



**BODOSSAKI
FOUNDATION**

ACTION PLAN FOR **CIVIL SOCIETY**

Under the Auspices of the President of the Hellenic Republic H.E. Katerina Sakellaropoulou



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THE INITIATIVE OF BODOSSAKI FOUNDATION

The Bodossaki Foundation, committed to addressing critical challenges in Greek society, has developed four comprehensive Action Plans. These focus on promoting the development of Greek universities, improving public health, tackling major environmental issues, and strengthening Civil Society in Greece—each representing a core pillar of the Foundation’s work.

With science as its ally and its gaze directed at Greece’s future, the Bodossaki Foundation seeks through this initiative to create a solid basis for constructive dialogue about progress and development in these areas. Expert teams, offering high-quality documentation pro bono, have been formed to develop each Action Plan.

The Action Plans are implemented as part of the Foundation’s involvement in the ‘1821-2021 Initiative’. Following their official presentation, these plans are made available to relevant state agencies for potential adoption and implementation.

ACTION PLAN FOR CIVIL SOCIETY

An active, healthy, and dynamic Civil Society can complement the state by providing essential services in critical areas such as health and social welfare, assisting in emergency response situations, and contributing to the overall improvement of citizens’ daily lives, protecting human rights, and reinforcing democratic values.

For the Bodossaki Foundation, the strengthening of Civil Society forms a strategic pillar of its mission. The Foundation is dedicated to fostering a robust and independent Civil Society while creating an appropriate institutional framework within which it can operate.

To achieve this objective, the Bodossaki Foundation has sought input from organizations, charitable foundations, the academic community, and research institutes (‘think tanks’) in order to develop the Action Plan for Civil Society. In response, a Central Coordinating Committee was established to formulate both visionary and practical proposals for Civil Society in Greece. Additionally, a Support Committee comprising 22 experts—including scientists and representatives from organizations, foundations, and Civil Society entities—provided invaluable input.

After 12 months of voluntary work, meetings, and research, and by considering international best practices, the Central Coordinating Committee, in partnership with the Scientific Support Committee, developed a comprehensive set of positions on the development of Civil Society in Greece. Subsequently, feedback was sought from 35 experienced members of Civil Society, whose expertise has enriched and further substantiated the document.

The objective of the Action Plan is to present proposals that will enhance the functioning of Civil Society and reinforce its impact. The Plan assesses the current state of Civil Society in Greece, compiles best practices from international experiences, identifies areas needing improvement, and recommends changes across three key dimensions: institutional operation, financial sustainability, and social engagement. The recommendations target both the state—which plays a crucial role in creating a conducive institutional environment for effective Civil Society—and Civil Society itself, offering self-regulation suggestions.

The Bodossaki Foundation hopes that these proposals will serve as a catalyst for extensive dialogue, fostering broad consensus and political commitment to enhancing and reinforcing Civil Society in Greece.



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SUMMARY

Civil Society (CS) plays a complex and essential role in every modern democracy, with Civil Society organizations (CSOs) recognized globally as vital instruments for mobilizing and engaging citizens in public life. They act as catalysts in critical sectors such as health, education, justice, environment, and culture. These organizations expose systemic gaps, improve access to social resources for vulnerable populations, amplify the voices of those with limited influence, and highlight the importance of environmental protection and human rights.

In Greece, despite its historical importance, CS activity remains relatively limited compared to other EU countries. Its institutional role is only moderately acknowledged by national, regional, and local authorities, and public trust in CS organizations remains low, as surveys reveal. Additionally, citizen participation in volunteer work and CS initiatives is also limited.

The Bodossaki Foundation recognizes the significance of a strong Civil Society for the effective functioning of the state and Greek society. The Action Plan for Civil Society complements other strategic plans focused on the University of 2030, Public Health, and Environmental Challenges—together corresponding to the core pillars of the Foundation’s philanthropic work. This Action Plan aims to substantially enhance CS functionality and amplify its impact in Greece by improving regulatory frameworks and promoting self-regulation within the sector.

The Action Plan consists of five main sections:

- Overview of the Current situation in Greece
- Best and Effective Practices from the EU and Selected Countries
- Regulatory Framework
- Financial Management
- Self-regulation, Standards and Conditions for Effective Operation, and Proposals

Drawing on existing research, the Action Plan outlines the current status of Civil Society (CS) in Greece, emphasizing challenges in mapping, providing key insights into the scope of CS activities, and analysing structural characteristics and primary weaknesses, such as low social participation, low public trust, and limited engagement with society as a whole. A notable finding is that institutional funding sources for CS including European funding in Greece are comparatively higher than in other developed economies.

International experience offers valuable examples of effective CS practices in institutional operations, financial management, and social impact. The Action Plan identifies best practices, including mandatory, meaningful consultation with CS, establishing a central CS representative body, fostering close collaboration between state authorities and CS organizations, implementing robust tax incentives to support organizations, creating a dedicated funding pool for long-term CS initiatives, promoting edu-

cation on CS and civic engagement, and developing mechanisms to evaluate organizational performance.

The Action Plan also examines deficiencies in the regulatory framework, in areas related to volunteerism, the authority, independence, and accountability of the supervisory body, the institutional role of Civil Society, the operation of registries where CSOs are recorded, and the responsibilities and incentives for members of governing bodies within organizations. In addition, it reviews issues within the tax framework, which is marked by fragmentation, excessive complexity, and ambiguity. To address these gaps, the Action Plan proposes policy changes to reduce the tax burden on organizations and donations, improve their accounting and tax treatment, enhance financial transparency, and facilitate donations by taxpayers. Finally, the Action Plan provides recommendations for self-regulation within the Civil Society sector, focusing on questions of sustainability, collaboration, and effective communication.

The Key Priorities for implementing the Action Plan are as follows:

For Government:

Proposals for an **effective regulatory framework** for Civil Society:

- Establishment of an **independent body** with enhanced responsibilities as a **supervisory authority** for Civil Society issues.
- Legislative/constitutional **recognition and guarantee of the role of Civil Society** and the establishment of **meaningful consultation processes** between the state, at national and local levels, and Civil Society organizations for policy formulation and implementation.
- **Consolidation of data from other ministries and enhancement of the Ministry of Interior’s Public Database** as the sole official state database for Civil Society organizations.
- Automatic **registration of all CSOs** certified by the Court of First Instance in the Ministry of Interior’s **Public Database**, with increased public access to database information and mandatory regular data submission by organizations.
- **Removal of the unlimited liability of board members**, particularly the president, modelled on limited liability corporate legal forms.
- Establishment of **regular general assemblies** and the **election of a governing body with a minimum number of members** for organizations registered in the Special Registry.
- **Simplification of volunteer registration in the ERGANI** system for one-day activities.
- **Educational initiatives to promote volunteerism**, engage students in addressing local community needs, and encourage their participation in democratic processes.

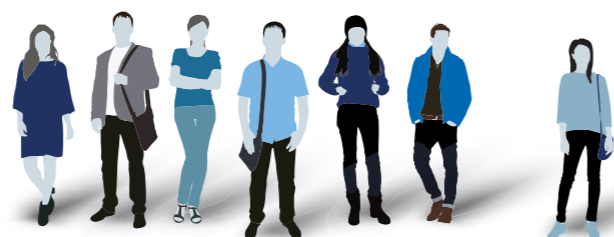
Proposals for a **clear and fair financial framework** for Civil Society:

- **Codification of tax legislation** for Civil Society.
- **Fairer management of income and property taxation** for CSOs.
- Establishment of a **regulatory framework for the commercial activities** of Non-profit Legal Entities (NPLEs) and **transfer of oversight to a central public administration service**.
- **Abolition of the business tax** for Non-Profit Civil Companies and permanent **abolition of the independent taxation of monetary donations** to NPLEs.
- **VAT exemption on in-kind donations** and simplification of related procedures.
- **Implementation of a standardized accountability model** for NPLEs.

For Civil Society organizations:

Self-regulation proposals for a healthy Civil Society:

- Adoption of **tools for strategic planning** and smooth internal operations.
- **Publication of charters, financial, administrative information**, and open data.
- Preparation of an **annual information bulletin**.
- **Establishment of internal governance structures** (e.g., regular general assembly, governing body, internal audit committee).
- **Development of collective representative bodies** at sectoral, regional, and national levels.
- **Development of shared principles, goals, and standards**.
- Establishment of a **Civil Society Observatory**.



INTRODUCTION

THE IMPORTANCE OF AN ACTION PLAN FOR CIVIL SOCIETY

The initiative to implement a Plan for Civil Society highlights and acknowledges both the multifaceted significance of the work carried out by Civil Society and the pressing need and opportunity for its development in Greece. The aim is to enable Civil Society to fulfill its complex and critical role, as demonstrated in every modern democratic society.

The need for an active Civil Society and its broader significance for society at large is underscored by the positive outcomes its actions have yielded globally.¹ Civil Society organizations play an active and leading role in modern democracies. They are respected and recognized as fundamental tools of democracy and key drivers of social participation. They act as catalysts, utilizing flexibility and expertise. They address structural inequalities, highlight systemic gaps, and improve access for those who lack a voice or negotiating power in critical sectors such as healthcare, education, justice, and culture. They emphasize the fundamental importance of environmental protection and human rights. They promote culture and creativity. They actively collaborate with society, representing it holistically. These organizations are composed of professionals and volunteers, operate transparently following functional models and protocols, are funded meritocratically, and are both subject to and apply checks on the state.

The ecosystem of Civil Society in Greece, despite its long history and significant contribution to the nation's development, currently lags significantly behind other European countries. It requires substantial improvements in terms of empowerment (self-regulation and transparency), regulation (legislative and fiscal), and recognition by the state. At the same time, numerous studies and the extensive experience of sector representatives highlight particularly low social appreciation and participation in Civil Society and its important work in Greece.

¹ Examples illustrating the effectiveness, complementarity with the state, and, consequently, the necessity of its existence are presented in Section 3 (Best and Useful Practices from the EU and Selected Countries) of the Plan.



1. ACTION PLAN FOR THE CIVIL SOCIETY

1.1 THE ROLE OF CIVIL SOCIETY

Civil Society organizations (CSOs) are defined by the United Nations level as follows:

“ A Civil Society organization (CSO) or non-governmental organization (NGO) is any non-profit, voluntary citizens’ group which is organized on a local, national or international level. Task-oriented and driven by people with a common interest, civil society organisations (CSOs) perform a variety of services and humanitarian functions, bring citizens’ concerns to Governments, monitor policies, and encourage political participation at the community level.¹ ”

The role of Civil Society is also critical in advancing the United Nations’ Sustainable Development Goals (SDGs). The SDGs include issues of immediate interest to Civil Society organizations (CSOs), such as eradicating poverty and hunger, improving health and education, ending discrimination against women and girls, and ensuring better living conditions in the natural environment, cities, and communities. Furthermore, the primary objective of the current Action Plan for improving the effectiveness of Civil Society in Greece also promotes, among other things, SDG No. 16, relating to Peace, Justice, and Strong Institutions. This goal encompasses aims related to human rights, transparency, equal access to justice for all, and the assurance of responsible, inclusive, participatory, and representative decision-making at all levels.

In the European Union (EU), Article 15 of the Treaty on the Functioning of the European Union highlights the role of Civil Society in promoting good governance. Similarly, Article 11 of the Treaty on European Union emphasizes the importance of open, transparent, and regular dialogue between the EU and CSOs, especially in the legislative process. The Treaty describes Civil Society as follows:

“ Civil Society refers to all forms of social actions carried out by individuals or groups that are neither connected to, nor governed by, state authorities. A Civil Society organization is an organizational structure whose members serve the general interest through a democratic process and which plays the role of mediator between public authorities and citizens.”

Similarly, Article 3 of the Council of Europe guidelines CM(2017)83 on citizen participation in political decision-making processes states that a necessary condition for such participation is « recognition and protection of and support for the role of civil society in a pluralist democracy, its functions in terms of advocacy and monitoring of public affairs and its contribution to building a diverse and vibrant society. ”

Essentially, the EU recognizes the fundamental and pivotal role of Civil Society in ensuring effective governance and in shaping its legislative work. However, at the national level, the distinctive role of Civil Society has not been formally entrenched in legislation in a similarly decisive way, despite the passionate and persistent collective efforts of many organizations. Among the most notable and ambitious attempts have perhaps been the tireless efforts to include a relevant reference to Civil Society in the Constitution of Greece, during the previous and significant constitutional revisions which took place in 2001 and 2008.

Significant progress was achieved with Law 4873/2021, which defines the organizational forms and functions of Civil Society. The primary objective of this law is to establish a unified regulatory framework for CSOs, replacing the previously fragmented legislative framework with a more integrated approach, including centralized registries and services across various ministries.

However, Law 4873/2021 has a critical shortcoming, in that (unlike the situation in other countries) it fails to make any reference to the role of Civil Society or its relationship with the state. Instead, it outlines and manages procedural aspects such as:

¹ Source: <https://www.un.org/en/civil-society/page/about-us>

- a) registration, record-keeping, and state funding of nonprofit voluntary organizations established and operating in Greece, with a focus on ensuring their integrity, transparency, sound management, and accountability;
- b) voluntary work within or outside Greece.

The primary goal of the Action Plan is to highlight the vital role of Civil Society in empowering citizens and promoting active engagement within a modern society at both national and local levels. The local dimension of the work of Civil Society is especially critical in Greece, where unique geographical characteristics pose additional challenges for the state and private sector in providing equal opportunities and services, particularly for residents of islands and remote areas.

CSOs aim to:

- Serve the public interest through democratic processes within an organizational structure;
- Provide social services, particularly to individuals with limited access to them for economic, social, or other reasons;
- Utilize accumulated experience to offer know-how to the state, agencies, and the private sector, providing advocacy and alternative policies and proposals;
- Monitor and scrutinize the actions and omissions of the state, supporting transparency and accountability in public affairs;
- Safeguard citizens' rights and work to support social norms and behaviours;
- Protect the environment and nature, and advocate for animal rights.

1.2 CORE VALUES AND PILLARS OF CIVIL SOCIETY

Collaboration is the core value of Civil Society. It builds the social capital that is a necessary component of development for any society. Without collaboration, the role of Civil Society cannot be effectively fulfilled.

At the foundation of collaboration, the key pillars that define the importance of Civil Society are measurable and substantial social work and impact, transparency, independence, and good governance. It is a fact that, based on various studies and measurements presented in Section 2 of the Plan, there is a noticeable lack of trust and suspicion among many citizens toward the work and functioning of organizations. This deficit is due to a range of factors that are briefly analysed within the Action Plan.

The trust deficit in Civil Society imposes critical limitations on the fulfillment of its role. Civil Society actors are members and representatives of society as a whole, of which they form a subset. They take initiatives and organize actions to solve problems affecting society as a whole and its particularly vulnerable segments. Without the acceptance and recognition of the work of Civil Society by the broader society, the effectiveness of these efforts is significantly reduced.

For this reason, fostering a strong connection between these organizations and society as a whole is not merely desirable—it is essential for ensuring sustainability and effectiveness, and should therefore be a primary goal and pursuit of all organizations.

While many challenges stem from external factors beyond Civil Society, there is considerable room for improvement within the Civil Society sphere itself. This is where organizations should direct their efforts, guided by the pillars outlined above. The purpose of this Action Plan is to propose methods and strategies to achieve these objectives.

1.3 OBJECTIVE OF THE ACTION PLAN

In this context, the primary goal of the Action Plan is to significantly improve the functioning of Civil Society and enhance its contribution by upgrading the regulatory framework, fostering self-regulation within Civil Society, and strengthening the connection between organizations and society as a whole.

The Action Plan for Civil Society has a twofold goal:

- 1) To offer an evidence-based understanding of the current state of Civil Society and expand the social dialogue about its role.
- 2) To propose measures aimed at fostering the development of Civil Society in Greece, with a focus on empowering the sector and raising its profile within the state and society.

The Action Plan analyses the tripartite interaction between the state, Civil Society, and society. The Plan and the implementation of its proposed actions are directed towards these common goals: the state, which must define the regulatory and tax framework; Civil Society itself, which must adopt best practices of self-organization; and the wider society, which must reassess its perception, trust, and relationship with organizations. The ultimate goal of the Action Plan is to improve the functioning of Civil Society, enabling this tripartite interaction to operate effectively and achieve its objectives for the benefit of society.

The Plan seeks to provide clear, practical, and specific recommendations grounded in a coherent theory of change, while also developing the scope of necessary decisions as far as possible, outlining the stakeholders involved and the essential actions they must take to achieve the goals.

The Plan is structured around the following pillars:

- 1) Survey and analysis of the current state of Civil Society in Greece,
- 2) Collection of best practices, common approaches, and useful insights from international experience,
- 3) Identification of areas for improvement across all levels (evaluation, governance, legal and tax frameworks, advocacy),
- 4) Development of specific recommendations for the regulation, development, and promotion of Civil Society based on best international practices.



2. OVERVIEW OF THE CURRENT SITUATION IN GREECE

2.1 INTRODUCTION

This chapter provides an overview of the current state of Civil Society in Greece, focusing on key attributes and systemic challenges within the sector. It highlights the absence of a unified registry for Civil Society organizations (CSOs) and offers estimated numbers of active organizations in Greece based on available research and academic studies. Additionally, it categorizes CS entities, describes their fields of activity, legal structures, and geographical distribution throughout Greece. Essential data regarding CS staff, volunteers, and informal, non-legally recognized groups (informal Civil Society) is also included to give a fuller picture of the sector. The chapter also examines the relationship between Civil Society and the broader public, analysing levels of interaction, trust, transparency, and the sector's maturity relative to other European countries. It concludes with a summary of preliminary findings and a list of relevant literature.

2.2 CHALLENGES IN PROVIDING AN OVERVIEW OF CIVIL SOCIETY IN GREECE

Difficulties in defining the concept of Civil Society and the entities and groups that comprise it significantly limit the ability to systematically record key metrics and characteristics within the sector.² Conceptually, Civil Society includes entities of all legal forms across all areas where citizens engage collectively, based on two qualitative criteria:

First, Civil Society organizations are typically those where citizens collectively address the state; thus, state entities themselves are excluded from this definition of Civil Society. For instance, public legal entities—such as municipalities, the Church of Greece, and regional bishoprics—do not fall within this definition.

Secondly, for the purposes of the Action Plan, organizations not pursuing broader social goals are also excluded. Civil Society encompasses individuals who come together not merely as private persons but as active citizens engaged with the state and their communities. Citizens organize collectively with the aim of fostering discussion, raising awareness, and pursue initiatives aimed at enhancing societal well-being

or influencing public policies across areas such as culture, welfare, and education. Examples of organizations excluded based on this criterion include sports clubs (of which there are thousands across the country) and nature clubs that do not engage in social action but are limited to organizing excursions for their members. Businesses are also excluded, even if they do not distribute dividend from their profits and are part of the social and solidarity economy (such as social cooperative enterprises), as their primary focus remains on entrepreneurship. Finally, informal groups are also excluded, as they have not been sufficiently documented and fall outside established regulatory structures.

Regarding the various ways that Civil Society is conceived of internationally, the European Commission includes in its definition of CSOs those associations and clubs that enable citizens, through their participation, to help shape the current policy agenda (European Commission, 2023). In essence, this means engaging with issues that require the formulation of public policy measures. The World Bank, on the other hand, defines Civil Society as encompassing the entire spectrum of non-governmental and nonprofit organizations that are active in public life, representing the interests and values of their members or others (World Bank, 2013; World Economic Forum, 2013: 8).

In practice, collecting and analysing data on Civil Society based on these definitions is often challenging, as the boundaries of Civil Society are not clearly defined through legal forms or established statistical classifications. Additionally, there is no central registry of all Civil Society organizations in Greece maintained by a public authority. This lack of a unified registry is recognized as a significant issue by the organizations themselves (Bodossaki Foundation & IOBE, 2023).

However, efforts have been made to document the activities of organizations in specific areas, such as social care and the refugee and migrant sectors. Since at least 2011, the National Centre for Social Solidarity has maintained a Special Registry of Voluntary Non-Governmental Organizations. Additionally, since 2020, the Registry of Greek and Foreign Non-Governmental Organizations active in international protection, migration, and social integration has been operational under the auspices of the Ministry of Migration and Asylum.³ Similar registries are also maintained by the Ministry of Culture, the General Secretariat for Civil Protection, the Ministry of Health, the Natural

³ The Registry of Greek and Foreign NGOs active in issues of international protection, migration, and social integration is available at: <https://ngo.migration.gov.gr/registered.php>

² Definitions of Civil Society and related concepts are given in the appendix at the end of the Plan.

Environment and Climate Change Agency, and, as of 2023, the Ministry of Foreign Affairs. Finally, in early 2022, based on Law 4873/2021, the Ministry of the Interior initiated the creation of a Special Registry and Public Database for documenting Civil Society organizations. However, the information system supporting this database was only formally organized through legislation in April 2023, when the relevant ministerial decision (Joint Ministerial Decision 6216/7.4.2023) was issued, in accordance with the provisions of the 2021 law.

Although at least eight public agencies maintain registries where Civil Society organizations are registered, these registries are likely neither comprehensive nor fully up-to-date. As of June 27, 2024, the Ministry of the Interior's Public Database and Special Registry list 701 and 627 CSO entries, respectively. At the same time, the launch of these registries by the Ministry of the Interior has not eliminated the need for other public agencies to maintain their own registries, each with distinct requirements for CSOs regarding documentation, deadlines, and more. Despite the progress made with the establishment of these new registries, the administrative burden on CSOs to comply with state registries remains substantial, and information on CSO activity in Greece remains relatively incomplete.

