

KCSF guidelines on limitations for funding organizations affiliated to Politically Exposed Persons

Majority of civil society organizations in Kosovo are registered NGOs, with few un-registered initiatives and informal groups. While their non-for-profit nature is a defining element for all, independence from “government” is also equally important. Kosovo is amongst countries that have emphasized this by explicitly forbidding all registered NGOs to engage in fundraising or campaigning to support political parties or candidates for political office (Art.34 of the Law on Freedom of Association in NGOs). While this limitation applies to NGOs as legal entities, it does not extend to individuals of the organization, including those in leading positions.

While recognizing the importance of political activity as a legitimate method of citizens to engage for their interests and common good, KCSF is also aware of the risks associated with such an engagement if conducted within the scope of civil society sector. It is particularly challenging for CSOs that engage in advocacy for their constituencies or issues of public interest, as there can be a thin line dividing ones’ public engagement for the mission of the organization or the interests of the political organization, he/she is affiliated with. Such a risk becomes more evident when providing financial resources for CSOs to implement projects or strengthen their organizations to advance their missions. If individuals affiliated with political organizations are financially supported through civil society, it may jeopardize the reputation of the organization and the donor, the cause it is related to, and the public trust in the sector. It may also divert funds to purposes other than those declared in the mission of the organization and/or submitted proposal. On the other hand, it is evident that such risk is more present for individuals in leading positions in both sectors rather than ordinary members or employees of either political organizations or CSOs.

Last, experience in Kosovo and elsewhere shows that that political affiliation and exposure is not a clear-cut element related only to holding active office, but commonly continues beyond this period. This requires that political exposure is not limited only to those persons holding active office, but extended to a specific period of time that includes at least one electoral cycle.

Based on above, KCSF has defined “politically exposed persons” (PEPs) and set some limitations on their involvement in activities and/or organizations funded by KCSF re-granting schemes, as a way to minimize such risk.

Politically exposed person means any domestic or foreign natural persons who are or have been entrusted with prominent public functions, such as:

- 1) President, Prime Minister, minister, deputy minister, political advisor, chief of staff;
- 2) members of parliament;
- 3) members of leading/governing bodies of political parties, at central or local level;
- 4) members of the Constitutional Court and Supreme Court
- 5) ambassadors or chargés d’affaires or high-ranking military officials;
- 6) mayors, deputy mayors, municipal directors, political advisors to mayors and deputy mayors, chief of staff to mayors and deputy mayors;
- 7) members of political parties list running for local or national elections;
- 8) members of Municipal Assemblies.

Persons in one of the above listed positions are considered PEPs if they are currently holding such an office or have been doing so in a period of four (4) years before the date of submitting a funding application to KCSF.

In order to be eligible for KCSF funds, such persons shall not be in leading positions in the applying civil society organization, such as Head of the Assembly of Members, Head or member of Board, Executive Director, manager (program or finance) or any similar position of senior level.

During the application phase, all applying organizations are required to declare whether they fall in any of the situations that are considered ineligible due to PEPs involvement in their organization. During implementation, they are required to inform KCSF on any change of this status. Failure to declare true information or report change of status may lead to termination of the contract with immediate effect, at the moment that KCSF has been made aware of such a case.

In addition, during implementation phase, CSOs should refrain from contracting PEPs (both as individuals and through companies owned by PEP's) for activities funded fully or partially by KCSF.