relevant resources see the special website set up by this platform at [www.ngoinitiativecyprus.org/en/#](http://www.ngoinitiativecyprus.org/en/#).

<sup>34</sup> Hazou E. (2017), 'Race Club challenge to NGO reform', in *the Cyprus Mail*, 6 February 2017, available at: [http://cyprus-mail.com/2017/02/06/race-club-challenge-ngo-reform/?utm\\_source=newsletter&utm\\_medium=email&utm\\_term=http%3A%2F%2Fcyprus-mail.com%2F2017%2F02%2F06%2Frace-club-challenge-ngo-reform%2F&utm\\_content&utm\\_campaign=TUE+-+SAT+NEWSFEED](http://cyprus-mail.com/2017/02/06/race-club-challenge-ngo-reform/?utm_source=newsletter&utm_medium=email&utm_term=http%3A%2F%2Fcyprus-mail.com%2F2017%2F02%2F06%2Frace-club-challenge-ngo-reform%2F&utm_content&utm_campaign=TUE+-+SAT+NEWSFEED).

<p>Law on civil partnership</p>	<p>Cyprus, Law on civil partnership of 2015 (<i>Ο περί Πολιτικής Συμβίωσης Νόμος του 2015</i>), No. 184(I)/2015, 9 December 2015. Available at <a href="http://cylaw.org/nomo/i/arith/2015_1_184.pdf">http://cylaw.org/nomo/i/arith/2015_1_184.pdf</a></p>	<p>Five years of lobbying by Accept LGBT preceded the adoption of this law. When the Ministry of Interior decided to put the bill to public consultation, everyone was invited to comment. The open consultation process which followed was attended by 25 NGOs including the church. In the last 48 hours before the scheduled voting, the bill was amended by abolishing the provision which rendered civil partnerships equal to marriages (except as regards the adoption of children). Accept LGBT threatened to withdraw its support for the bill and members of the European Socialist Party requested information from the Cypriot Socialist Party about this last minute backtrack. In the end, the provision was reinstated in the text and finally adopted, although the prohibition of child adoption by same sex couples still remains.</p>
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## 4 Further information

### *A climate of tolerance?*

The NGO Accept LGBT reported being satisfied with the climate of tolerance and acceptance it has encountered in its interaction with politicians, government agencies and local governance. In addition to the satisfactory policing of the pride parades, the organisation also expressed content over the fact that the presidential palace agreed to offer space to host an international conference on LGBTI rights. The NGO president further stated that the private sector emerges as more ready to fund its activities in exchange for advertising, pointing out that international brands (for example, Starbucks) appeared more eager to add their logo to the pride parade's sponsors rather than local private sector enterprises, presumably as a result of their international exposure to pride parades in other countries.

The positive climate experienced by Accept LGBT is not shared by other NGOs, who report that government agencies are not truly and sincerely engaged to consulting and involving them and view them as an unavoidable hurdle rather than partners in a cause. The success of Accept LGBT may perhaps be located in the fact that its major annual event, the pride parades, gather several thousands of supporters who march in the capital's city centre together with foreign countries' ambassadors, representatives of EU institutions, politicians, pop stars and other key figures of public life. The adoption of legislation in December 2015 legalising same sex marriages<sup>35</sup> can also be viewed against the backdrop of the massive turnouts at the pride marches.

Accept LGBT referred to two policy developments which they found particularly problematic:

- The policy of specifically excluding sex reassignment from the medical operations which may be performed abroad with state funding. Sex reassignment cannot be performed in Cyprus.
- The refusal of the Attorney General to respond to the NGO's repeated letters of complaint against the Archbishop's homophobic statements.<sup>36</sup> Given the Attorney General's unfettered discretion to commence criminal prosecutions,<sup>37</sup> Accept LGBT consider the

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<sup>35</sup> Cyprus, Law on Civil Marriages of 2015 (*Ο περί Πολιτικής Συμβίωσης Νόμος του 2015*), 184(I)/2015, 9 December 2015, available at: [http://cyllaw.org/nomoi/arith/2015\\_1\\_184.pdf](http://cyllaw.org/nomoi/arith/2015_1_184.pdf).

<sup>36</sup> Accept LGBT-Cyprus, Letter to the Attorney General, 7 November 2016. Not available on line.

<sup>37</sup> Cyprus, The Constitution of the Republic of Cyprus, Art. 113, available at: <http://cyllaw.org/nomoi/enop/ind/syntagma/section-sc6bd8ce05-53a6-2157-da1b-2c194326d657.html>.

Attorney General's failure to prosecute the Archbishop as a significant gap, reducing the laws adopted by parliament to an empty letter.

*Memorandum of understanding between the police and NGOs*

In February 2017, a memorandum of cooperation was signed between the police and a total of 12 NGOs, including migrant support groups, anti-trafficking groups, gender equality groups, LGBT groups and groups offering services to asylum seekers and to unaccompanied children.<sup>38</sup> The memorandum covers issues which had previously been sources of confrontation between the police and some NGOs, such as visits to police detention centres and assistance and advice to detainees. In addition, it provides for new areas of cooperation, such as the location of victims in need of assistance, the procedure of searching for wanted persons for humanitarian reasons, the co-organisation of awareness campaigns and events, data collection for the purpose of surveys, cooperation for scientific research, focal points within the police and within the NGOs and conflict resolution procedures. At the time of writing, the memorandum was still at the stage of receiving signatures.

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<sup>38</sup> Memorandum of cooperation between the Cypriot police and NGOs for the protection and promotion of human rights (*Μνημόνιο συνεργασίας μεταξύ της Αστυνομίας Κύπρου και Μη κυβερνητικών Οργανώσεων (ΜΚΟ) για την προστασία και προώθηση των ανθρωπίνων δικαιωμάτων*), 2017. Not available online.