The task of providing an overview of Civil Society is further complicated by its 'hidden' aspect in Greece (Sotiropoulos, 2004). Alongside the formal Civil Society, an informal and therefore largely unknown sector has emerged, consisting of unregistered organizations and networks without legal status. This became especially active during the economic crisis (Sotiropoulos, 2017; Sotiropoulos, 2020; Sotiropoulos & Bourikos, 2014; Huliaras, 2020).

In the absence of a centralized registry, data from a variety of sources and studies are used to create as comprehensive a picture as possible of the status of the third sector. Data on the organized (formal) Civil Society in Greece come primarily from research programmes conducted by universities and Civil Society organizations themselves, as well as from academic publications. This section offers a synthesized presentation of data from the "THALES II: Mapping and Evaluation of Greek NGOs" programme, implemented between 2018–2020 by the Department of Political Science and International Relations at the University of the Peloponnese in collaboration with HIGGS, and from the "Study on the Contribution of Civil Society to the Greek Economy," conducted in 2022 by the Bodossaki Foundation, in partnership with the Foundation for Economic and Industrial Research (IOBE). Additionally, supplementary data from specific academic publications on Greece's third sector are used where relevant (for example, Afouxenidis & Gardiki, 2015; Huliaras & Petropoulos, 2015; Afouxenidis, 2006).

However, it should be emphasized that most of the data comes from those organizations that voluntarily participated in surveys or the evaluation of related programmes. The limitations of the sampling include an issue which commonly affects such efforts: many NGOs view such registrations with suspicion, while others, being small and personalized, do not have the capacity to respond to the requests made by academic research teams for data collection and collaboration. Consequently, these sources and the present section are subject to the limitations of the respective sampling methods and do not claim to be a complete inventory of Civil Society organizations across the entire country.



2.3 MAPPING CIVIL SOCIETY ORGANIZATIONS IN GREECE

The exact number of Civil Society organizations (CSOs) operating in Greece has not been precisely determined. However, according to a rather broad definition of Civil Society, it is estimated to exceed 6,200, excluding primary and secondary school students' parents' associations (Afouxenidis & Gardiki, 2015). The majority of these are small organizations that operate at the local level and manage limited financial resources.

Adopting a narrower classification that includes only organizations engaged in purely charitable work (nonprofit companies, foundations, and charitable associations), the THALES II programme identifies 750 active Greek and international organizations across the country (University of Peloponnese & HIGGS, 2020). An even smaller number of organizations are defined as NGOs according to Afouxenidis & Gardiki (2015), amounting to 263 in 2015, of which 201 were active (having undertaken some activity in the previous two years).

The number of organizations registered in public agency databases is also relatively low, with the possible exception of the Ministry of Culture's registry of cultural organizations, which recorded 904 registrations in 2021. Specifically, the Special Registry of Voluntary Non-Governmental Organizations maintained by the National Centre for Social Solidarity included approximately 500 organizations nationwide. Similarly, the Ministry of Migration and Asylum's registry lists 76 Greek and international organizations active in areas of international protection, migration, and social integration.

2.3.1 Legal Status

Given the aforementioned limitations and gaps, the available data on the legal structure of citizen organizations with a purely charitable mission comes from 95 organizations that participated in the survey carried out the THALES II programme.⁴ This is a sample of organizations that voluntarily participated in the programme. Among them, the majority are associations or clubs (52%), followed by civil non-profit companies (43%). Only 5% of the organizations are registered as foundations.

2.3.2 Areas of Activity

Differences have been noted between the available sources regarding the structure of organizations by category of activity. According to Afouxenidis and Gardiki (2015), broader Civil Society in Greece is organized around two main pillars: humanitarian organizations and cultural entities, while other groups, such as environmental and religious organizations, as well as charitable foundations, are much fewer in number (see Diagram 2.1).

In a more detailed breakdown according to the category of activity, local associations represent the majority of organizations in the broader Civil Society, accounting for 22.2% of the total. This category includes local groups, clubs, and communities, many of which emerged during the economic crisis. Organizations active in the arts and culture rank relatively high (20%), while the category focusing on human rights and social solidarity represents about 12%.

⁴ Source: University of the Peloponnese & HIGGS (2020)

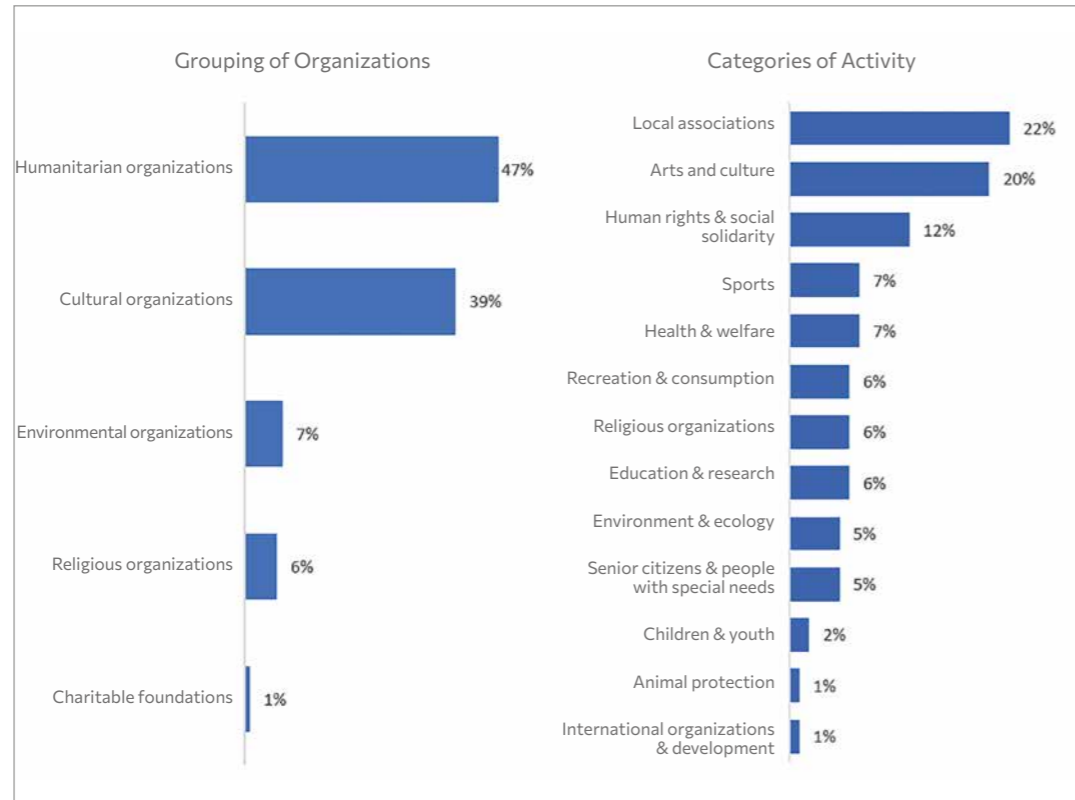


Diagram 2.1: Structure of the Broader Civil Society
Source: Afouxenidis & Gardiki (2015)

At the level of areas of activity and with a more detailed classification, it becomes clear that the sectors in which organizations operate are highly diverse, with most organizations engaged in multiple areas of activity (University of the Peloponnese & HIGGS, 2020). Approximately half of the CSOs that participated in the survey carried out under the THALES II programme are working in the areas of social integration, welfare, and solidarity, as well as education. A notable number of organizations are active in the field of health, followed by migration/refugee issues, human rights/good governance, culture, and the environment (see *Diagram 2.2*).

Similarly, research conducted by the Bodossaki Foundation and IOBE (2023) confirms that the majority of organizations for which data is available⁵ are engaged in supporting vulnerable and at-risk groups (42%), while 29% are involved in activities related to social solidarity in general (*Diagram 2.3*). Following with relatively similar percentages, around 20%, are the sectors of environment/sustainability (20% of organizations), human rights (19%), development action (19%), and arts and culture (19%). It is noted that the data from the HIGGS and Bodossaki Foundation-IOBE surveys do not align, as they are not based on representative samples.

With regard to the services and benefits offered by organizations, the majority—more than 6 out of 10—provide educational services, such as training programmes and seminars. Additionally, significant percentages (over 30%) are dedicated to empowerment activities, citizen information and awareness-raising campaigns, psychotherapy and

psychiatric support services, and various types of counseling services. Other organizations are involved in providing goods such as housing, food, and medicine, or even offering legal services.

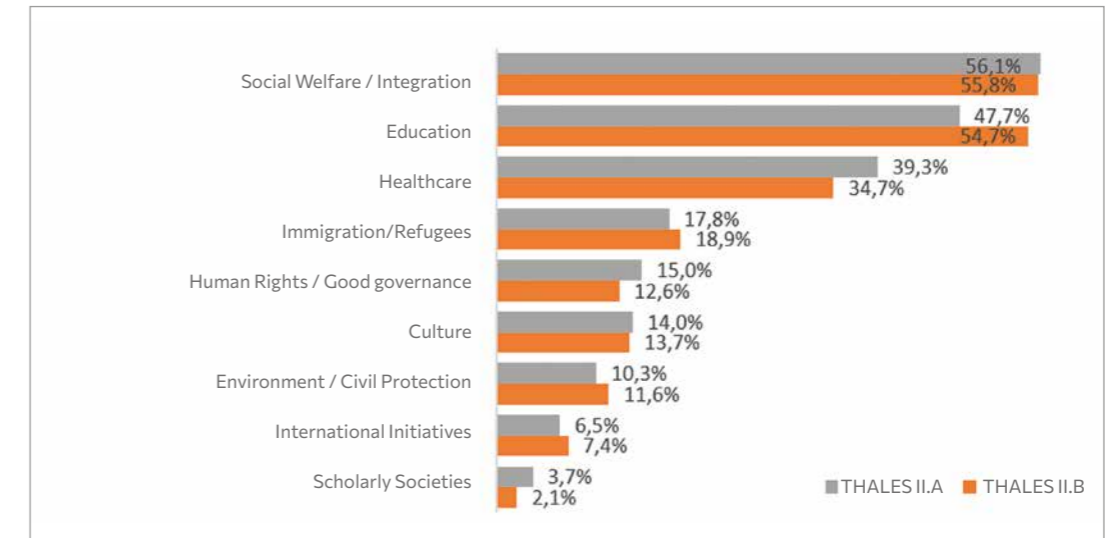


Diagram 2.2: Sectors of Activity of Civil Society organizations
Sources: University of Peloponnese & HIGGS (2020)

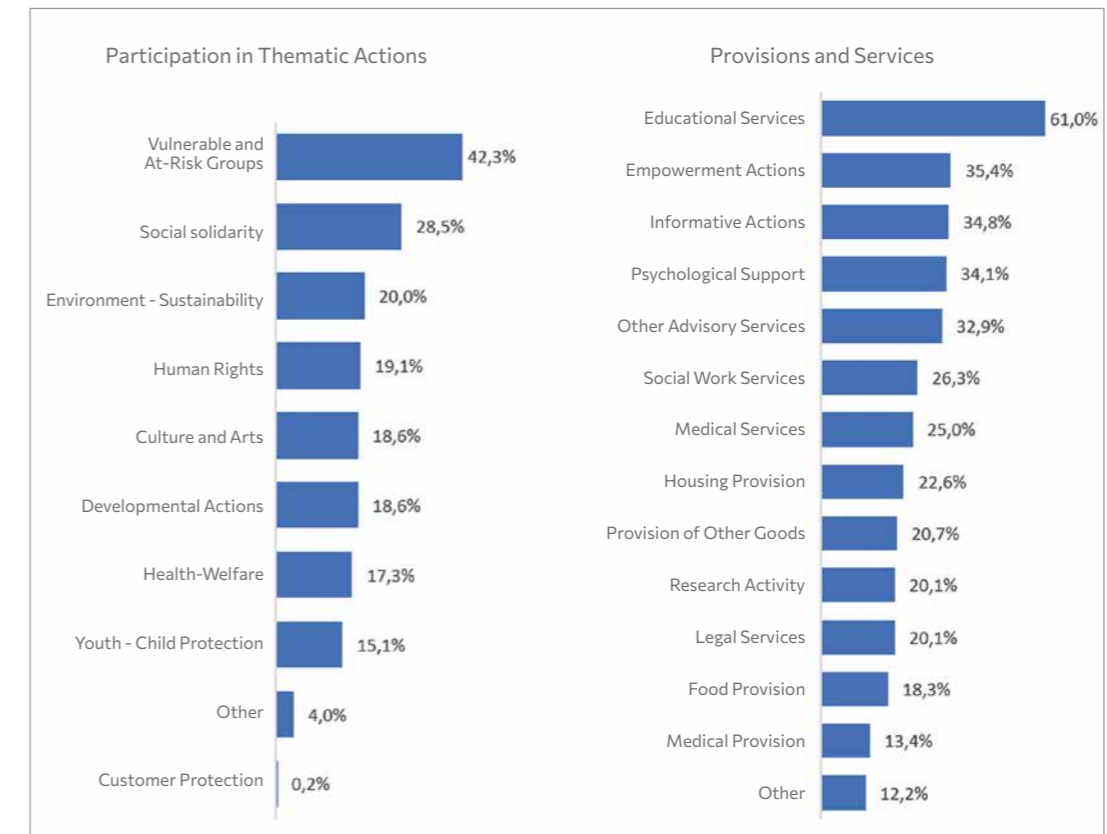


Diagram 2.3: Participation of Civil Society organizations in Thematic Actions and Benefits they provide.
Source: Bodossaki Foundation & IOBE, 2023. Note: Data on the thematic actions of Civil Society organizations and the services they offer were available for 404 and 164 organizations, respectively. The data were collected from publicly available sources (websites, social media pages, registries, etc.) and from responses to questionnaires.

⁵ The research was based on data found on the internet and responses to questionnaires.

2.3.3 Geographical Distribution

According to the research conducted by the Bodossaki Foundation and IOBE (2023), of the 376 Civil Society organizations for which data were available, approximately two-thirds are based in the broader Athens area (68.1%), and slightly fewer than one in ten (9.6%) are based in Thessaloniki. Similar trends are observed regarding the geographical distribution of registered active organizations in the THALES II programme, where the overwhelming majority are located in Athens (652 organizations, or 75% of all NGOs) (University of Peloponnese & HIGGS, 2020). Thessaloniki ranks second, but with a significant gap (7%), followed by Achaia (4%), while the number of organizations in other regions of the country is very small.

It should be noted, however, that the location of an organization's headquarters does not fully determine the geographical scope of its activities, as it may operate in more than one region (see Bodossaki Foundation & IOBE, 2023, p. 21). The research conducted by the University of Peloponnese and HIGGS (2020) reached similar conclusions, where the majority of organizations participating in the survey operated at the national level (54%)

2.3.4 Personnel and Volunteers

Over the three years during which the THALES II programme collected data on the personnel working for Civil Society organizations, there do not appear to be significant fluctuations in the numerical development of both full-time and part-time paid staff, as well as occasional collaborators (University of Peloponnese & HIGGS, 2020). It is noteworthy that, according to data from the Bodossaki Foundation and IOBE (2023), 70% of the organizations for which data are available employ fewer than 20 workers. Additionally, 12% of organizations in this sample have staffing levels typical of medium-sized enterprises (50 to 250 employees), while 3% have staffing levels typical of large enterprises (over 250 employees), indicating that a significant number of Civil Society organizations are large and complex entities.

On the other hand, the number of volunteers in CSOs is several times greater than the number of paid employees. In fact, there has been a slight but steady upward trend during the reporting years (2018-2020), mainly concerning occasional volunteers. The majority of volunteers are active in the fields of environmental issues and civil protection, while the organization with the highest number of regular volunteers is the Scout Corps of Greece, averaging nearly 20,000 volunteers annually. It is also noteworthy that foundations mobilize more volunteers than both associations and civil nonprofit companies.

2.4 STRUCTURAL CHARACTERISTICS AND KEY WEAKNESSES OF CIVIL SOCIETY IN GREECE

The public sphere in Greece is quite vibrant, marked by strong union and political activities within workplaces and educational institutions. In contrast, Greek Civil Society is generally weaker in comparison with the rest of Europe and even with other southern EU countries, according to indicators such as citizen participation in volunteer activities, donations, and trust in charitable and environmental organizations. Meanwhile, informal groups and the church continue to play a significant role, especially strengthened during and in the aftermath of the financial crisis in the previous decade. The lack of a unified representative body for CSOs at a secondary or tertiary level limits the influence of Civil Society in shaping policy and public discourse in Greece. On the other hand, Greece's large and well-established diaspora could be a potential asset for the development of Civil Society under favourable conditions, as it has provided support in the past. This section examines relevant literature and identifies historical and social factors which have contributed to the limited development of Civil Society in Greece.

2.4.1 Historical Legacy

Civil society groups played a crucial role in the revitalization and strengthening of the Greek nation in the 19th and early 20th centuries. During this period, different social currents (conservative, progressive) organized into groups with diverse objectives—educational, cultural, nationalist, charitable, and religious. At the same time, the country saw early parliamentary developments, although industrialization lagged behind (Mouzelis, 1993).

However, the formation and activity of Civil Society organizations waned over time, mirroring international trends and responding to Greece's turbulent history up until the mid-1970s, including national division, wars, civil conflicts, and dictatorships. Globally, well-known modern Civil Society organizations such as Oxfam (founded in 1942), Amnesty International, WWF (1961), Médecins Sans Frontières, Greenpeace (1971), and ActionAid (1972) began to form during the mid-20th century. In Greece, the development of a modern Civil Society sector was considerably delayed, primarily after 1990. This development was rooted in the socio-political landscape of the post-dictatorship period, inheriting many of the structural weaknesses that persist today, as will be discussed in the subsequent sections.

2.4.2 Low Social Participation and Trust

The relationship between Greek society and Civil Society remains relatively immature, marked by mistrust, detachment, and deeply emotional, as numerous studies indicate. While sporadic participation in specific initiatives can be observed, Greeks generally lack trust in CSOs and seldom engage with them, especially in the systemic, structured form reflected in surveys. This trend is partly attributed to the insufficient emphasis on active citizenship education within Greek schools (Huliaras, 2020).

The 2023 World Giving Index, which tracks participation in charitable activities and volunteering, places Greece fourth from the bottom among 142 countries. Despite this low ranking, recent Eurobarometer data paints a more encouraging picture among Greek youth (aged 15-30), who show higher-than-average engagement in organizations compared to their EU peers. Specifically, 23% of Greek youth reported involvement in volunteer organization activities over the past year, exceeding the EU average of 17%. Participation in sector-specific organizations also surpassed EU averages: 16% versus 15% for cultural organizations, 11% versus 10% for environmental organizations, 13% versus 10% for development organizations, and 12% versus 8% for youth groups or NGOs (Eurobarometer, 2024).

According to the World Values Survey (Koniordos, 2018), only 48.4% of respondents in Greece expressed trust in charitable organizations, ranking Greece 37th out of 54 countries. Trust in the environmental movement is similarly low, with only 45.5% of respondents expressing confidence, placing Greece 58th among 80 countries.

A 2023 study by IOBE for the Bodossaki Foundation found that 71.4% of respondents were unfamiliar with the concept of Civil Society, and 75.9% reported no participation in any Civil Society initiatives—whether formal or informal—over the past year. Additionally, a recent diaNEOsis survey (2024) revealed that public trust in NGOs ranks the lowest among 22 institutions, with fewer than 10% of the population expressing confidence in this sector.

2.4.3 Limited Engagement with Society

Greek CSOs, like many in the EU, often rely heavily on institutional funding from national and European public sources, as well as from philanthropic foundations. Limited tax incentives and benefits for donors further restrict the role of citizen donations in supporting these organizations. This heavy dependence on state and EU funding has, as a result, contributed to lower levels of investment in relationship-building with the wider public (Huliaras, 2020).

The IOBE's study for the Bodossaki Foundation (2023) highlights that 69.5% of CSO revenues in Greece originate from institutional sources, while only 5.5% comes from supporter contributions. These figures accord with data from the THALES II programme (2022), showing that 58.8% of Greek CSO funding came from institutional sources—comprising 41.9% from international programmes, 13.3% from state sources, 3.0% from EU programmes, and 0.6% from local government—with just 13.8% coming from members and supporters.

In comparison, a study covering 42 countries from 1995 to 2011 found that, on average, institutional funding accounted for 34.7% of CSO revenue, with 14.7% from private grants, gifts, and donations, and 50.6% from member contributions, commercial activities, and investment income (Salamon et al., 2017).

2.4.4 Transparency and Internal Operational Procedures

Transparency, external financial auditing, and robust internal controls are critical for fostering trust and boosting citizen involvement in Civil Society. These practices help ensure that organizations adhere to best practices in procurement, data management, and other operational activities. The 'THALES II' study by the University of the Peloponnese and HIGGS (2020) found that, while the majority of organizations surveyed (78%) have made their founding statutes available on their official websites, fewer (55%) provide public access to their balance sheets. Only 32% engage chartered accountants to audit their financial records, and just 39% publish evaluation reports of their activities.

Transparency is generally stronger in the disclosure of personnel involved in governance and management. Specifically, 91% of organizations publish the names of their board members on their websites, and 74% provide information about their management teams.

Finally, in terms of compliance with data protection regulations, 57% of organizations have implemented a personal data management policy that complies with GDPR requirements. However, fewer organizations (44%) report having procurement procedures in place.

2.4.5 Informal CSOs and Networks Without Legal Status

Regarding the informal, unregistered sector of Civil Society in Greece, research conducted during the financial crisis provides some insights. This sector includes informal organizations and networks that lack official legal status. Since 2010, there has been documented evidence of emerging citizen groups focused on social solidarity, particularly in the areas of healthcare, welfare, and education. These initiatives were a response to the decline in state-provided social protection due to the financial crisis (Sotiropoulos, 2017; Sotiropoulos & Bourikos, 2014; Bourikos, 2013; Kavoulakos & Gritzas, 2015).

These groups took the form of social networks or voluntary associations operating at the local level. They were characterized by their geographical spread across the country and by the diverse range of services they offered. According to Sotiropoulos (2014), these activities can be classified into four main categories:⁶

- 1. Exchanges of clothing, food, and services:** This is a prominent form of social solidarity, which in 2012 took place in 17 cities through at least 22 exchange networks. Such exchange activities took place in major urban centres like Athens, Piraeus, Patras, and Volos, as well as in smaller rural areas such as villages in Crete, Kalymnos, Lesbos, Evia, Evrytania, and Rodopi.
- 2. Distribution of food, meals, and services:** Informal organizations in urban neighborhoods and church parishes have played a leading role in this category. The Archdiocese of Athens also participated by providing free daily meals to the homeless and others in need. Additionally, new informal networks were established in the

⁶ The primary empirical data comes from empirical research conducted at the ELIAMEP research institute during the period 2012-2013, part of which was supported by the Konrad Adenauer Foundation.

realm of food security with two primary functions: some focused on (re)distributing food and surplus meals from restaurants and catering companies to households in need, while others adopted the ‘no middleman’ market model, primarily active in rural areas, connecting agricultural producers directly with consumers. One of the best-known such initiatives was the ‘potato movement’ based in Katerini.

3. **Provision of medical and pharmaceutical care:** In parallel with the activity of international medical organizations, some of which began to assist Greek citizens as early as 2010, social clinics and pharmacies were established by small groups of doctors, nurses, and pharmacists, as well as ordinary citizens providing administrative support. Often, these initiatives collaborated with or were supported by local municipalities, which provided buildings for them to operate in. By 2012, 33 social clinics were functioning in 22 cities, and similarly, social pharmacies were operating in 14 cities.⁷
4. **Provision of educational services and community work:** Groups of educators and parents have established ‘social tutoring centres’, where educators provide free lessons to students from families unable to afford private tutoring, particularly for those preparing for university entrance exams. Additionally, ‘time banks’ were created in various neighbourhoods, allowing citizens to offer their time to help others with specific needs. In the centres of several cities, volunteer groups have been formed to focus on activities such as cleaning, recycling, renovating public spaces, and organizing cultural events. Finally, solidarity initiatives were launched by citizens to address instances of corruption among state employees or professionals (e.g., doctors), supported through online platforms that facilitated communication and the reporting of corruption data and complaints via dedicated websites.

Greek citizens also mobilized during the refugee crisis of 2015-2016, when refugee flows to Greece peaked. During this period, there was a surge in volunteer participation and the offering of both goods and time, which took place primarily through informal organizational structures.

2.4.6 Sociological Causes

The aforementioned weaknesses of Civil Society in Greece are closely tied to both regulatory gaps and longstanding sociological characteristics. A defining feature of Greek society is the significant influence of political parties on social welfare and social life in general (Mouzelis, 1993). Particularly after the post-dictatorship period, efforts to achieve social outcomes and activism were often channelled through party mechanisms. The prevalence of clientelist relationships between the state and society is exceptionally strong (Sotiropoulos, 2020).

In this environment, Civil Society began to expand after 1990, primarily in areas less dominated by political party influence. A sustainability model for Civil Society emerged which was heavily reliant on European funding, often lacking a focus on direct engagement with the broader public. This dependence on the state, coupled with the clientelist relationships between state and society, has fuelled the distrust of the wider society toward Civil Society.

The model of Civil Society that has evolved in Greece is often classified as Mediterranean, according to Vallely’s typology (2020). In this social model, Civil Society plays a limited role, while the church—holding high levels of public trust—plays a prominent role. In contrast, public trust in political institutions and figures remains low. The social welfare state, apart from pension provisions, is also limited and has been slow to develop.

In the Mediterranean model, there is considerable political pressure to manipulate Civil Society and volunteer movements and to intervene in their operations. This effort to control Civil Society is particularly evident when Civil Society attempts to monitor and evaluate the performance of the state; the political system does not accept this supervisory role for Civil Society. Consequently, the strategy of Civil Society organizations is largely focused on service provision, avoiding advocacy, policy evaluation, and state oversight.

By contrast, in Anglo-Saxon/liberal models (such as in the United States), where government spending on social welfare is relatively limited and private philanthropy plays a more significant role, Civil Society’s supportive role as a supervisory and supplementary sector to the state is widely recognized. Civil society also plays a strong role in corporatist models in Central Europe (e.g., Germany and France), where close partnerships have developed between the state and Civil Society in providing social services. This effective collaboration allows Civil Society to test innovative approaches on a small scale before expanding them into large-scale, publicly funded solutions across society. In contrast, in the social-democratic models of Northern Europe (e.g., Sweden, Denmark, Norway), where public spending on social welfare is particularly high, Civil Society tends to focus on advocacy activities and is less involved in direct service provision.

An additional sociological explanation for the challenges in activating social altruism in Greece relates to collectivist instincts within its society. Specifically, recent sociological research with data from 152 countries suggests that more individualistic societies, such as the United States and the Netherlands, tend to have higher levels of altruism compared to more collectivist societies, such as Croatia, China, and Greece (Roads et al., 2021). People in more individualistic countries tend to donate more money, blood, bone marrow, and organs, and to help those in need.

Among the possible sociological explanations for this difference favouring individualistic societies, the study points to higher levels of well-being and fulfillment of personal life goals, increased freedom for individuals to pursue goals they find personally meaningful, and a more universal perspective that emphasizes individual rights and welfare, thus reducing the emphasis on group distinctions. In contrast, in collectivist societies, the distinctions between ‘us’ and ‘them’ are more pronounced, which can erode generosity towards those outside an individual’s immediate social circle.

2.5 SUMMARY

Mapping Civil Society in Greece encounters significant challenges, mainly due to incomplete records of active organizations and their activities. Thematic registries within Civil Society have limited scope, while central registries have yet to provide the necessary data. Secondary sources indicate that, excluding local associations and sports clubs, the largest categories of Civil Society organizations are in the areas of arts and culture, education, human rights, and social welfare and care.

These sources also indicate that the geographic distribution of Civil Society organizations is limited. Greek Civil Society is centred in Athens, with some notable activity in a few other major cities. Most organizations tend to be relatively small in terms of paid staff (fewer than 20 people) and volunteers, although a few larger organizations have substantial volunteer bases. Additionally, during the financial crisis, there was a noticeable trend of citizens forming informal networks, primarily focused on social welfare activities.

Finally, data from international studies reveal particularly low levels of public trust in, and engagement with, Civil Society. This lack of involvement is evident on both sides: citizens participate relatively infrequently in volunteer activities or supporting organizations, while organizations receive a relatively small proportion of their funding from citizen donations.

Institutional, historical, and sociological factors have contributed to the relatively limited development of Civil Society in Greece. The sector, as it exists today, emerged late and has largely focused on providing welfare services that the state has inadequately covered and addressing social issues that government mechanisms have failed to support. The significant dependence of some Civil Society organizations on public resources, coupled with the prevalence of clientelist relationships between the state and society, has further deepened societal distrust toward Civil Society. Additionally, the critical role of Civil Society in promoting and strengthening democratic institutions and processes—through advocacy, policy consultation, and oversight of state functions—is not sufficiently recognized, as is also the case in other Mediterranean-type societies.

Civil Society's challenges have deep historical and sociological roots. However, with the right regulatory changes to the legal and tax framework, along with improvements in Civil Society operations driven by the organizations themselves and the adoption of best practices from both international and domestic experiences, the role and impact of Civil Society in Greece could be significantly augmented. The following section outlines best practices and recommends changes which can support and strengthen Civil Society in Greece—a direction of change that is particularly crucial in a time when democratic institutions and functions are experiencing a global decline.



KEY FINDINGS

- There are significant **difficulties in recording** the key indicators of the Civil Society in Greece, as many registers are maintained across different ministries, and the Public Database of CSOs by the Ministry of Interior is neither complete nor up-to-date.
- Depending on the definition of CSOs and the data source, estimates of the **number of organizations in Greece** range from fewer than 1,000 to **more than 6,200**.
- The main areas of activity are **social welfare and integration, education, and health**, while a significant number of organizations are involved in activities related to **the environment, human rights, and culture**.
- The vast majority of organizations are **based in Athens**, though many of these organizations operate at a national level.
- **Citizen participation in volunteer activities, donations, and the level of trust** in charitable and environmental organizations are particularly low in Greece.
- Emphasis is placed on **securing funding from institutional bodies** (national and EU public resources) and charitable foundations.
- The problems of Civil Society have **deep historical and sociological roots**; however, with changes to the regulatory framework and the operational model of CS, **its role and importance for the country can be significantly enhanced**.





3. BEST AND EFFECTIVE PRACTICES FROM THE EU AND SELECTED COUNTRIES

3.1 INTRODUCTION

This chapter aims to highlight best and effective practices for the operation of CSOs and their interaction with other sectors, providing a foundation for developing realistic proposals for improvement that are tailored to Greece’s unique context. Best practices are organized across three levels and two dimensions (*Diagram 3.1*). Specifically, this section explores practices related to institutional operation, financial management, and social impact within Civil Society, examining both the relevant legislative and regulatory frameworks in Europe and globally, as well as their practical implementation.

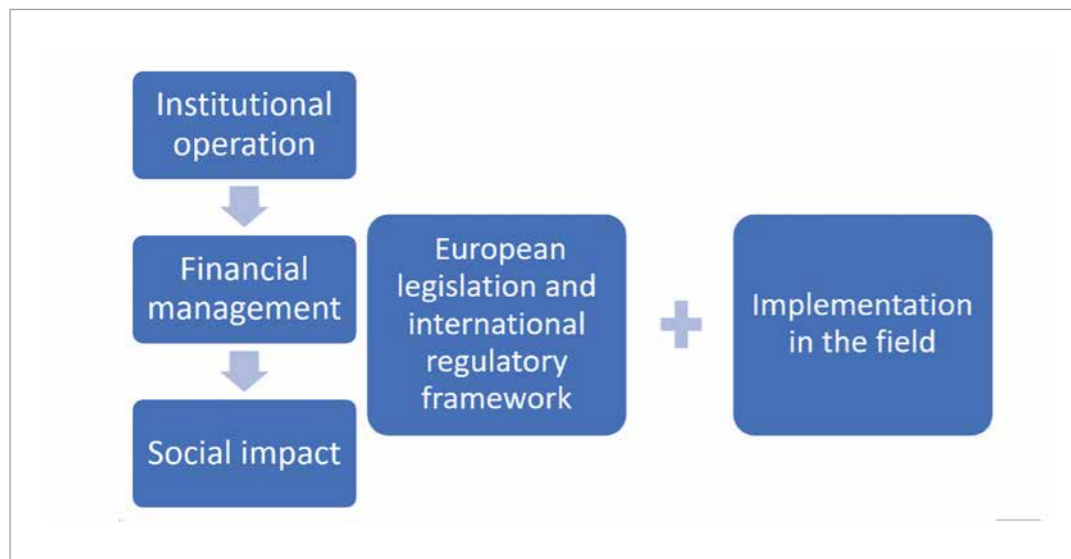


Diagram 3.1: Levels and Dimensions of Best Practices

The best practices have been selected based on the characteristics of Civil Society in Greece and the dynamics that have shaped it, as discussed in the previous chapter. Specifically, they were chosen for their relevance to the three areas under examination (institutional operation, financial management, and social impact), their proven effectiveness, and their potential for partial or full adaptation to the Greek context. It should be noted that further analysis and adjustments will be necessary before implementing any of the recommended practices.

3.2 INSTITUTIONAL FUNCTIONING

The institutional environment in which Civil Society interacts with state authorities is crucial for CSOs and their broader social impact. Civil Society is a key pillar of the democratic system, promoting open and transparent governance and enhancing the effectiveness of public policy.

Best practices for improving the institutional environment can be grouped into four categories: government actions to involve Civil Society in policymaking, representation of Civil Society in policy development through a central representative body, fostering trust between the state and Civil Society, and finally, collaboration between Civil Society and the state to leverage collaboration and address broader societal issues.

3.2.1 Policy Development with Civil Society – Actions by the State

For policies to be effective in a democratic state, they must gain acceptance from a broad segment of the public. This acceptance is strengthened when policies are developed with input from citizens during both their formulation and implementation. The involvement of Civil Society brings significant benefits to this process, as CSOs provide valuable expertise in their respective fields and can help build greater trust and support for policies among the citizens who rely on and support these organizations.

In this regard, other countries have established rules and practices that facilitate and promote Civil Society participation in policy development, such as mandatory consultation with Civil Society and differentiating Civil Society from other lobbying groups. Keeping an up-to-date Civil Society registry further facilitates consultation and collaboration with the state while also promoting accountability and transparency in decision-making.

Mandatory Consultation with Civil Society in Public Policy Development

The EU provides a clear framework requiring member states to involve Civil Society organizations (CSOs) in consultations, recognizing the valuable perspectives they contribute to policy development. While the implementation of this framework varies across member states, even in countries with Civil Society landscapes

similar to Greece, such as Italy, there are notable examples of direct and active CSO participation in shaping public policy.

For example, in Italy, the management plan for the NextGenerationEU recovery fund was co-developed with representatives of Civil Society and government, in order to effectively address the challenges posed by the pandemic and ensure the optimal use of available resources.

Distinguishing Civil Society from Other Lobbying Groups

In Lithuania, Civil Society has achieved a distinct ‘legislative influencer’ status in consultations, setting it apart from private and business actors (lobbies). This distinction offers Civil Society a more open framework for dialogue and enhanced access to additional information. CSOs that meet specific criteria, such as maintaining transparent financial practices, are granted this status, which in turn promotes greater accountability and transparency within Civil Society.

Civil Society Registry

An updated Civil Society registry is crucial for ensuring accountability, transparent decision-making, and the effective operation of CSOs. In addition to fostering collaboration and enabling impact assessment, it also strengthens legal compliance within the sector.

At the Council of Europe, access to the organization’s registry is granted to CSOs that uphold the Council’s principles and values and maintain a democratic structure. Similarly, countries like Italy and France have centralized registries that primarily disclose financial information relating to CSOs. Additionally, the European initiative for a common ‘Statute for European cross-border associations and non-profit organizations’ is noteworthy. This initiative aims to establish unified European standards and regulations for CSOs and member states, ensuring equal treatment of organizations, while providing member states with essential guidance and support within a shared legal framework.

3.2.2 Central Representative Body for Civil Society

Self-organization within Civil Society can significantly amplify its influence and impact. Such self-organization can empower various organizations, where combined expertise enables the creation of effective policy proposals. Furthermore, the participation of numerous small and large organizations ensures that diverse perspectives are included, fostering holistic policy recommendations.

On the international stage, the CSO Forum includes Civil Society representatives from various continents, aiming to enhance CSO participation in UN negotiations, while facilitating the sharing of knowledge and best practices. At the national level, Bulgaria’s Council for Civil Society Development, among other roles, aims to ‘coordinate, monitor, evaluate, and promote the national Civil Society strategy, providing recommendations on all regulatory actions affecting CSOs’. Such a body

in Greece could play a critical role in the internal mapping and oversight of Civil Society, addressing key issues such as codes of conduct, registries, and obligations.

3.2.3 Building Trust between the State and Civil Society – Civil Society Academy

Creating a safe environment for interaction requires cultivating trust between the state and Civil Society. At times, these relationships are competitive, with Civil Society often perceiving state entities as opponents and perpetually critical. On the other hand, the state may be perceived as unresponsive to societal needs and interests, slow to develop effective, inclusive policies. The lack of institutional communication channels and transparency measures leads to alienation and polarization, resulting in ineffective policy formulation.

In Finland, the CSO Academy is held annually to address this. The academy promotes dialogue and collaboration between state authorities and Civil Society organizations, focusing on key issues, sharing best practices, and implementing joint training initiatives.

3.2.4 Collaboration between CSOs and Society

Internationally, CSOs play an important role not only in shaping but also in implementing policies, at both national and local levels. By leveraging networks of supporters and volunteers and employing individuals committed to addressing specific social issues, Social Cooperative Enterprises can significantly improve the effectiveness of social policies, particularly when there is strong collaboration with the state.

Strategic Collaboration between CSOs and the State

In Norway and New Zealand, the Ministry of Foreign Affairs collaborates with various CSOs to address issues in different countries while also promoting the protection of human rights. Similarly, in Finland, the state strengthens and supports CSOs with the aim of achieving the country’s development goals.

Collaboration between Civil Society and the State

Costa Rica presents a particularly compelling example of the importance of strong cooperation between Civil Society and the state. The country has outperformed neighbouring nations such as Nicaragua, Honduras, and El Salvador in various economic, social, and environmental indicators, partly due to the robust Civil Society it has in place. In Costa Rica, government agencies have effectively partnered with CSOs to protect and preserve the environment while promoting sustainable policies. Notably, their collaboration in the Corcovado National Park has been highly successful in conserving biodiversity and safeguarding the park.

Collaboration to address social issues

In India, Civil Society, in partnership with the state, has assumed the significant task of improving literacy for a large segment of the population. The Read India

initiative, a major undertaking, was carried out across 13 states, offering education in fundamental literacy, reading, and numeracy to over 250 rural communities. This initiative was made possible through the collaboration of Civil Society organizations, businesses, and government agencies.

Public-Private-Philanthropic Partnerships (4P)

As cross-sectoral and multilateral collaborations, 4P models (public-private-philanthropic partnerships) are inherently well-suited to address complex climate and environmental challenges. Over the past 20 years, more than 50 such 4P models have been developed, yielding significant progress, according to a recent McKinsey study (2023). Notable examples include a grant programme for marine conservation funded by savings from a debt-for-nature swap in the Seychelles, and a U.S.-led partnership aimed at increasing energy access and fostering low-carbon development across sub-Saharan Africa.

Multistakeholder Fora

Multistakeholder Fora operate in various forms in many countries (e.g., Italy, Spain, Ireland, Finland) within the framework of their participation in the Open Government Partnership, in which Greece also participates. Multistakeholder Fora focus on enhancing open governance and promoting effective collaboration between Civil Society, public administration, universities, research centres, and the broader private sector. The goal is to provide an institutionalized platform for ongoing dialogue, where representatives from public administration, Civil Society, the academic community, and the private sector can collaborate on an equal footing to promote and monitor National Action Plans.

maximum of 5.00), close to the average for Southern European countries (3.98). For comparison, among Southern European countries, Italy scores higher (4.50), while the averages are higher in Oceania (4.25), the Caribbean (4.25), Western Europe (4.64), and the Canada-U.S. region (4.88).

The tax treatment of donations varies in terms of the strength of incentives, as well as other factors such as organizational eligibility, types of incentives, and exemption limits. While some countries restrict incentives to charitable organizations, best practice suggests not excluding other purposes, such as advocacy. Additionally, some countries link the provision and intensity of incentives to registration in specific registries, whereas best practice favours a single scale for acquiring funding rights (a one-step inclusive system), which encourages greater citizen participation in donating to organizations (CAF, 2016).

In terms of the robustness of incentives, many countries offer a 100% exemption of the donation's value (within certain limits), while a few countries, such as Ireland, France, and India, provide exemptions ranging from 50% to 80%. In Singapore, however, the exemption is particularly generous, reaching 300% of the donation's value, with donors receiving a \$2 tax exemption on other taxes for every \$1 donated. Interestingly, Singapore does not impose an upper limit on the tax exemption, unlike countries such as Australia, Ireland, and the United Kingdom, which cap the exemption at 100% of taxable income (CAF, 2016).

Greece is among the minority of countries that set a minimum threshold for recognizing donations eligible for tax exemptions. These thresholds are applied to limit the costs of the tax management system, though the role of tax exemptions in mobilizing very small donations is questioned. Indeed, the removal of the minimum threshold in the United Kingdom does not appear to have led to a significant increase in the total value of donations. However, it expanded the donor base, encouraging contributions from a larger number of people with smaller amounts, thereby democratizing financial support for organizations (CAF, 2016).

Finally, there are notable differences in the form of the incentive: in most countries, donations reduce taxable income; in some (such as Canada and France), they directly reduce tax liability; and in others (such as Italy and Japan), both options are available. Additionally, some countries, like Ireland and the United Kingdom, allow organizations to claim the tax equivalent of the donation. The key difference is that reducing taxable income, rather than tax liability, provides a stronger incentive for higher-income individuals, where higher marginal tax rates apply. As such, a system that reduces tax liability rather than taxable income is generally seen as more aligned with the goal of supporting Civil Society across the broadest segment of the population (CAF, 2016).

The tax frameworks in Canada and the United States are particularly significant, as both countries score highly in international comparisons regarding their support for Civil Society through tax incentives. In the United States, organizations that meet the requirements for tax exemption under section 501(c)(3) of the Internal Revenue Code are eligible for specific tax benefits, including:

3.3 ECONOMIC MANAGEMENT

Financing, taxation, and the management of the sector's finances are key issues that shape the relationships between Civil Society, the state, and society as a whole. Best practices in these areas aim to improve transparency, efficiency, and the sustainability of CSO projects and Civil Society services as a whole.

3.3.1 Tax Policy

International experience demonstrates that tax incentives are indeed effective in encouraging individuals and organizations to donate to Civil Society. Specifically, donations are more likely to be made in countries offering tax incentives, and stronger incentives tend to result in higher donation amounts (CAF, 2016).

There is significant room for improvement in Greece's tax framework by adopting best practices from other developed countries. In the tax component of the Global Philanthropy Environment Index for 2022 (IUPUI, 2022), Greece scores 4.00 (with a

- **Federal Income Tax Exemption:** Entities classified as charitable, religious, educational, scientific, literary, or those dedicated to preventing child or animal abuse can apply for tax-exempt status. This exempts them from federal income tax on their charitable activities. However, they may still be subject to taxes on unrelated business income (UBI) if they engage in activities outside of their exempt purposes.
- **State Tax Exemptions:** In addition to federal tax benefits, many states provide tax exemptions for qualifying organizations. Since state regulations vary, organizations must ensure compliance with the specific requirements of each state.
- **Donations and Bequests:** Organizations under the favourable tax regime can receive donations and bequests that are tax-deductible. Donors, both individuals and businesses, may deduct contributions made to eligible organizations from their taxable income when filing federal income tax returns. However, there are specific rules and restrictions concerning the deductibility of charitable donations

In Canada, organizations can apply for Registered Charity Status with the Canada Revenue Agency (CRA), which offers tax benefits similar to the U.S. 501(c)(3) status. In addition, Canadian CSOs issue official donation receipts to donors, which can be used for tax deductions.

3.3.2 Funding Civil Society

Direct funding is another crucial means of supporting Civil Society. The implementation of initiatives by CSOs with expertise in complex social issues, a deep understanding of local contexts, and a strong commitment to achieving positive social outcomes offers clear advantages over government-run initiatives. However, heavy reliance on government funding can undermine the independence and long-term stability of organizations implementing these initiatives. Moreover, when Civil Society as a whole becomes overly dependent on state funding, its activities may not adequately reflect the true needs of society.

As a best practice, many European countries, including Germany, adopt the co-financing principle for funding projects. Under this model, state funding is provided on the condition that the organization secures a portion of the programme budget from other sources. The need to find additional funding encourages further collaboration between various entities, fostering joint coordination and action, and ultimately maximizing the impact of the projects.

Because project-based financing is typically short-term, Civil Society organizations often face challenges in long-term planning and maximizing their social impact. Supporter subscriptions play a vital role in organizational sustainability, providing ongoing, unrestricted funding that can be used flexibly to meet internal needs. This model helps avoid the 'Nonprofit starvation cycle', where organizations awarded project contracts struggle to cover their operational costs due to restrictive funding terms, which can ultimately lead to their closure.

To address this issue, countries such as Germany and Lithuania have established dedicated long-term Civil Society funds, ensuring the smooth operation and sustainability of many organizations. Furthermore, the co-financing principle helps improve project sustainability by allowing initiatives to continue beyond the duration of government funding.

In this context, Donor-Advised Funds (DAFs) are particularly noteworthy. DAFs are a widely used financial tool for charitable donations in the United States. These accounts allow donors to contribute to a fund, receive an immediate tax deduction, and later recommend grants to charitable organizations.

3.3.3 Compensation for Board Members of Organizations

Another key issue impacting the financial sustainability of organizations is the ability to compensate board members. In most cases worldwide, board members of organizations are unpaid, though there are notable exceptions.

For instance, in Australia, the Australian Charities and Not-for-profits Commission (ACNC) permits charitable organizations to compensate their board members. Payments are allowed as long as they further the organization's charitable purpose, adhere to internal policies, and are approved by the board. However, any payments that are deemed unreasonable, unauthorized, or unjustified may signal non-compliance with ACNC governance standards. Additionally, charities may be subject to specific rules on board compensation, which can vary depending on the organizational structure or activities involved.

In the United States, nonprofits may compensate board members unless explicitly prohibited by the organization's statutes or state law. Compensation must be determined by independent board members or a compensation committee, often with input from external consultants. The remuneration must be reasonable, comparable to that of other nonprofits, and acceptable to tax authorities. Despite these provisions, the compensation of board members remains relatively rare in the U.S.

In France, board members are generally prohibited from receiving regular salaries. However, they may be compensated within certain limits—up to three times the maximum threshold defined by Article L241-3 of the Social Security Code per year, per board member. The organization's bylaws must explicitly authorize compensation, and there are restrictions based on the organization's size. Specifically, nonprofits may compensate one board member if their gross revenue has averaged over €200,000 over the past three fiscal years, two members if revenue has averaged over €500,000, and up to three members if revenue has averaged over €1 million.

3.4 SOCIAL IMPACT AND TRUST

Trust is a cornerstone of Civil Society. Without the confidence of citizens, Civil Society cannot effectively fulfill its mission. Building trust between CSOs and the public is essential for fostering cooperative relationships and enabling smooth, effective governance. In this context, it is crucial to explore best practices that highlight the social impact of CSO activities and promote public awareness through education, evaluation, communication, and information.

3.4.1 Education

Education plays a vital role in raising awareness about the role, values, and contributions of Civil Society. The aim is to foster active citizenship that drives societal growth and

improvement—a fundamental condition for a thriving Civil Society in Greece (civic-citizenship education), similar to models in North America and several European countries.

‘Civil Society Education’ includes activities such as exercising voting rights, volunteering, attending public meetings, and engaging actively within communities. In countries like France, Finland, and Estonia, civic education is taught through a mandatory, stand-alone course, whereas in other countries it is integrated into broader humanities and social sciences subjects.

3.4.2 Evaluation

Evaluation mechanisms are processes designed to assess the impact of Civil Society activities. These mechanisms enhance project quality, help to accumulate knowledge, and strengthen accountability in resource management for the benefit of recipients and society at large. Best practices are documented and recognized, showcasing successful efforts and guiding the adaptation and improvement of practices through constructive feedback. Additionally, evaluation mechanisms can serve as powerful advocacy tools, influencing the development of essential policies.

Evaluation is conducted by:

- **Beneficiaries:** For European-funded projects, direct evaluation by beneficiaries is required. This transparent process allows beneficiaries to assess the quality of activities and provide feedback on whether projects meet EU criteria and effectively address their needs.
- **Broader Society:** In the U.S., the platform [Charity Navigator](#) evaluates over 225,000 Civil Society organizations on their stability, efficiency, effectiveness, and sustainability. These evaluations are publicly accessible free of charge, enhancing transparency in the sector and helping potential supporters connect with organizations. Charity Navigator operates as a nonprofit, does not charge organizations for evaluations, and is funded through donations from individuals, foundations, and corporations. Similarly, Nigeria’s Eyemark platform tracks funded projects with detailed information on costs, funding, and goals, allowing citizens to evaluate them transparently.
- **Peer Assessment:** Peer assessment, used in other fields like the U.K.’s Research Assessment Exercise (RAE), could be adopted within Civil Society. Institutionalizing an independent peer assessment process with international Civil Society representatives could add valuable perspectives and accountability.
- **National or International Bodies:** Examples include the Charity Commission of England and Wales (Box 3.1) and evaluation frameworks from agencies like UNHCR and UNICEF, which assess impact, transparency, and effectiveness of organizations engaged in related activities.
- **Self-assessment:** Civil Society organizations should develop their own impact measurement tools and communicate results accordingly. It is essential to note that evaluating the effectiveness and impact of activities requires both quantitative indicators and qualitative insights over short-, medium-, and long-term periods. A best-practice example is the [Museum Social Impact Toolkit](#), which provides a comprehensive approach to impact measurement at all these levels.

The Charity Commission for England and Wales is an independent, non-ministerial department of the UK government. It oversees registered charities in England and Wales, maintains the Central Registry of Charities, and is accountable to the country’s parliament.

The organization is governed by a Board of Commissioners and supported by the Chief Executive Officer, an executive leadership team, and Commission staff. The board comprises up to nine members, with the CEO and all staff serving as public servants, while board members hold official positions. At least two board members are required to be lawyers, and the board as a whole must possess expertise in the relevant legal frameworks, charitable accounting and finance, and the operations and regulations of charities across various sectors and organizational sizes.

Board members are appointed by the Minister for Culture, Media and Sport through an open, competitive process, with each appointment reviewed by the Office of the Commissioner for Public Appointments. Before the appointment, the commission chair is required to undergo a hearing with the Culture, Media and Sport Select Committee.

The Charity Commission’s responsibilities include registering organizations that have exclusively charitable purposes, taking executive action against improper practices, ensuring compliance with legal obligations, sharing relevant information about registered organizations with the public, providing guidance to enhance organizational effectiveness, and offering additional online services. The Commission operates from offices in four cities across England and Wales and employs around 350 staff members.

The Charity Commission conducts formal meetings at least six times a year and organizes an annual public discussion to review the past year’s performance and outline future priorities. This discussion is held within three months of presenting the Commission’s annual report to Parliament. Additionally, the Commission hosts at least two public meetings each year on specific topics relevant to its responsibilities, held at various locations across England and Wales. τις αρμοδιότητές της σε διαφορετικά μέρη της Αγγλίας και της Ουαλίας.

Box 3.1: The Example of the Charity Commission of England and Wales
Source: : <https://www.gov.uk/government/organisations/charity-commission/about>



3.4.3 Communication and Information

Effective communication and information sharing are essential for building trust, as they promote transparency, engage the public, and demonstrate a commitment to meaningful social goals. By communicating openly and efficiently, Civil Society fosters credibility, encouraging public participation and support—both key foundations of trust.

Collaborating with Communities

The UN Refugee Agency conducts community outreach programmes that share information, create opportunities, and gather feedback on community challenges and concerns. Similarly, CSOs can engage with local associations and communities to promote their initiatives and establish direct communication channels with the public.

Collaborating with Communities

In Greece, a designated television segment for social messages allows CSOs to showcase their work and demonstrate the societal impact of their actions. These social messages are broadcast free of charge for three months following approval by the National Council for Radio and Television. This initiative is recognized as an international best practice, deserving of continued support and upgrading (e.g., by improving broadcast times).

Encouraging Volunteering and Participation through New Technologies

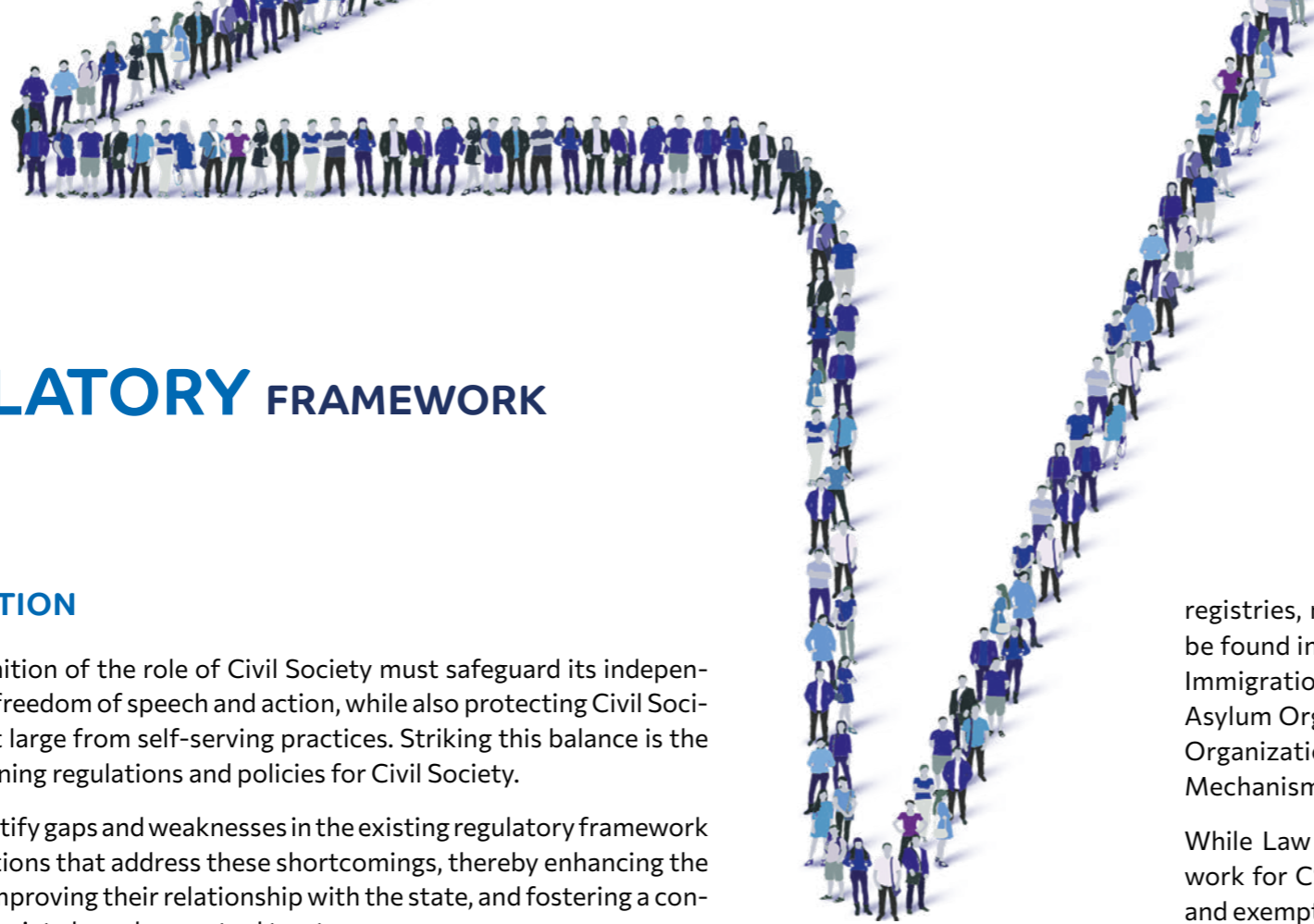
New technologies offer valuable opportunities to increase youth engagement in public affairs and promote volunteerism. A prominent example is the online platform Nahno, developed in partnership with government agencies, UNICEF local offices, and tech companies across Middle Eastern countries such as Jordan and Lebanon. Nahno features a popular mobile app that helps young people discover volunteer opportunities, connecting them with organizations and initiatives aligned with their interests.



KEY FINDINGS

- **Mandatory consultation with CSOs** (Italy) and the **distinction between CSOs** and other interest groups (Lithuania) facilitate and promote the involvement of CSOs in policy-making.
- The maintenance of a **unified registry** of CSOs (France and Italy) promotes greater transparency and accountability.
- The establishment of a **central representative body for CSOs** (CSO Forum internationally, CCSD in Bulgaria) strengthens CS participation in consultations and promotes self-regulation efforts.
- **Closer interaction** between **government employees** and CSOs contributes to the establishment of trust between the state and Civil Society (CSO Academy in Finland, collaborations in New Zealand, Norway, Costa Rica, India, and the US).
- Stronger **tax incentives** are linked to higher donations and broader citizen participation in supporting organizations (US, Canada, Singapore).
- The creation of a **dedicated CSO support fund** (Germany, Lithuania) ensures sustainable action and long-term viability for these organizations.
- **Education for CSOs and citizen participation** through mandatory standalone courses (France, Finland, Estonia) raises awareness of the role, values, and contributions of CSOs.
- **Evaluation mechanisms** for the work of organizations (US, Nigeria, UNHCR, UNICEF) improve project quality and enhance organizational accountability.
- The provision of **dedicated television slots** for the free transmission of social messages in Greece is considered an international best practice.





4. REGULATORY FRAMEWORK

4.1 INTRODUCTION

The regulation and definition of the role of Civil Society must safeguard its independence, as well as uphold freedom of speech and action, while also protecting Civil Society actors and society at large from self-serving practices. Striking this balance is the primary goal when designing regulations and policies for Civil Society.

This chapter aims to identify gaps and weaknesses in the existing regulatory framework and propose new regulations that address these shortcomings, thereby enhancing the effectiveness of CSOs, improving their relationship with the state, and fostering a connection with the wider society based on mutual trust.

In recognition of the significant role that volunteers play in the functioning of Civil Society, this chapter also includes proposed regulations related to volunteering and the activation framework that supports it. The analysis focuses on the current regulatory landscape, primarily as outlined in Law 4873/2021, while incorporating best practices from other countries that could be adapted to improve the Greek regulatory framework.

4.2 ANALYSIS OF THE CURRENT SITUATION

The current regulatory framework, as outlined in Law 4873/2021, represents an improvement over previous versions. This enhancement was driven by collaborative initiatives from various organizations, which gained momentum during the constitutional review process of 2006–2007 and continued to evolve in the years that followed.

The primary objective of Law 4873/2021 is to provide a coherent regulatory framework for Civil Society activity in Greece, consolidating provisions related to the registration, listing, and funding of organizations that were previously spread across various legislative acts. For example, Law 2646/1998, which pertains to the development of the National Social Care System, includes provisions for the registration of organizations providing social care services in a special registry (Article 5). The same law also envisioned the creation of an independent Department for Volunteer Development within the organizational structure of the Ministry of Health and Welfare (Article 12). Additionally, Law 3227/2004, titled ‘Measures for Addressing Unemployment’, established a Special Unit for Managing NGO Actions, tasked with monitoring, evaluating, and auditing NGO activities, as part of the broader mechanism for managing European Social Fund resources. Regulations related to the establishment of

registries, management units, and other operational issues concerning CS can also be found in several other legislative acts, such as Law 4686/2020 (‘Improvement of Immigration Legislation’), Presidential Decree 106/2020 (‘Ministry of Migration and Asylum Organization’), Presidential Decree 4/2018 (‘Ministry of Culture and Sports Organization’), Law 4662/2020 (‘National Crisis Management and Risk Mitigation Mechanism’), and others.

While Law 4873/2021 marks progress toward creating a unified regulatory framework for CSOs, several gaps and ambiguities remain, along with certain specificities and exemptions that do not apply universally and may impede the smooth functioning of Civil Society and its vital role. Notably, the role of Civil Society (and the non-governmental, nonprofit organizations that comprise it) is not clearly defined within the legal and regulatory framework. Although their operations are largely governed by Law 4873/2021, their legal status, relationship with the state, and contributions to the social fabric are neither recognized nor adequately defined anywhere.

Furthermore, the oversight responsibilities for CSOs are dispersed across multiple ministries and state services, often lacking the necessary coordination and awareness of CS operations and its unique role. This lack of specialization and coordination within public administration regarding its interaction with Civil Society perpetuates confusion on both sides of the relationship, diminishing the effectiveness of organizations’ actions and yielding negative consequences for society. A stronger alignment of approaches between ministries, coupled with closer cooperation with Civil Society, is essential to develop cohesive policies that govern the statutory purposes, operations, and activities of organizations, as well as their relationship with the state.

Law 4873/2021 introduces key definitions into the domestic legislative framework regarding CSOs, charitable organizations, and voluntary employment. The law also outlines provisions governing the relationship between Civil Society and the state, including the funding of organizations with corresponding obligations, voluntary employment, organizational oversight, and certain tax arrangements.

Law 4873/2021 establishes a new Directorate for CSOs and Charitable Organizations within the Ministry of the Interior to oversee the functioning of Civil Society. This Directorate is tasked with collecting and maintaining data in a newly created Public Database for CSOs and a Special CSO Registry. However, the registration processes for both registries contain several gaps, ambiguities, and errors that need to be addressed, as will be discussed below. Additionally, the law introduces financial incentives to encourage organizations to register in these databases.

As part of the implementation of Law 4873/2021, Presidential Decree 32/2023 (Government Gazette A' 64/18.03.2023) was issued in March 2023 to regulate the organizational and operational matters concerning the establishment of the new Directorate for CSOs and Charitable Organizations. In April 2023, Joint Ministerial Decision 6216/2023 (Government Gazette Part B 2300/07.04.2023) was issued, defining the operational procedures for the Public CSO Database and the Special CSO Registry, with the Public Database (general registry) set to take effect on 07.07.2023 and the Special Registry on 07.08.2023. While the Directorate for CSOs and Charitable Organizations has been established, and the new registries are now operational, it remains unclear how the new regulatory framework will affect the functioning of Civil Society (CS) and whether it adequately addresses the gaps present when it was first enacted.

Civil Society actors operate under different legal structures (associations, nonprofit companies, foundations), leading to significant variations in the legal requirements they face and, consequently, in the structure of their internal operations. Despite these differences, it is essential that all CS actors are governed by an equitable legislative approach that ensures transparency, good governance, and the effectiveness of their projects. The principle of equal legal treatment demands the harmonization of operational rules across these organizations, particularly in areas such as governance (including election systems and term lengths for members), record-keeping, financial reporting, and activities. While the legal form of CS actors remains distinct, the legal framework should ensure that their operational rules are consistent and fair, creating a level playing field.

There remains a lack of comprehensive oversight mechanisms within the CS sector, coupled with a shortage of specialized knowledge regarding the operation and role of CS in key professional groups that provide essential support services, such as accountants, tax advisors, and lawyers. This lack of specialized expertise in both public administration and professional support services sometimes leads to operational inefficiencies within organizations, often without any intention of mismanagement or misuse of resources.

Due to the gaps in the regulatory framework, isolated instances of self-interested goals being pursued under the guise of CS re-emerge in public discussions. While these cases are rare, they contribute to a misleading image of the CS sector, undermining public trust. This erosion of trust significantly hampers the effectiveness of CS actions and threatens the long-term sustainability of organizations.



4.3 REGULATORY PROPOSALS

The regulatory framework should properly acknowledge the significant institutional role of CSOs as the third pillar of society, situated between the private and public sectors. To this end, the following proposals are presented to amend the regulatory framework, addressing the responsibilities and institutional standing of the supervisory authority, the definition of organizations covered by the regulations, the management of registries, and the transparency and accountability requirements for these organizations.

4.3.1 Responsibilities, Independence, and Accountability of the Supervisory Authority

The supervisory authority for CSOs should possess the necessary powers, independence, and accountability to effectively respond to the needs of CSOs and to society at

large. To foster better cooperation between the state and CSOs, the authority should be responsible for overseeing compliance with established regulations by these organizations, coordinating with various government services and ministries, and ensuring the transparent execution of their activities

However, the Directorate for CSOs and Charitable Organizations within the Ministry of the Interior appears to lack the requisite powers and resources to effectively perform an enhanced supervisory and coordinating role. Additionally, as a Directorate within a Ministry, its decision-making independence may not be sufficiently protected from potential political influences or considerations.

Given these limitations, there is a clear need for the establishment of an independent body, such as an authority, observatory, or similar structure, modelled on successful models from other countries, such as the Charity Commission of England and Wales (Box 3.1 in section 3 about international practices). This body's responsibilities should extend beyond merely maintaining databases and registries of CSOs. It should also include monitoring the activities and reporting of CSOs, providing periodic reports on the state of Civil Society, regulating operational matters, and ensuring the smooth and transparent execution of their missions. It is vital that the governance of this independent body involves members who are widely recognized for their credibility within the Civil Society sector and beyond, representing all areas of CSO activity. This approach would help guarantee the body's independence, objectivity, and accountability.

4.3.2 Definition and Role of Civil Society

To enable CSOs to effectively fulfill their mission, it is crucial that their institutional role is legally recognized, drawing on examples from international legislative frameworks outlined in the preamble. This recognition will reinforce the state's commitment to collaborating with CSOs at both the national and local government levels to shape and implement relevant policies.

EU legislative texts, in particular, guarantee the institutional role of CSOs in the public consultation process for policymaking. As stated in a recommendation from the Council of Europe⁸, official consultations enable public authorities to gather input from individuals, organizations, and Civil Society as a whole (point 22). These consultations should not be limited to merely posting draft laws on online platforms; they can include meetings, public hearings, surveys, and questionnaires (point 23). Authorities are also required to provide publicly accessible feedback on the results of consultations, specifically offering information that justifies the decisions ultimately made (point 24). It is recommended that authorities consider the views of CSOs when drafting legislation that impacts their operations, finances, and areas of activity. In line with EU legislation, the consultation process with Civil Society in Greece should be more substantive, ensuring that CSOs are actively involved in policy design, thereby maximizing social acceptance and impact.

In this context, the Open Government Partnership (OGP) initiative is particularly relevant, with over 70 countries (including Greece) and more than 100 local governments participating. CSOs utilize the platform to promote their key issues and objectives. The platform serves as a tool to help organizations engage directly with relevant government representatives and provides a framework for ongoing collaboration between

⁸ Guidelines on the Participation of Citizens in Political Decision-Making Processes, Council of Europe CM(2017)83

them. To strengthen this initiative, it is proposed to establish a CSO forum, modelled after similar platforms in other participating countries, to further facilitate dialogue and cooperation between Civil Society and the government.

This approach would:

- Foster continuous coordination between CSOs and the state on issues of public participation, transparency, and accountability.
- Promote knowledge and education among policymakers and public administration officials on the values of CSO participation throughout the entire public policy cycle.
- Strengthen the voice and ecosystem of CSOs

A crucial step towards acknowledging the institutional role of CSOs in Greece would be their recognition in the Constitution, following the model of Article 15 of the Treaty on the Functioning of the EU.⁹ Constitutional recognition would provide a solid foundation for enhancing the independence of CSOs, fostering their active participation in decision-making processes, and ultimately reinforcing democratic governance and social cohesion in Greece.

To enhance the current regulatory framework, it is proposed that the definition of a Civil Society organization be revised as follows:

«A voluntary organization established and operating in Greece as an association, non-profit company, or foundation, with a charitable purpose. The organization must be independent of states or governments, local authorities, public sector bodies of any legal status, as well as commercial, trade union, or professional organizations, political organizations, and political parties. This independence is defined by the non-participation of any public sector entity, as outlined in Article 14, paragraph 1, item a) of Law 4270/2014 (A' 143), except for legal entities specified in Article 68, paragraph 1, item 3) of Law 4235/2014 (A' 32), in the composition of their governing bodies and general assemblies.»

This modification would acknowledge the fact that many organizations adopt the legal status of a foundation.

4.3.3 CSO Registries

Regarding the operation of the registries, it is considered essential that all organizations certified by the Court of First Instance and the General Commercial Registry (GEMI) that fall under the definition of Civil Society organizations are registered in the Public Database, in order to have clear knowledge of the quantity, specialization, and nature of Civil Society in Greece. For transparency reasons, both the Public Database and the Special Registry should make available to citizens all submitted documents of organizations, not only those that verify their legality, to the extent that personal data (such as Tax ID, Social Security Number, address, etc.) are not disclosed.

An important step for the smooth operation of Civil Society in Greece is that all data collected by the state from organizations are consolidated under one Registry in the Ministry of the Interior's specialized service. The need for various public services, beyond the Ministry of the Interior, to maintain their own registries, which record organizations and

⁹ Article 15.1 of the Treaty on the Functioning of the EU states that: "In order to promote good governance and ensure the participation of Civil Society, the Union's institutions, bodies, offices, and agencies shall conduct their work as openly as possible."

entities meeting specialized criteria relevant to the specific activities and responsibilities of each public service, is understandable. However, organizations and public services should not be burdened with excessive administrative weight, which could be avoided with better coordination between public services. Many of the information requirements of individual public services could be directly obtained from the Ministry of the Interior's registries and, similarly, contribute to them. The demands on organizations registered in specialized registries should be limited to the necessary additional information related to the specialized domain of responsibility (such as immigration, culture, public health, etc.).

To ensure the Public Database remains up-to-date and accurately reflects the Civil Society in Greece, the procedures established by the managing authority of the registries must be rigorously followed. It is essential that inactive organizations are removed from the system, ensuring an accurate and current representation. This will facilitate effective analysis and the identification of needs and opportunities for further activation of Civil Society to address the challenges facing Greek society. Specifically, it is recommended that organizations be required to submit updates to the Public Database at regular intervals, no more than once every two years. If an organization fails to update its data within this period, it is proposed that it be temporarily removed from the database until the necessary information is provided. Furthermore, it is important to leverage technological advancements to ensure that the interaction between the Registry and Civil Society organizations (CSOs) minimizes the administrative burden on both the organizations and public administration.

The Special Registry also requires clarification on several issues. Currently, it is divided into six subgroups,¹⁰ with a restriction that no CSO can be registered in more than four subgroups. However, certain organizations and fields of activity do not clearly fit into the existing categories. A notable example is animal welfare organizations, which represent a significant number and could be better categorized as a distinct group.

Additionally, the rationale for the current restriction of the law regarding the number of subgroups in which an organization can be registered is not clear. There are entities active in many different fields, sometimes performing a valuable coordinating role for other smaller organizations. For example, 17% of the sample in the THALES II project and 33% of the sample in THALES I stated that they operate in more than three areas.

4.3.4 Compensation of Members of the Governing Bodies of Organizations

A particular issue that requires attention is the possibility of paying the members of the governing bodies (GBs) of Civil Society organizations. This is a complex issue with no clear practice internationally.

Generally, the best practice is for GB members to abstain from payment. Although explicit legal prohibitions are observed in few countries, in most cases of Civil Society organizations, GB members are not paid. In countries where payment of GB members is observed, the practice depends on the sector of activity and the characteristics of each organization, which partly define the role of the GB in the organization's operation.

¹⁰ a) Health, Social Solidarity, and Welfare, b) Environment, Civil Protection, Quality of Life, c) Human Rights, Justice, Governance, d) Education, Research, Culture, e) Consumer Affairs f) International Humanitarian and Development Cooperation, Sustainable Development.

Specifically, in countries such as the UK, Germany, Brazil, Australia, the Netherlands, and Canada, it is common for GB members not to be compensated due to the charitable and advisory nature of the GB. In contrast, in France and Mexico, it is common for GB members to be paid for their contributions and involvement in the operations and broader organizational structure of the organizations. In the USA, the practice varies by state, but it is important to note that the law does not prohibit compensating GB members, within reasonable limits, even in states where this practice is not common.

Given this complexity, the issue cannot be solely addressed by legislative regulations. Instead, self-regulation within organizations, combined with robust control mechanisms, plays a crucial role. Research and analyses indicate that the time GB members invest in their roles often far exceeds any compensation they may receive.

The argument in favour of compensating GB members often revolves around the idea that it helps organizations retain well-qualified individuals who can offer more consistent and permanent contributions, rather than serving in an occasional or peripheral capacity. Moreover, it can make it possible for economically vulnerable individuals to participate in Civil Society. However, the counter-argument is that compensating GB members could compromise the transparency and objectives of an organization, potentially creating conflicts of interest when the roles of controller and controlled become blurred.

In Greece, where the size of the country and the limitations of Civil Society make participation in governing bodies more challenging, the issue of compensation for GB members becomes even more pronounced. There are organizations with regular staff where the GB primarily oversees the strategic direction, but there are also organizations where GB members are the key individuals running the day-to-day operations. A blanket legal prohibition on compensating GB members could create significant challenges and even make it impossible for many healthy organizations to function effectively. Therefore, it is proposed that certain limits be established, and the practice of compensating GB members be made transparent, such as by adding a specific field in the Special Registry. Additionally, improvements should be made to the current disincentives that discourage GB member participation in organizations

Regarding remuneration, Law 4873/2021 does not permit organizations to be registered in the Special Registry of CSOs which have any kind of contract with individuals who are part of the administration or are statutory members, or with their first-degree relatives, except for contracts of dependent employment, under usual terms and wages, not exceeding 5% of the total employees annually. It also does not allow registration of organizations that have contracts with companies controlled by such individuals, for fees or compensation exceeding €1,000 annually.

This restriction, however, disproportionately impacts smaller organizations while providing greater flexibility to larger ones, without guaranteeing transparency or legal compliance. To address this, it is proposed that the remuneration cap for members of governing bodies be linked to adjustable individual metrics, such as the national minimum wage or the highest salary within the organization. For example, a board member's compensation could be limited to no more than twice the national minimum wage. Alternatively, if the organization employs paid executives, the remuneration could be capped at 75% of the highest executive salary.

Regarding safety valves, it is proposed that the possibility of remuneration for GB members be linked to a minimum number of members on the board. Specifically, it is suggested that remuneration for board members be permitted only if the board consists of at least five individuals, with at least 50% of them being unpaid. Additionally, it is proposed that the law require the presence of both executive (potentially paid) and non-executive (unpaid) members. This structure would help limit the administrative responsibility of unpaid members while enabling their involvement, primarily for transparency and control purposes. This provision is intended to apply to all organizations listed in the Public Database, not just those registered in the Special Registry.

4.3.5 Roles and Responsibilities of Members of CSO Governing Bodies

At the same time, it is essential to remove the current barriers to participation and establish clear limits on the responsibilities of members in governing bodies. Specifically, it is proposed that the unlimited financial liability of organization members—particularly the president—be abolished, in line with the legal structures of limited liability entities, such as Limited Liability Companies (LLCs) and Private Companies. This provision currently deters individuals from participating in organizations by holding them personally accountable for the organization's debts, a liability not imposed on members of for-profit companies like SAs, LLCs, or Private Companies.

At the same time, it is crucial to address and eliminate the current disincentives to participation, while establishing clear limits on the responsibilities of members in governing bodies. Specifically, it is proposed that the unlimited financial liability of organization members, particularly the president, be abolished, in line with the legal frameworks for limited liability entities (such as Limited Liability Companies and Private Companies). This provision currently discourages citizens from participating as members in organizations, as it holds them personally accountable for the organization's debts—a liability that does not extend to individuals in for-profit companies like SAs, LLCs, or Private Companies.

Additionally, the current legal framework stipulates that members of the management of organizations seeking registration cannot have been convicted of a broad range of offences, many of which are minor misdemeanours of relatively low criminal severity and, notably, no time limit. Offences such as theft, defamation, and others may disqualify organizations whose founding members were involved in such offences in the past. For instance, many organizations in the drug rehabilitation sector were established by former users who may not have a clean criminal record, and defamation lawsuits are common for organizations involved in independent watchdog activities. This provision covers an extensive list of offences and contradicts the principles of organizations focused on reintegration and deinstitutionalization. It is therefore proposed to narrow the list of disqualifying offences to those that are truly essential, primarily focusing on felonies, and to establish a maximum time limit for the commission of offences, at least for misdemeanours.

4.3.6 Encouraging Better Governance of CSOs

A significant gap in the operation of organizations, especially those functioning as civil nonprofit companies (NPCs), relates to the establishment and functioning of governance bodies and internal control mechanisms. Particularly when these organizations seek sig-

nificant state funding, which increases the risk of resource mismanagement and damage to the reputation of Civil Society organizations, it is crucial to set basic minimum standards for financial management and governance. Specifically, for organizations that are registered in the Special Registry, it is proposed that regular general assemblies be held and that governing bodies be elected, with a minimum number of members (e.g., five or seven, depending on civil the type of organization). The board members should be elected by the general assembly, with procedures established for the expulsion or dismissal of a member.

A significant challenge for the operation of NPCs is conflicting legal provisions regarding the role of the Administrator. On one hand, NPCs are treated under Law 4072/2012 the same way as general partnerships, which, according to interpretations by the Ministry of Development and the Legal Department of the GEMS, means that an Administrator must be one of the partners of the NPC, creating a significant workload. On the other hand, Law 4873/2021 imposes strict limits on the ability to remunerate the partners of a Civil Society organization (CSO), thus limiting the possibility of paying the Administrator for their work.

Additionally, it is not recognized that, unlike the partners of a general partnership, the partners of a civil nonprofit company (NPC) may not have the necessary expertise, time, or availability to handle administrative tasks. The separation between corporate management and ownership, necessary to promote effectiveness, transparency, accountability, and prevent conflicts of interest in CSOs, is also challenging. Therefore, it is proposed that the role of the Administrator be allowed to be assigned on a paid basis to individuals who are not necessarily partners or members of the NPC.

While the increased requirements for registration in the Special Registry are necessary to reduce the risk of resource mismanagement, these requirements impose a significant burden on organizations, especially when combined with additional demands for greater transparency and internal governance. Therefore, it is recommended to strengthen the financial incentives provided to organizations that register in the Special Registry, and more generally to legal structures such as associations, which already adhere to high standards of transparency and internal governance.

At the same time, it must be ensured that the increased incentives for registration in the Special Registry do not create a two-tier system for Civil Society organizations, where a few established organizations benefit from particularly favourable treatment, while smaller, more specialized organizations with limited geographic reach face even greater survival challenges. The establishment of an upper limit on funding, so that organizations registered in the Special Registry can access higher-budget projects, leaves room for funding smaller organizations that typically undertake actions with lower financial needs. In this way, not only are safeguards introduced to limit the risk of misuse of public funds, but incentives are also created for larger organizations to adhere to stricter standards of transparency and internal governance. In any case, the allocation of funding should not be based solely on the criterion of registration in a registry; it should also involve a qualitative and comparative assessment of each organization's ability to effectively implement the proposed action.¹¹

It is important to clarify that the role of the Special Registry is not to evaluate the quality of organizations but to categorize them by size, with the aim of enhancing oversight

due to the resources they manage and the scale of their interventions. The inclusion of organizations in the Public Database should never be interpreted as an indication of lesser value or lower-quality work. In fact, the work of smaller organizations is particularly valuable, especially at the local level and in specialized fields, where they ensure the delivery of essential public-interest activities that may not require or support expansion to a scale that would justify their inclusion in the Special Registry. Additionally, many organizations require time to build the processes, expertise, and experience necessary to manage larger projects or programmes before they can qualify for registration in the Special Registry, without implying that they are incapable of managing smaller projects effectively. In conclusion, the Special Registry serves as a system of quantitative classification, not qualitative evaluation, and should not be viewed as an assessment tool. The Public Database includes organizations of high quality and significant contribution, and this should be recognized by the state and all entities that fund public-interest actions.

4.4 VOLUNTEERING: DEFINITION, REGULATORY FRAMEWORK, INCENTIVES

An important aspect of regulating the functioning of CSOs is the role of volunteering. Volunteering has a deep tradition and history, rooted in the fundamental human need to help others and acting as a key element in fostering social bonds. It is difficult to imagine the society we live in today without the selfless efforts of both well-known and anonymous individuals who have worked tirelessly to secure the conditions and rights that we now often take for granted.

CSOs depend on volunteer contributions as a vital and indispensable resource to achieve their missions. The governing bodies of these organizations are typically composed of individuals who receive no financial compensation for the time and expertise they dedicate. Additionally, volunteers engage in the activities of organizations on both a regular and occasional basis.

Volunteer contributions enable Civil Society organizations to directly or indirectly generate an estimated 3 billion euros in Greece's GDP, supporting approximately 90,000 jobs throughout the national economy. Of these, nearly 40,000 individuals are officially employed by the organizations themselves. Moreover, if all the volunteers in these organizations were compensated by the state, the total annual value would amount to around 350 million euros.¹²

Despite the critical role of volunteering for CSOs, as well as its broader impact on Greece's economy and society, the regulatory framework governing volunteering has, until recently, had significant gaps. However, with the introduction of Law 4873/2021, important strides were made. The law established clear definitions for volunteers and volunteering within the same legal framework that governs CSOs, and it also introduced provisions for voluntary employment. Specifically, the law clarifies that voluntary employment is not considered an activity subject to social security nor a form of dependent employment. As a result, the provisions of labour law do not apply to volunteers, with the exception of requirements related to personal protective equipment,

PRIORITIES FOR ACTION

adherence to working hours, and health and safety measures. To prevent abuse, volunteers must be registered in the ERGANI information system of the Ministry of Labour and Social Affairs, except in emergency situations where volunteer labour is provided.

To strengthen its role, it is recommended to simplify the definition of a volunteer as ‘an individual who provides voluntary services on an individual or collective basis within the framework of an organization with a public-benefit purpose’. As for the definition of volunteering, it is proposed that it include the provision of labour or services in projects or programmes of Civil Society organizations and public bodies of social significance, without any financial or other compensation, beyond the coverage of expenses (transportation, accommodation, meals) that are directly related to the voluntary activity.

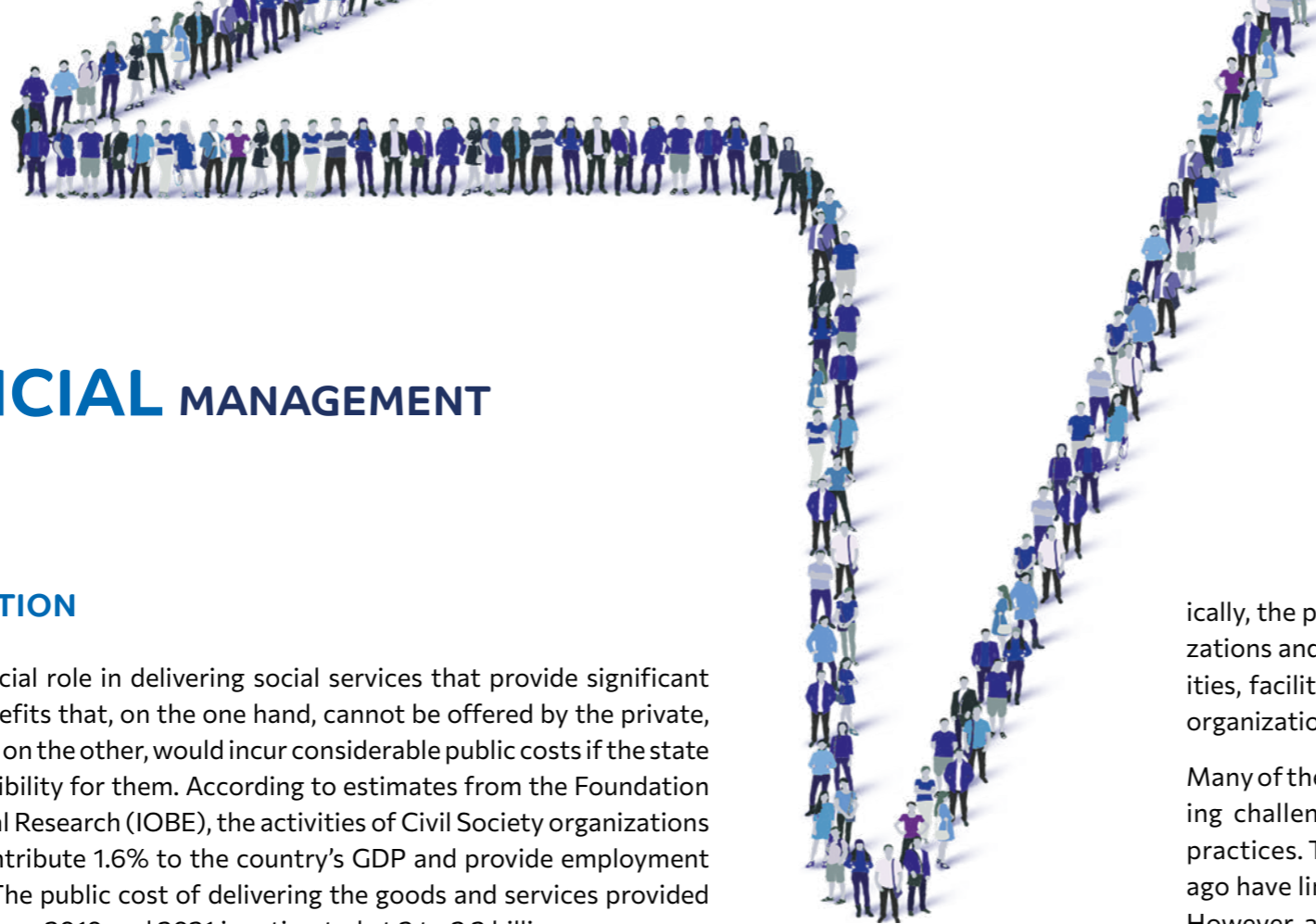
A key challenge arises from the requirement to register volunteers in the ERGANI information system. Many volunteers are only involved occasionally, such as for bazaars or special events, which complicates their monitoring and registration under current guidelines. To address this, it is proposed that the registration process for one-day volunteer activities be simplified by allowing organizations to declare the expected number of volunteers without needing to provide personal details. Nominal registration in the ERGANI system should be reserved for volunteer programmes that involve specific individuals on a regular basis or for events lasting longer than a few hours. Since many organizations rely on recurring events scheduled throughout the year, it is suggested that they be allowed to report the anticipated number of volunteers per event annually. This approach would help reduce administrative burdens for both organizations and ERGANI system administrators while minimizing the risk of abuse and undeclared labour.

It is important to note that in most EU countries, there are specific provisions allowing public employees to take on special roles for public-benefit purposes (e.g., healthcare workers, firefighters, social workers) in support of CSOs. This approach enhances social contributions, provides specialized experience, facilitates training, and fosters collaboration between public institutions and CSOs. In Greece, however, the Civil Servants Code needs to be revised to include similar provisions, as such opportunities are currently lacking. As a result, public employees are prohibited from voluntarily participating in such activity.

The educational system plays a crucial role in fostering a culture of volunteering and deepening the understanding of the role that Civil Society organizations play in ensuring a well-functioning society. Drawing on best practices from around the world, the following initiatives have been proposed in order to enrich the school curriculum in Greece:

- Information on the rights and duties of active citizenship
- Discussions in the classroom on local, national, regional, and international issues, particularly those that directly affect and interest young people
- Active participation in solving problems affecting the local school community, and generally connecting the school with society (service-learning)
 - Designing special programmes to apply learning at school within the local community
 - Students’ participation in community actions to solve local problems and issues
- Extracurricular activities involving volunteer work
- Participation in school governance
- Simulations of democratic processes

- **Establish an independent body with enhanced powers** as a supervisory authority for Civil Society organizations;
- **Legislative/constitutional safeguarding** of the role of CSOs and the **establishment of processes for meaningful consultation** between the state (at both national and local levels), and CSOs for the formulation and implementation of policies;
- **Registration of all CSOs** certified by the Court of First Instance in the **Public Database** of the Ministry of the Interior, with increased public access to the database and regular submission of data from organizations (every two years at most);
- **Removal of the restriction** that a CSO cannot be registered in more than **four subgroups of the Special Registry**;
- **Linking the salary cap** for a board member to the minimum wage or the maximum salary of employees in the organization;
- **Minimum number of board members** for registration in the Special Registry;
- **Provision for non-executive, unpaid members** in all organizations registered in the Public Database;
- **Removal of the unlimited liability** of board members, especially the president, in line with legal corporate forms of limited liability;
- **Limiting the list of disqualifying offences** for prospective board members, mainly to felonies;
- Establishing **regular general assemblies** and the election of a governing body with a **minimum number of members** for organizations joining the Special Registry;
- Strengthening the **financial incentives** provided to organizations joining the Special Registry;
- Simplifying the definition **of volunteer and volunteering**;
- Simplifying the **registration of volunteers in the ERGANI system** for one-day actions;
- Provision for **declaring the expected number of volunteers** per event annually;
- Reviewing the **Civil Servants Code** to facilitate **active volunteering** in the public sector;
- **Educational activities** to strengthen volunteering, engage students in addressing local community needs, and encourage their participation in democratic processes.



5. FINANCIAL MANAGEMENT

5.1 INTRODUCTION

Civil Society plays a crucial role in delivering social services that provide significant benefits to society—benefits that, on the one hand, cannot be offered by the private, profit-driven sector and, on the other, would incur considerable public costs if the state were to assume responsibility for them. According to estimates from the Foundation for Economic & Industrial Research (IOBE), the activities of Civil Society organizations directly or indirectly contribute 1.6% to the country's GDP and provide employment for 88,400 individuals. The public cost of delivering the goods and services provided by CSOs in Greece between 2019 and 2021 is estimated at 2 to 3.2 billion euros annually (IOBE, 2023). As such, the substitution of several costly state functions by CSOs results in significant savings of public resources, in addition to potential efficiency gains. Moreover, a substantial portion of resources comes from abroad, with a large share of CSO revenue (41.9% of organizations surveyed in the THALES II programme) sourced from European funding programmes.

Furthermore, Civil Society is vital for fostering social cohesion and ensuring the smooth functioning of democracy. While these functions are important in their own right, they also carry significant economic value that must be factored into any evaluation of the economic benefits and costs of policies affecting the work of Civil Society. The long-term standard of living in a society is largely shaped by its cohesion and the quality of its institutions (Acemoglu & Robinson, 2012). Countries with strong Civil Societies, where citizens are active, aware of their rights, engaged in public affairs, and have equal access to essential social services (such as education, healthcare, and employment), tend to experience higher levels of material, social, and emotional well-being.

When evaluating the direct support Civil Society provides to state functions, it becomes clear that the state should view CSOs as social partners rather than merely another source of public revenue. Therefore, offering favourable treatment to Civil Society organizations is not only socially just but also economically beneficial, as it strengthens their work. This approach is especially crucial in Greece, where the level of Civil Society engagement and participation is comparatively low compared with that in many other European countries.

The aim of this chapter is to present policy proposals designed to improve the financial environment for organizations. These proposals focus on streamlining and enhancing the tax treatment of CSOs and nonprofit legal entities, as well as their donors. Specif-

ically, the proposals seek to codify relevant legislation, reduce tax burdens on organizations and their donors, improve the accounting and tax management of their activities, facilitate donations from taxpayers, and increase financial transparency within organizations.

Many of these proposals have been presented previously, as they address long-standing challenges in the functioning of Civil Society, drawing on international best practices. The country's fiscal constraints since the onset of the debt crisis a decade ago have limited the room for reforms that could have even a minimal fiscal impact. However, as Greece's economy stabilizes and fiscal performance improves, the government should reconsider policies that offer significant long-term strategic benefits for both the economy and society. In this context, it is essential to reassess the tax regulations and procedures that currently hinder the activity of Civil Society in the country.

5.2 CODIFICATION OF TAX LEGISLATION

Codifying the law is a crucial need for the Greek legal system, which is marked by significant fragmentation, excessive legislation, and laws of varying quality. These issues are particularly evident in the tax legislation for Nonprofit Legal Entities (NPLEs), creating a substantial barrier to the development of Civil Society in Greece. It is now essential to consolidate all existing legislation into a single law or circular, in order to introduce order and clarify many 'grey' areas.

5.3 REDUCTION OF THE TAX BURDEN ON ORGANIZATIONS AND DONORS

The current tax burden on organizations hampers their social impact and limits the broader societal benefits they could provide. Moreover, there is a pressing need for a more uniform tax framework for all Civil Society organizations, eliminating unnecessary variations based on their legal status. Standardizing the tax framework would be more easily achieved through a consolidated and coherent legislative document that clearly outlines the complete tax structure for NPLEs.

Certain legal structures, such as foundations and associations, operate with a higher degree of collectivity, offering increased transparency and oversight in their operations. In contrast, civil nonprofit companies (NPCs) provide a more flexible structure, allowing smaller organizations to engage in a broader range of activities. While these distinctions are important and should be reflected in regulatory and financial oversight, they should not lead to significant disparities in tax treatment, as the key to an effective tax system lies in simplicity and uniformity.

In this context, the following changes are proposed:

- 1. Abolition of the Business Fee for Civil Nonprofit Companies (NPCs):** Currently, all forms of NPLEs, except for civil nonprofit companies (NPCs), are exempt from the business fee.¹³ The rationale behind exempting all other NPLEs from this fee justifies that this tax obligation does not align with the nature and purposes of nonprofit entities, and the same should apply to NPCs. Thus, aligning NPCs with other NPLEs regarding this issue is essential, as it is inconsistent for NPCs to incur a business tax when no commercial activity is being conducted.¹⁴
- 2. Permanent Abolition of Independent Taxation (0.5%, with a €1,000 per donor per year exemption) on Monetary Donations to NPLEs:** The independent taxation on monetary donations imposes a significant burden on NPLEs, as the majority of donations exceed the €1,000 exemption per donor per year. The suspension of this independent taxation, from 10/27/2020 to 12/31/2022 (Article 300 of Law 4738/2020, as amended), was introduced to support the humanitarian and cultural work of NPLEs under the exceptional conditions of the pandemic, during which they contributed effectively and immediately to societal needs. While the pandemic has ended, the positive impact of the suspension on Civil Society persists, and the underlying rationale could extend beyond the context of the pandemic, as NPLEs continue to make substantial humanitarian and cultural contributions.
- 3. Exemption of Monetary Provisions made by All NPLEs to Their Beneficiaries from Donation Taxation:** Monetary provisions made by NPLEs to their beneficiaries to fulfill their statutory purposes should be exempt from donation and income tax. This proposal extends the scope of tax circular 1188/01.07.1998,¹⁵ which currently only applies to such monetary provisions from charitable foundations when made to fulfill their purposes. There is no justification for differentiating the treatment

¹³ According to the relevant interpretative circulars of Article 31, paragraph 1 of Law 3986/2011 (indicatively: Δ12B 1048354 ΕΞ 2014/18.3.2014, ΔΕΑΦ Β 1102518 2015/23.7.2015, ΔΕΑΦ 1106959 ΕΞ 2018/11.7.2018, and POL 1216/29.11.2018), all Nonprofit legal entities under Article 45(c) of Law 4172/2013 are exempt, which includes not only associations or foundations but also other private law entities that demonstrably pursue Nonprofit objectives, provided they are not classified under any other category listed in Article 45 of Law 4172/2013. Nonprofit Companies (NPCs) fall under Article 45(e) of Law 4172/2013. The exclusion of NPCs from this exemption is based on Article 2, paragraph 1 of Presidential Decree 134/1996, which stipulates that all obligations applicable to business operators also apply to NPCs.

¹⁴ It should be noted that the EFKA (National Social Security Fund) also distinguishes NPCs from business operators, not imposing contributions for non-salaried individuals on the managers of NPCs, applying the same logic, as per OAEE (Organization for the Insurance of Freelance Professionals) tax circular 84/21.08.2007).

¹⁵ This particular ministerial circular adopted Opinion No. 787/1997 of the State Legal Council, which was issued in response to a specific inquiry from a particular charitable foundation. As a result, the opinion was not generalized to apply to all NPLEs, and the tax circular adopting it likewise does not extend to all nonprofit entities.

of funds based on whether they originate from charitable foundations or other NPLE legal structures. νομικές μορφές ΜΚΝΠ.

- 4. VAT Exemption and Management for In-Kind Donations:** Foundations and NPLEs that provide in-kind donations cannot offset VAT, which makes these donations subject to VAT, unlike donations from for-profit organizations which are able to offset it. Specifically, for donations to the public sector, a joint ministerial decision (JMD) is required to exempt VAT, involving both the responsible ministry and the Ministry of Finance. This process is time-consuming, unnecessarily complex, and often discourages donations to public entities. It is proposed to simplify and digitize this VAT exemption process through an online platform, where donors can submit all legally required documentation to be verified and approved by the supplier. This streamlined approach would allow the donation process to proceed immediately, with subsequent verification by the Directorate of Civil Society and Charitable Entities of the Ministry of Interior or another relevant authority, within a set timeframe to ensure transaction security. Additionally, it is proposed to extend this VAT exemption to all NPLEs, not just public entities, as nonprofit donors, despite fulfilling their legally mandated purposes, are disproportionately burdened compared to for-profit donors.
- 5. General Exemption of NPLEs from Stamp Duty:** This includes exemptions on capital contributions when establishing NPCs, as well as on membership fees for associations, clubs, and other unions and organizations. Given that all transactions and decisions of NPLEs are now subject to oversight by public authorities (such as tax offices, the General Commercial Registry (GEMI), Courts of First Instance, etc.), the purpose of a stamp duty has become obsolete. Furthermore, regarding capital accumulation upon establishment, for-profit legal entities are no longer subject to this tax (Law 4254/2014), making it inconsistent—and a form of unfavourable treatment—for NPCs to still be subject to a stamp duty fee. This inconsistency stems from an interpretative provision in Article 13, Paragraph 1a of the Stamp Duty Code (Decree Law 4755/1930) and could therefore be resolved at an official circular level.



5.4 ACCOUNTING AND TAX TREATMENT

Significant improvements can also be made in the accounting and tax treatment of organizations. In this regard, the following changes are proposed:

- 1. Establishment of a regulatory framework for the commercial activities of Non-profit Companies (NPCs) and transfer of control to a more centralized public administration service.** Many NPCs rely heavily on revenue from commercial activities, sometimes generating more than half of their total income this way, and often for extended periods (exceeding two years). To ensure transparency and maintain nonprofit integrity, improved oversight is needed to distinguish genuine nonprofit operations from potential cases of fictitious nonprofit status. Specific limits should be set on the permissible proportion of commercial revenue an NPC can earn over a medium-term period (3-5 years). Additionally, a unified and clear framework should be established for defining nonprofit status, allowing NPCs to diversify their funding sources through commercial activities without risking arbitrary or inconsistent evaluations. Centralizing this oversight within a specialized unit would reduce the likelihood of inconsistent judgments by local public administration staff who may lack the necessary expertise. It is also recommended that tax administration personnel involved in monitoring NPCs receive specialized training to understand the distinct role of the nonprofit sector, ensuring they can accurately differentiate legitimate NPCs from other types of legal entities.
- 2. Grant revenues should be allocated to the specific periods (fiscal years) in which the related activities are conducted,** in line with the fundamental accounting principle of matching revenues and expenses to their relevant periods. This principle dictates that revenues, expenses, and other transactions are recognized in the fiscal period they pertain to, rather than when they are received or paid. Currently, however, grants are fully recognized in the period in which they are received—even when they pertain to activities and expenses extending into future fiscal years. This misalignment not only violates the principle of period independence but also results in part of the grant being classified as commercial income, thus subject to tax. This proposal is more than a technical adjustment; it has crucial implications for NPCs' ability to build reserves, engage in long-term planning, and accept advance payments for multi-year projects—areas currently impacted by considerable tax distortions.
- 3. Designating properties donated or transferred at no cost to NPLEs as a form of perpetual donation would exempt income earned from their exploitation, including deemed self-use, from income taxation.** Properties donated or freely transferred to an NPLE are intended to strengthen the organization in achieving its objectives, and this support inherently includes any income generated by the property. Once the donated property is owned by the NPLE, it will either produce direct income (if the property is leased or otherwise exploited) or yield 'shadow income' by reducing costs (if used by the NPLE in place of rental expenses). In both cases, the income stems directly from the original donation, and thus there is no rationale for distinguishing the tax treatment of income from property donations from that of direct monetary donations. On the contrary, donating property (or other fixed assets) should be considered a perpetual donation that includes income from its use as well as potential revenue from its resale. Therefore, income derived from such properties should be exempt from tax, consistent with the treatment of monetary donations (see proposal 2 in section 5.3 for further details on the current taxation approach).
- 4. More favourable management of income taxation of legal entities and property** for CSOs. Legislation provides that for Nonprofit Legal Entities (NPLEs), any type of income generated in pursuit of their purpose is not subject to taxation (Law 4172/2013, Article 45.c). It is also stipulated that, for the determination of profit from business activities of NPLEs, 'all types of expenses related to their real estate are deductible at a rate of seventy-five percent (75%), along with donations made in cash or in kind to the Greek state and local government authorities', as well as other deductible business expenses. This provision also applies to NPLEs operating as CSOs, provided they are registered in the Special CSO Registry (Law 4172/2013, Article 47.8). In practice, however, it appears that the above provisions allow room for varying interpretations, resulting in cases where CSOs are taxed at a rate of 22% on gross revenue from movable and immovable property. Combined with the classification of real estate bequeathed or transferred at no cost as a form of continuous donation and the establishment of a regulatory framework for the commercial activities of NPLEs, as mentioned above, it is proposed that for NPLEs demonstrably pursuing exclusively charitable purposes and adhering to strict corporate governance and transparency standards, the revenue they generate from commercial activities and investments in movable and immovable property be regarded as income generated in the pursuit of their purpose and therefore exempt from corporate income tax. For this same category of NPLEs, it is proposed to exempt them from the supplementary Unified Real Estate Ownership Tax (ENFIA), which progressively increases based on the total property value. The progressive tax structure is grounded in the principle that the wealthier segments of society should contribute proportionately more to public revenue, ultimately aiming at an indirect redistribution of income. This rationale, however, does not align with the property portfolio historically acquired by an organization that funds the execution of public benefit projects through income derived from such properties.
- 5. Establishing guidelines for publicly acknowledging sponsors (e.g., through symbolic display of logos on communication materials, event materials, websites, etc.) to ensure that, under specified conditions, such recognition is not classified as compensation.** According to Article 496 of the Civil Code, a donation is defined as a gift with no expectation of compensation. Consequently, even the symbolic inclusion of a sponsor's logo is regarded as a form of recompense, meaning that the financial sponsorship is treated as payment for advertising services and is subject to income tax and VAT. Unfortunately, the existing case law¹⁶ does not provide clear criteria for distinguishing between compensation and non-compensatory recognition. This legal ambiguity forces NPLEs to register advertising and publicity services with the relevant tax authority in order to issue the required documentation for these sponsorships. Establishing a clear regulatory framework that allows for sponsor recognition without it being classified as advertising would offer immediate benefits to sponsored NPLEs. It would also benefit sponsors through VAT exemptions, thereby strengthening the incentives for sponsorships. Ultimately, this would create significant advantages for the entire Civil Society ecosystem, as many CSOs themselves act as sponsors.

¹⁶ Opinion 531/1995 of the State Legal Council and tax circular 1283/1995.

6. **Exemption from the tax regime for in-kind benefits on the provision of specific vehicles by charitable foundations and registered CSOs to their employees, ensuring that employees are not burdened with additional contributions or fees.** Currently, under Article 24 of Law 4873/2021, charitable foundations and registered NPCs are exempt from road tax on specific vehicles¹⁷ if they are used for fulfilling their objectives. It is paradoxical that when these same vehicles are provided for use by their employees, they are considered an in-kind benefit, resulting in additional contributions and taxes for the employees (as stipulated in Article 13 of the Income Tax Code).
7. **Creation of a specific series of documents for donations, grants, and subscriptions** in the **e-timologio**, the free electronic invoicing platform of the Independent Authority for Public Revenue, to ensure proper representation and enable CSOs to transition to electronic invoicing.

5.5 STRENGTHENING FINANCIAL TRANSPARENCY

One of the primary challenges faced by the Civil Society sector in Greece is the limited confidence it enjoys among the public. Building public and societal trust in Civil Society organizations (CSOs) is essential for strengthening the sector's role. Achieving this requires enhanced transparency at all levels, supported by a robust and reliable oversight framework.

Furthermore, more favourable treatment of Nonprofit Legal Entities (NPLEs) by the state—particularly when public funding is involved—must be accompanied by heightened transparency, accountability, and effective monitoring of these organizations. Since NPLEs claim to serve the public good, their effectiveness in delivering this should be regularly assessed.

Law 4873/2021 is a positive step forward in terms of transparency and oversight, introducing important improvements to the supervisory framework and addressing key legal gaps. However, there is still much work to be done.

In this context, the following measures are proposed to enhance the financial transparency of CSOs and improve societal trust in the CS sector:

1. **Extension of the requirement to prepare financial statements to all NPLEs, with mandatory public disclosure**, regardless of their participation in the Special Registry of CSOs. Currently, the preparation of financial statements and external audits, as required by Articles 8 and 16 of Law 4873/2021, applies only to those NPLEs that opt to register in the Special Registry of CSOs and is contingent on their size (as specified in Law 4308/2014). Other NPLEs undergo audits solely for tax purposes. The mandatory preparation and public disclosure of financial statements are crucial transparency measures for any organization seeking funding from the state

¹⁷ Specifically, the law includes the following restrictions: vehicles for special use and vehicles of CSOs that have been licensed as private use trucks (regardless of weight and engine capacity), fire trucks, special vehicles for transporting people with disabilities, school buses, rescue vehicles for fire, accident, and environmental disaster, and vehicles necessary for conducting cultural events.

(grants) or the public (donations). Such disclosure enables citizens to understand how each NPLE uses donations and grants and to evaluate the effectiveness and efficiency of these resources. For NPLEs not funded by the state or public, it remains important that the public can verify and assess their financial independence, activities, and commitment to a nonprofit, non-self-serving mission, especially as they benefit from other forms of favourable treatment provided by the state on behalf of society.

2. **Establishment of a specific reporting template for NPLEs**, similar to the financial statement standards under Law 4308/2014, but adapted to reflect the unique characteristics of NPLEs. Defining a minimum set of information to be included in the financial statements of NPLEs is essential for achieving meaningful transparency and public accountability. Moreover, uniformity in the financial statements of NPLEs is necessary both to ensure equal treatment by the state and to allow for comparisons and assessments of their effectiveness and efficiency. Without standardized financial statements, it is impossible to determine specific, applicable, and comparable key performance indicators (KPIs). The development of a specific template can be based on existing standards, with modifications as needed to capture the unique attributes of NPLEs.¹⁸

5.6 FACILITATING DONATIONS FROM TAXPAYERS

The current tax incentives for donations by taxpayers could be improved. Currently, individuals receive an income tax reduction equal to 40% of their donation amount to public benefit organizations and registered CSOs, as long as donations exceed €100 in a given tax year and are deposited into designated bank accounts within the EU or EEA. However, the total allowable deduction for donations is capped at 40% of the taxpayer's taxable income (Article 19, Paragraph 1, Section c of Law 4172/2013).

It is proposed to eliminate the minimum donation threshold of €100 to facilitate small and occasional contributions from citizens, which are often made in conjunction with online purchases or during fundraising campaigns. As demonstrated by international practices analysed in Section 3 of the Action Plan, removing minimum thresholds for tax deductions expands the base of supporters and increases citizen engagement with Civil Society organizations.

Additionally, several countries have implemented mechanisms that facilitate the collection of donations through the government's tax system and their distribution to organizations according to taxpayers' preferences. In Italy, for example, taxpayers can allocate 0.5% of their income tax to a charitable cause when completing their tax return (the *cinque per mille* programme). They can direct their donation to nonprofit public benefit organizations and social promotion associations listed in national, regional, or local registries, to social activities provided by local government services, to health or other scientific research, or to support universities. Similarly, in the United Kingdom, citizens can donate directly from their salary or pension to recognized charitable orga-

¹⁸ For example, the terms for the profitability of NPLEs are not defined, whereas there is a need to introduce other terms, such as: surplus/deficit, and categories: donations, grants, etc.

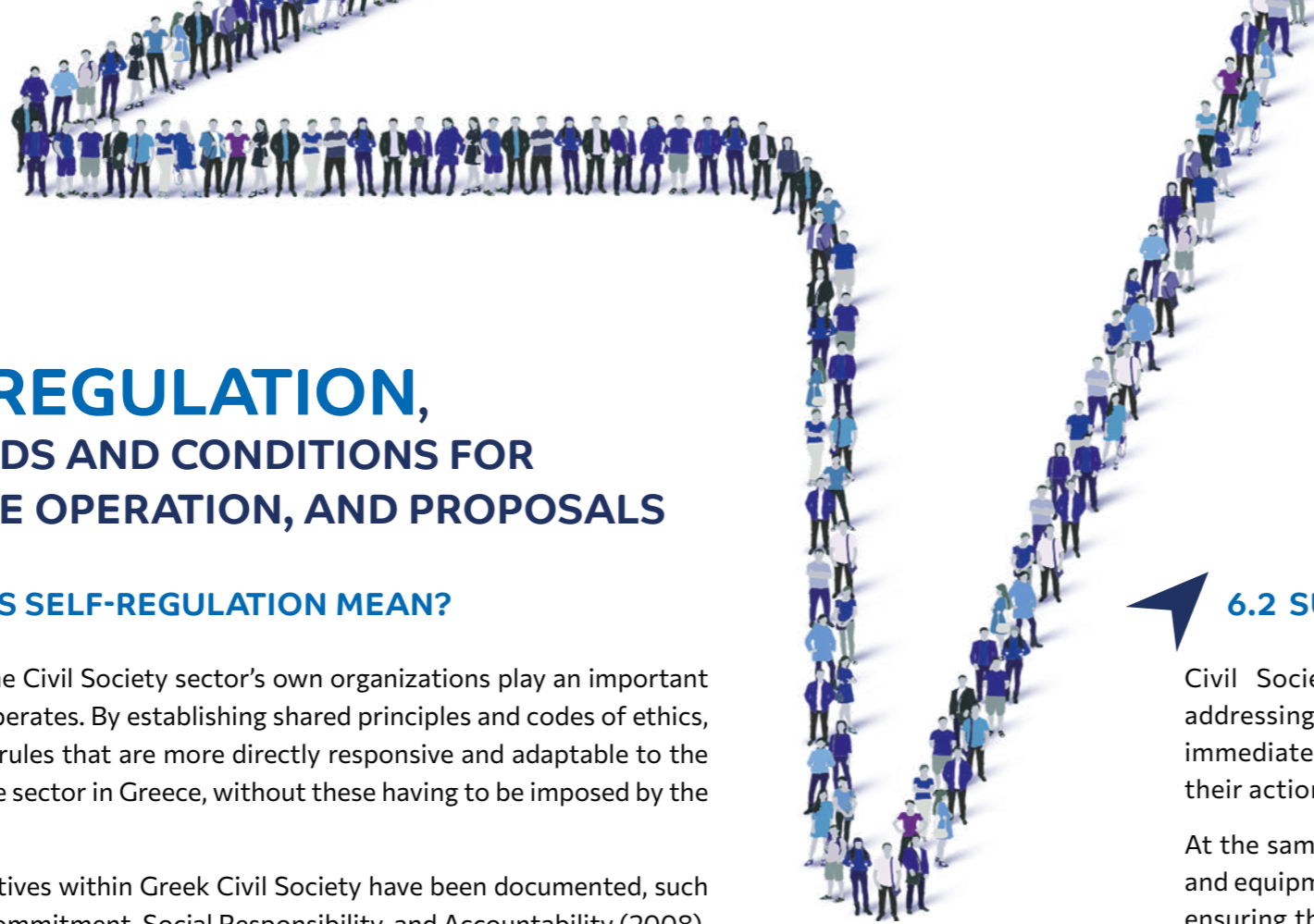
izations, with the donation amount automatically deducted from their income before tax is calculated and paid. Alternatively, if a taxpayer's employer or pension fund does not offer this option, they can submit a Gift Aid declaration to the organization, allowing it to claim an additional 25% from the government, equivalent to the basic rate of personal income tax.

Given the significant progress in the digitization of tax administration services, the groundwork is being laid for introducing similar mechanisms to facilitate charitable donations in Greece. Specifically, it is proposed to explore the option of collecting donations for organizations registered in the Public CSO Database through the process of withholding income tax for employees and pensioners, as well as during the annual income tax settlement. The centralized and automated collection of donations, with minimal action required from citizens, could substantially reduce the gap in donation participation by Greek citizens compared to other developed economies, while also significantly enhancing the sustainability and operational scope of these organizations.



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- **Codify tax legislation** for Civil Society organizations (CSOs).
- Eliminate the **business tax** for civil Nonprofit Companies (NPCs).
- Permanently abolish the **separate taxation on monetary donations** to Nonprofit Legal Entities (NPLEs).
- Remove the classification of monetary assistance provided by all NPCs to their beneficiaries from the **tax regime for donations**.
- Exempt **in-kind donations from VAT** and simplify related procedures.
- General exemption of NPLEs from **stamp duty**.
- Establish a **regulatory framework for the commercial activities** of NPCs and centralize their oversight within a more centralized public administration department.
- **Accounting allocation** of grant revenue to the **specific periods** (fiscal years) in which the related activities are carried out.
- Classify **real estate bequeathed or transferred free of charge** to NPLEs as a form of perpetual donation.
- Implement more favourable tax treatment for the income and assets of CSOs.
- Set up a framework for the **public disclosure of sponsors** so that, under certain conditions, this is not considered a form of compensation.
- Exclude the provision of certain **vehicles** for use by organization employees from being considered as in-kind benefits.
- Create a special category of invoices for donations, grants, and subscriptions in the **'e-timologio' (electronic invoicing system)**.
- Expand the requirement for preparing **financial statements** to all NPLEs, with mandatory public disclosure.
- Establish a **specific standard** for NPLE assessment.
- Introduce an **independent evaluation process** for public agencies assessing grant proposals.
- Remove the **minimum threshold of €100** for the annual donation amount that qualifies for individual income tax deductions.
- Create **mechanisms to facilitate donations** to organizations registered in the Public Registry of Civil Society organizations through the personal income tax collection process.



6. SELF-REGULATION, STANDARDS AND CONDITIONS FOR EFFECTIVE OPERATION, AND PROPOSALS

6.1 WHAT DOES SELF-REGULATION MEAN?

Apart from the State, the Civil Society sector's own organizations play an important role in defining how it operates. By establishing shared principles and codes of ethics, Civil Society can create rules that are more directly responsive and adaptable to the needs and realities of the sector in Greece, without these having to be imposed by the state apparatus.

Significant related initiatives within Greek Civil Society have been documented, such as the Charter of Self-Commitment, Social Responsibility, and Accountability (2008), and more recently, the Transparency Initiative: Collaboration for the Common Good (2024). These self-regulation initiatives can achieve a stronger and more lasting impact within a broader framework of action aimed at improving the operation of Civil Society in Greece.

Civil Society occupies a vital intermediate space between the purely private and the public spheres. While it is not connected to the exercise of public authority, it pursues goals that extend beyond individual interests to provide collective benefits and advance the common good. Civil Society does not aim to replace the state or its core functions, yet it cannot operate independently without rules and accountability.

Self-regulation of Civil Society organizations is an ongoing effort to strike a balance between two poles. A shift away from this balance—toward either extreme—risks compromising the distinct identity of Civil Society.

Self-regulation signifies an additional commitment for Civil Society. It is a promise to itself and to society, establishing limits beyond those set by the state. These self-imposed boundaries are respected to preserve Civil Society's unique identity.

For Civil Society organizations, self-regulation provides a toolkit—a system of institutional tools that enables organizations to operate autonomously, creatively, and dynamically while maintaining and honouring their role in the intermediate space between the public and purely private sectors

The self-regulation toolkit acts as a roadmap, providing best practices, shared reference points, and other valuable resources developed within Civil Society, designed for voluntary and general use by organizations in Greece. This toolkit is structured around three core pillars: sustainability, collaboration, and communication.

6.2 SUSTAINABILITY

Civil Society organizations undertake initiatives with long-term objectives, addressing persistent and challenging issues. The impact of their work is often not immediately apparent to individuals or groups who do not directly benefit from their actions.

At the same time, these organizations require resources—labour, energy, materials, and equipment—to operate effectively. Securing these resources over the long term, ensuring that their contribution becomes firmly grounded, is particularly challenging, especially in a climate of increasing mistrust and general lack of confidence in society. Securing long-term flexible funding is especially critical, with terms that allow for indirect expenses to be covered that do not directly benefit programme participants but are essential for the sustainability of the organizations.

A core prerequisite for the long-term viability of these organizations is earning the trust of the public. Key tools for building this trust include demonstrating the effectiveness of their initiatives and maximizing transparency in their operations.

Organizations rely on the support of volunteers, donors, and the confidence of sponsors and funders from both the private and public sectors. For a supporter to find meaning in participating in such a collective effort, it must be established that they are involved in an initiative that produces visible and credible results within an environment of maximum transparency.

6.2.1 Effectiveness

Every Civil Society organization exists to advance one or more public-benefit purposes. To fulfill this mission effectively, the organization's actions must be aligned with its goals and executed without unnecessary expenditure of financial resources.

A key tool for boosting effectiveness is strategic planning. This process can be outlined in four basic steps (see *Diagram 6.1*).

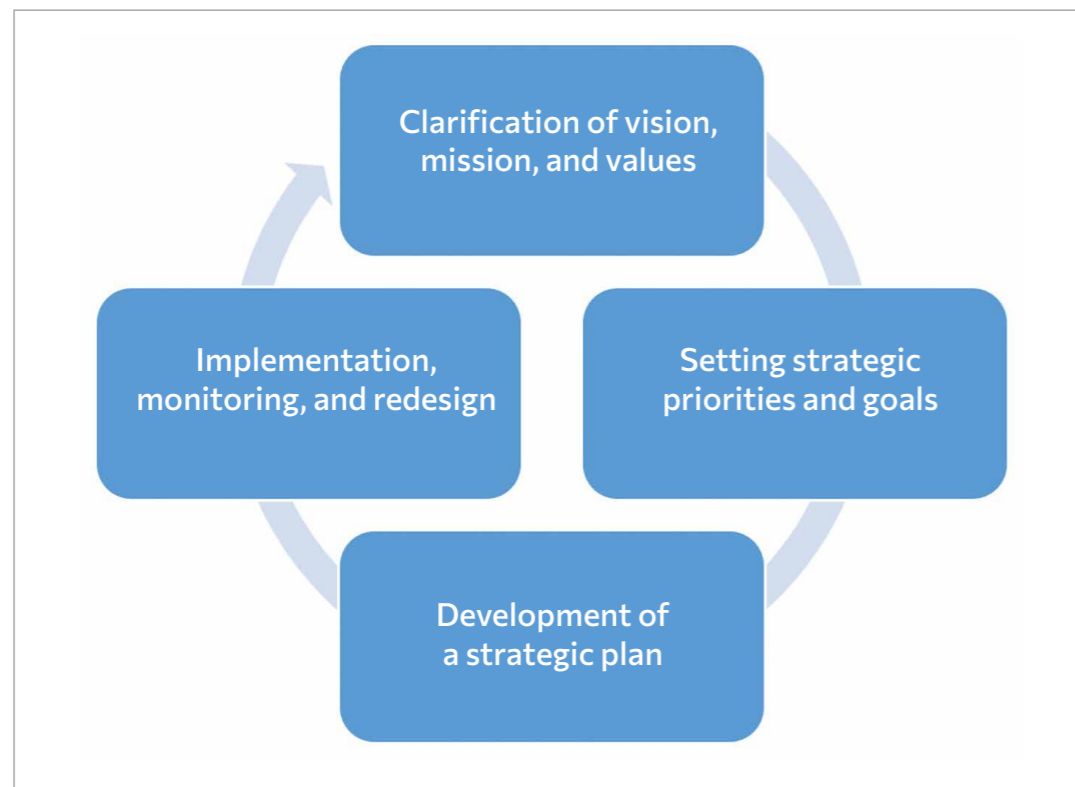


Diagram 6.1: Key steps in the strategic planning process

Vision, Mission, and Values

Initially, every organization must possess a clear understanding of its purpose. How does the organization envision the future? How does the organization strive to contribute to achieving this vision? What are the core values that define the ethical framework within which the organization operates?

The vision, mission, and values of the organization define its identity and form the foundation upon which its strategic planning is built, providing direction for goal-setting and day-to-day operations.

Strategic Priorities, Goals, and Indicators

In the next step, the organization's mission is translated into more specific strategic priorities. The selection of these priorities is facilitated by categorizing them into critical (with significant economic, legal, or ethical implications), important (essential for supporting strategic achievements), and desirable (not immediately necessary, but contributing in the long term).

In alignment with the priorities, strategic goals and indicators are defined for the medium-term horizon (e.g., three to five years). For example, if an organization's vision is a world without extreme poverty, a strategic priority might be empowering a vulnerable social group (e.g., the homeless), and a strategic goal could be their reintegration into society, with an indicator being the number of homeless individuals who find housing and employment within a specified period.

To define strategic priorities and corresponding actions and indicators, it is essential to engage with potential beneficiaries, external experts, funders, partner organizations, and other stakeholders. This interaction during the process serves as an important tool for enhancing transparency, collaboration, and trust in the organization.

Strategic priorities, goals, and indicators can relate not only to the outcomes of actions but also to the internal functioning of the organization, such as its adaptability and resilience to changes in funding. A useful internal indicator could be the percentage of expenses allocated to administrative costs that are not directly linked to the organization's programmatic activities. Key questions at this stage include: What indicators can the organization use to measure progress toward each goal? How is progress toward key measurable outcomes tracked and documented? And how is the reliability of these indicators ensured?

Strategic Plan, Budget, and Plans

Having defined long-term priorities and medium-term goals, an organization can move forward by developing a plan to achieve these objectives, beginning with its current operations and selecting specific actions and initiatives. The plan should outline deadlines for each action, intermediate milestones, resource requirements, responsible parties for execution, as well as potential risks and challenges. Key questions to consider include: Does the action align with the organization's mission, vision, and values? How does it contribute to achieving the set goals? What are the costs, and is the investment ultimately justified? In this context, an annual budget is also developed, outlining the organization's financial management goals for the upcoming year.

The realism of the strategy is greatly improved by a comprehensive analysis of both the organization and its external environment. What are the organization's strengths and weaknesses? What can it realistically achieve with its current structure or by implementing feasible adjustments? What emerging trends in the external environment could pose a threat to the achievement of its goals?

Implementation, Monitoring, and Redesign

Finally, strategic planning becomes meaningful when there are tools in place to monitor its implementation. Collecting data to measure and calculate the indicators that support the goals is essential. Monitoring the progress of these indicators, as well as tracking deadlines and milestones, is crucial.

Through this process, indicators for measuring the social impact of the organization and its actions can be developed. Combined with qualitative information about the results of these actions and the way the organization operates, this creates valuable material for communicating and evaluating the organization's effectiveness and social impact to funders, stakeholders, and the general public. An example of qualitative information complementing quantitative indicators in an evaluation process could be a brief story about how an action benefited a specific individual or community, or how an advocacy effort led to a change in legislation or policy decisions.

Strategic planning is a dynamic tool. In a complex and ever-changing external environment, rigid strategies are often unsuccessful. Climatic, epidemiological, political, economic, and technological developments can rapidly increase the urgency of a social issue and shift societal priorities. An organization may face challenges in mobilizing the resources necessary to achieve its ambitious goals. A dynamic and flexible strategic plan serves as a compass, helping the organization navigate this complex external landscape while maintaining the integrity of its values, staff expertise, internal operations, and the trust relationships it has built with funders, stakeholders, and society, all of which are essential for long-term sustainability. Moreover, monitoring the plan's implementation enables the timely identification of environmental changes, their impact on the organization's operations, and any necessary adjustments, ensuring that the organization's actions remain relevant and effective.

The success of the strategic planning process depends on the specific characteristics of the organization. While having common indicators for social impact and internal operations across organizations is desirable for facilitating comparative evaluations by funders and independent bodies, it is not always feasible due to significant differences in factors such as areas of activity, size, professional staffing, and other variables.

In a large organization operating in multiple sectors, strategic planning may be a complex process involving months of preparation and consultation, resulting in lengthy documents. In a small organization focusing its efforts on a very specific goal and made up exclusively of volunteers donating personal time to achieve a common purpose, allocating time and resources for this process may seem like a luxury or even a waste. However, strategic planning can be kept to a very small scale, limited to preparing a concise report (1-2 pages) with a few paragraphs on the organization's mission, goals, and the monitoring of 3-4 indicators of action effectiveness and internal operational efficiency.

Good organization, expertise, and technological solutions can significantly facilitate the process of systematic recording and monitoring of action outcomes, thereby reducing the resource requirements for this process. A similar effect can be achieved by investing in training and capacity building for the organization's staff in areas related to internal operations, improving the organization's professionalism and the effectiveness of its activities.

Finally, significant support is provided by platforms and initiatives for organizational capacity building, offering ideas, standards, and other tools useful for the strategic planning process and, more generally, for effective operation. Similarly, joint actions with larger and more experienced organizations, memoranda of cooperation between entities, knowledge exchange networks, and the provision of consulting services within the framework of corporate social responsibility actions or voluntary professional contributions also play a role.

Other Tools for Smooth Internal Operations

In addition to strategic planning and clear goal-setting, a crucial factor in achieving effectiveness is smooth internal functioning. This is greatly supported by establishing

a code of conduct for interactions with beneficiaries, as well as implementing mechanisms and processes to prevent exclusion and bias, resolve conflicts with volunteers and employees, protect whistleblowers from retaliation, and assess and strengthen staff. A common practice is to consolidate these policies into an internal 'Human Resources Policy'. Furthermore, it is essential to integrate environmental standards into the organization's operations, ensuring that the organization promotes sustainable development by encouraging the use of eco-friendly materials, reducing waste, and supporting actions to combat climate change.

6.2.2 Transparency and Accountability

Systematic monitoring and documentation of an organization's effectiveness are necessary but not sufficient to ensure its sustainability. Communicating these results with the highest level of transparency and credibility is essential for fostering an internal environment of trust and acceptance within the organization, while also building trust in the wider community.

Posting of Information, Annual Reports, and Open Data

Modern technology enables a significant degree of transparency through the dissemination of information on the internet. Posting information online that is compiled by public entities as part of their legal obligations, such as statutes, financial statements, and administrative decisions, is a good practice that promotes transparency. Posting information about the effectiveness of actions, ideally within the framework of strategic planning, further enhances the organization's image and position in society.

In line with this, it is recommended that, at a minimum, organizations register with the relevant national registry, even if they do not seek state funding, and keep their information current. They should also prepare an annual report that promptly presents the organization's identity, values, goals, key financial data, and social impact, including both quantitative and qualitative metrics. A best practice is to develop an annual report of activities based on international standards, such as the GRI (Global Reporting Initiative), which allows any organization, regardless of size or sector, to document and communicate its impact on the economy, environment, and people in a reliable and comparable manner. Finally, publishing open data derived from the organization's activities and monitoring mechanisms—while adhering to data protection standards—can make a significant contribution to transparency and the public good.

Accountability Mechanisms and Corporate Members

Transparency is essential but not sufficient for effectively communicating the impact of Civil Society's work. In today's digital world, the ease of data sharing has led to an overwhelming abundance of information, making it more challenging to convey results in a way that resonates meaningfully with citizens.

Crucial to building credibility for Civil Society are accountability mechanisms. These include internal governance structures, such as the general assembly, the governing body, and/or an internal audit and financial control committee. Involving citizens who hold no executive power or dependency (economic, employment, familial, etc.) on

the organization's management in these governance bodies strengthens the organization's credibility. This approach opens up the internal operations and control data to representatives from the broader society, individuals who share the organization's vision and values, find satisfaction in contributing to its goals, and take responsibility for ensuring the organization operates correctly and is on track, without benefiting financially from its operations in a direct (due to executive powers) or indirect (through a relationship of dependency) manner. Participation by community members or wider society figures who have demonstrated leadership skills and experience (grassroots Civil Society leaders) also provides valuable support to organizations.

In keeping with this approach, there is also the possibility of corporate members participating in the governance of CSOs. By involving representatives from the public sector and businesses, an organization further opens itself to accountability to entities involved in decision-making for the regulation and funding of activities. In the business world, corporate governance and corporate social responsibility have already established terms and practices, shaping new conditions for cooperation between Civil Society and businesses. Through corporate membership, collaboration with public sector and business entities is encouraged, while also enhancing the broader society's understanding of the role and contribution of Civil Society. The condition for this is the establishment of clear corporate governance rules to ensure that corporate members' participation does not have an undue influence on the organization's identity or the direction of its actions. With proper safeguards to protect independence and prevent conflicts of interest, the participation of corporate members can make a valuable contribution to the organization's outward-facing efforts, provided it is deemed appropriate by the organization itself.

6.2.3 Trust

An organization's most valuable asset is its reputation—hard to earn, yet easy to lose. To maintain the trust of the state, donors, and society, an organization must continually demonstrate that it is worthy of their confidence. This is achieved through exemplary management and a sustained record of meaningful social impact. After all, social impact is the reason for the existence of public-benefit organizations.

Continuity and term limits

Sustaining effectiveness, sound internal functioning, transparency, and accountability is essential for earning and maintaining public trust. Thus the involvement of individuals and corporate members who have gained public trust through their experience in public life can positively influence the governance of organizations.

A recommended practice is to establish term limits for independent, non-executive members, particularly for key governance roles within the organization. Independence can diminish over time, as long-term involvement may foster close personal relationships. Term limits for independent members also create opportunities for a wider range of citizens to engage with the organization, gaining insight into its mission and values and acting as ambassadors to promote its positive impact and principles within the community.

Active Volunteering

Finally, encouraging broader volunteer participation in an organization's activities can play a key role in building public trust. In Greece, volunteering has a strong tradition, and through hands-on involvement, citizens gain direct insight into an organization's work and social impact, potentially becoming ambassadors for its values.

A good practice here is active volunteering, implemented through collaborations between organizations and public sector entities or private businesses, allowing employees to participate in volunteer activities during their working hours. The sense of contribution to society has growing significance, both for the well-being of employees and the effective management of human resources. Civil Society organizations can be pivotal in mobilizing this volunteer base, which, in turn, can significantly strengthen public trust in the Civil Society sector as a whole.

A related recommendation is to provide insurance for volunteers, especially in activities with higher risks. Volunteering also offers valuable opportunities for skill-building and personal growth. Organizations should recognize volunteers' contributions by offering certificates that formally acknowledge their work and dedication.

6.3 COLLABORATION

With persistence and hard work, an individual organization can gradually earn the trust of citizens and build a strong network of supporters that ensures its sustainability and increases the social impact of its actions. However, the complex problems tackled by Civil Society cannot be effectively solved by organizations acting in isolation. The creation of clusters of CSOs which develop joint actions and initiatives offers economies of scale, broader geographical coverage, collaborative communication efforts, and many other benefits.

To strengthen individual and collective Civil Society actors, consistency, cohesion, steady principles, good governance, and impeccable financial management are essential. However, broader issues within Civil Society negatively affect the operations of all organizations, even those with excellent internal functioning and high effectiveness.

Therefore, substantial progress in improving the functioning of Civil Society requires collective action. This includes fostering collaboration among organizations for joint initiatives, establishing joint representative bodies, and developing shared principles and standards.

6.3.1 Developing Synergies on a Stable Scale

Collaborations with other organizations, charitable foundations, research institutions, businesses, local government bodies, and private initiatives strengthen CSOs. They consolidate their network of supporters, increase public trust, and encourage the transfer of valuable expertise. A key requirement is that they are guided by openness to new ideas and by a progressive and creative spirit.

The development of stable, ongoing synergies goes beyond the constraints of single-issue approaches, enabling comprehensive policies and actions. These synergies foster collaboration not only between public and private sector entities but also across diverse areas aligned toward a common strategic goal.

Capacity-building initiatives play a pivotal role in strengthening these synergies, creating opportunities for collaboration and networking. A unified digital platform is recommended to facilitate transparent communication and cooperation among Civil Society organizations, citizens, and the state. Such a platform could serve as a hub for sharing information on joint initiatives, collaboration opportunities, relevant data, educational resources, best practices, and other valuable knowledge.

Supporting actions may include providing collaborative spaces for emerging grassroots groups, hosting networking events and idea exchanges, and developing additional programmes to empower organizations. In this essential role, all aforementioned entities—especially local government authorities—can make significant contributions.

6.3.2 Creation of Collective Bodies

A significant step in developing synergies on a stable scale is the creation of primary and secondary collective bodies at the sectoral, regional, and national levels, following the example of other countries (e.g., Cyprus). Although some progress has been made, Civil Society in Greece remains an exception in the development of collective bodies, unlike most other groups in the private sector, such as workers, businesses, and freelancers.

The continued development of representative entities will facilitate more collaborative actions, systematize consultations with state institutions, and promote the development of shared positions, principles, and standards. This will significantly strengthen the voice of Civil Society in the country, promote its self-regulation, build public trust, and reduce the need for state intervention. A key factor in the success of these collective bodies is their formal recognition by the state, which would lend them credibility and establish them as official stakeholders in political decision-making processes. Therefore, it is recommended that CSOs engage in decision-making processes at the sectoral, local, national, and international levels.

6.3.3 Development of Common Principles, Goals, and Standards

To strengthen Civil Society as a whole and establish it as a credible and influential space with a unified voice that bridges the public and private sectors, it is essential to develop a roadmap with key directives and a protocol outlining basic participation rules for CSOs. The current Action Plan, along with the toolbox it provides—where stakeholders can find common ground, best practices, and opportunities for collaborative evaluation—represents a vital first step.

Moreover, the creation of collective bodies and initiatives requires the development of foundational programmatic documents, such as the constitution of each collective body, which outline shared principles and goals. The functioning of these bodies further clarifies and deepens these common values and objectives.

Through the operation of collective bodies and initiatives led by philanthropic foundations to strengthen organizational capacities, it is recommended to develop standards for key internal functions, including policies, strategic planning, annual performance reports, and other essential documents for organizations. These standards will be especially valuable for newly established and smaller organizations that may lack the internal capacity to create these frameworks without additional support. In this regard, it is also suggested that a Code of Ethics for CSOs be adopted, which would establish principles of transparency, accountability, respect for human rights, environmental sustainability, and good governance practices.

Lastly, at the collective level, it is important to develop further self-regulatory mechanisms. These mechanisms, varying in structure, significance, and levels of compliance, may include:

- **Κώδικες λειτουργίας και πρακτικής:** κατάλογοι βασικών αρχών λειτουργίας, χωρίς μηχανισμό συμμόρφωσης
- **Operating and practice codes:** A set of fundamental operational principles, without a formal compliance mechanism.
- **Working groups:** Peer organizations that collaborate regularly to address various issues and develop best practices. While they typically lack a compliance mechanism, they often serve as the foundation for creating accreditation schemes.
- **Accreditation schemes:** These include specific criteria and a compliance mechanism. Compliance can be verified internally (self-certification), by peer organizations (peer certification), or by an independent third party (third-party certification).
- **Certification schemes:** These include strict criteria and a compliance mechanism, and result in the awarding of a prize or quality designation. Usually, confirmation is done by a third, independent party.
- **Information systems:** Platforms that publish data accessible to all, potentially accompanied by a compliance mechanism. A common example is observatories.

6.4 COMMUNICATION

Every organization is responsible for communicating with its supporters and society as a whole in a way that reflects its chosen identity and message. The diversity of voices and identities within Civil Society is one of its greatest strengths, and it is essential to preserve this diversity. However, it is equally important for Civil Society organizations to speak with a unified voice on key social issues, leveraging the collective strength of their collaboration. Significant progress can be made in this regard through collective communication efforts and coordinated initiatives that allow groups of CSOs to convey shared positions.

Public radio and television can play a crucial role in amplifying the actions of Civil Society. The Charter and Corporate Social Responsibility strategy of ERT (Hellenic Broadcasting Corporation) already outline its commitment to cooperating with Civil Society

to jointly promote the public interest. Moreover, ERT is legally required to facilitate public dialogue that actively engages citizens. In this context, it is recommended that ERT's Social Control Councils be reactivated, with CSOs participating, as stipulated in Article 11 of Law 4173/2013.

Furthermore, the establishment of a Civil Society Observatory has been proposed. The Observatory will have the central goal of collecting and processing institutional information and open data provided by CSOs. Specifically, it will gather and publicly disclose current data regarding the structure and evolution of the sector in the country, good practices, and the social impact of the work of organizations. In this way, it will contribute to informing the public about the course and significance of Civil Society, strengthening public trust, shaping common strategies and initiatives, and drawing conclusions for the qualitative and quantitative documentation of public policies.

To facilitate the collection of relevant data, the Observatory's objectives should include developing and standardizing tools for measuring and evaluating social impact, utilizing both quantitative indicators and qualitative insights. These common tools will harmonize data across organizations and provide crucial support to smaller organizations that may lack resources to create similar frameworks independently. In this vein, an annual standardized report is proposed, which would be compiled by organizations and require minimal processing to yield valuable information both individually and collectively for Civil Society organizations. A key tool for collecting and processing this data will be the digital version of the Observatory: a portal for open data that, beyond easy access to the data itself, will provide conclusions and reports for better understanding by the broader public. By unifying the information, monitoring the activities of organizations, and promoting transparency through common tools and indicators for measuring social impact, the Observatory will significantly contribute to the peer assessment process within Civil Society.

More broadly, the Observatory could be the natural continuation of the Action Plan for Civil Society. The Action Plan already lays the foundations for the development of useful tools for organizations. The Observatory could build on these foundations by further specializing the strategic planning and social impact measurement tools, developing standards for internal operation documents, showcasing best practices from both Greece and abroad, providing support and advice to smaller organizations, and coordinating training and education initiatives for the staff and members of organizations. In this way, the Observatory will develop a highly useful toolkit, which will serve as a guide for improving internal processes, applying innovative methods, promoting knowledge diffusion, enhancing organizational capacities, and advancing the long-term implementation of the Action Plan.



PRIORITIES FOR ACTION

- Adoption of **strategic planning tools and efficient internal operations**.
- **Publishing of statutes, financial and administrative information and open data**.
- **Registration in the Special Registry** and the Public Database.
- Preparation of **annual reports**
- Establishment of **internal governance structures** (such as regular general assemblies, governing body, internal audit committee).
- Participation of **corporate members** in the organizations.
- Establishment of **term limits** for independent non-executive members.
- Collaboration with public sector bodies and businesses to involve employees in voluntary activities during their working hours (**active volunteering**).
- Collaboration and networking of organizations to develop **synergies** on a stable scale.
- Development of **collective representative bodies** at the sectoral, regional, and national levels.
- Development of **shared principles, goals, and standards**.
- **Coordinated communication initiatives** by collective bodies and regular joint initiatives to convey unified positions from groups of organizations.
- Establishment of a **Civil Society Observatory**.
- **Open data portal** for collecting, processing, and disseminating information on Civil Society activities.





7. SUMMARY OF OUR PROPOSAL

Civil Society fulfills a complex and highly significant role, providing essential support for the functioning of every modern democracy. Civil Society organizations are internationally recognized as key mechanisms for strengthening participatory democracy and social cohesion. Through professionalism, operational protocols, merit-based and independent funding, they both hold the state accountable and are held accountable themselves. They fill gaps with flexibility and expertise where the state struggles to find solutions, highlight the fundamental importance of protecting the environment and human rights, promote culture and creativity, and empower those without a voice or bargaining power to gain access to essential areas like health, education, justice, and culture.

In Greece, the Civil Society ecosystem lags behind other EU countries. Public trust in and engagement with Civil Society's work are notoriously low. There is significant potential for improvement in the regulatory and self-regulatory frameworks of Civil Society. By building trust in the work of these organizations, the effectiveness and sustainability of Civil Society in the country are enhanced. A robust Civil Society can contribute meaningfully to substantial improvements in the functioning of domestic institutions and to solving the persistent issues that affect Greek society.

In line with this, the Action Plan proposes changes across three main pillars: institutional operation, financial sustainability, and social interaction. The proposals are addressed both to the state (proposed regulatory changes) and to the Civil Society sector (self-regulation recommendations).

The institutional environment is of vital importance for the proper and effective functioning of Civil Society. While the current regulatory framework has been improved, ambiguities remain. The responsibilities for overseeing the activities of CSOs are still fragmented, and the registries maintained by the newly established Directorate of CSOs and public-benefit bodies at the Ministry of the Interior have gaps and have yet to demonstrate their usefulness.

To improve the institutional framework and strengthen public trust in the organizations, it is necessary to increase the powers, independence, and accountability of the body responsible for Civil Society issues. A service linked to a government ministry is vulnerable to political pressures, so it is proposed to establish an independent body with expanded powers, functioning as an active partner of Civil Society, following the model of other countries (such as the Charity Commission of England and Wales). The operation of the registries must be improved by including all CSOs certified by

the Court of First Instance and the General Commercial Registry (GEMI) in the Public Database of the Ministry of the Interior, introducing a requirement for regular submission of data by CSOs (e.g., at most every two years), expanding the obligation to prepare financial statements, and ensuring greater public access to information in the registries.

Significant steps can also be taken by organizations themselves to improve their operations, strengthen public trust, and ultimately ensure the sustainability of their work. Key self-regulatory recommendations for institutional functioning include the adoption of strategic planning tools and efficient internal procedures (such as internal human resources regulations, procedures to prevent exclusion and bias, and processes for conflict avoidance and resolution). Establishing internal governance structures, such as regular general assemblies, a governing body, and an internal audit committee with the participation of independent non-executive members, is also essential. It is further recommended that CSOs pursue registration in the Special Registry and Public Database and communicate key information in a timely manner. To enhance organizational transparency and accountability, it is advisable to publish statutes, financial records, and administrative information.



	Proposed Change	Expected Impact	Timeline for implementation
Regulatory Proposals	Establishment of an independent body with enhanced authority as a supervisory authority for Civil Society issues	Very High	Long-term
	Automatic registration of all certified Civil Society Organizations (CSOs) by the Court of First Instance into the Public Database of the Ministry of Interior, with increased public access to database information and mandatory regular updates by the organizations	Moderate	Immediate
	Consolidation of data from other ministries to strengthen the Public Database of the Ministry of Interior as the sole official state database for CSOs	Moderate	Immediate
	Removal of unlimited liability for members of the Board of Directors, particularly the president, following the model of limited liability legal entities	Very High	Medium-term
	Establishment of regular general assemblies and election of a board of directors with a minimum number of members for organizations listed in the Special Registry	Very High	Medium-term
Recommendations for self-regulation	Adoption of strategic planning tools and efficient internal operations	Very High	Medium-term
	Publication of statutes, financial and administrative information, and open data	High	Immediate
	Establishment of internal governance structures (e.g., regular general assemblies, governing body, internal audit committee)	High	Long-term

Table 7.1: Regulatory Proposals and Self-Regulation Recommendations for the Institutional Functioning of Civil Society (CS).

The proper institutional functioning and internal organization of the CSOs will enhance transparency, accountability, and trust in the work of the organizations, with an immediate impact on their financial sustainability. In terms of sustainability, significant contributions can also come from regulations aimed at improving the tax framework governing the operation of organizations.

In contrast to the attempt to regulate administrative issues by Law 4873/2021, there has been no similar effort on financial matters. Fragmentation, overlapping laws, and legal flaws characterize the legislation governing the tax framework for Nonprofit Legal Entities, hindering the development of Civil Society in Greece. There is an urgent need to codify all existing legislation on the taxation of organizations into a single piece of legislation.

	Proposed Change	Expected Impact	Timeline for implementation
Regulatory Proposals	Codification of tax legislation for Civil Society	Very High	Immediate
	Establishment of a regulatory framework for the commercial activities of Non-Profit Legal Entities (NPLEs) and centralization of oversight under a public administration body	Very High	Medium-term
	Abolition of the professional license fee for Civil Non-Profit Companies (NPCs) and permanent abolition of independent taxation on monetary donations to NPLEs	Very High	Medium-term
	VAT exemption for in-kind donations and simplification of related procedures	Very High	Medium-term
	Fairer management of corporate and property income taxation for CSOs	Very High	Medium-term
	Institutionalization of a standard reporting framework for NPLEs	Very High	Medium-term
Self-Regulation Recommendations	Preparation of an annual informational bulletin	Very High	Medium-term

Table 7.2: Key Regulatory Proposals and Self-Regulation Recommendations for the Financial Sustainability of Civil Society (CS).

There is significant potential for improvement in the accounting and tax treatment of Civil Society, with the aim of both streamlining processes and reducing the tax burden on organizations and donations. A particularly important step is refining tax procedures for legal entities that clearly operate as public-benefit bodies. These entities should be recognized as engaging in commercial activities and managing movable and immovable property to achieve their public benefit objectives. As such, income generated from these activities should be exempt from corporate income tax. To ensure the sustainability of these organizations, key measures should include establishing a regulatory framework for their commercial activities, transferring oversight to a central public administration authority, abolishing the business tax for civil nonprofit companies (NPCs), permanently removing the separate taxation of cash donations, excluding monetary support provided by Civil Society entities from donation tax treatment, and exempting VAT on in-kind donations, among other reforms.

Registration in the Special Registry of the Ministry of the Interior involves higher transparency and internal governance standards, which draws resources away from the core work of these organizations. To improve incentives for registration in the Special Registry—and given the increased transparency and thus reduced risk of misappropriation of public resources in the projects of these organizations—it is proposed to strengthen financial incentives for organizations registered in the Special Registry. Additional incentives for registering with the Ministry's registries include establishing mechanisms to collect donations via payroll and income tax, allocating them to organizations selected by citizens, in line with best international practices (Italy, United Kingdom).

CSOs can further enhance the effectiveness and sustainability of their work by developing partnerships and networks to leverage synergies at a consistent scale. By jointly developing principles, goals, standards (such as codes of conduct and practice, accreditation, and certification schemes), and initiatives for communicating positions, Civil Society can ensure that the public better understands its role in society. Increasing corporate member participation encourages collaboration with public sector and business entities, which has important implications for transparency, accountability, and action funding, provided that safeguards are in place regarding conflicts of interest and the independence of the organization.

	Proposed Change	Expected Impact	Timeline for Implementation
Regulatory proposals	Legislative/constitutional recognition and protection of the role of Civil Society, including the establishment of meaningful consultation processes between the state and CSOs at national and local levels for policy development and implementation	Very High	Long-term
	Simplification of volunteer registration in the ERGANI system for one-day actions	Very High	Immediate
	Educational initiatives to promote volunteering, mobilize students to address local community needs, and engage them in democratic processes	Very High	Medium-term
Self-Regulation Recommendations	Development of collective representation bodies at sectoral, regional, and national levels	Very High	Medium-term
	Development of common principles, goals, and standards	Very High	Medium-term
	Establishment of a Civil Society Observatory	Very High	Immediate

Table 7.3: Key Regulatory Proposals and Self-Regulation Recommendations for the Social Interaction of Civil Society (CS).

A key aspect of strengthening the interaction with society is amplifying the voice of Civil Society. On the self-regulation front, it is essential to establish primary and secondary collective representative bodies at the sectoral, regional, and national levels. With a unified voice and the development of common positions, Civil Society organizations (CSOs) will be better equipped to defend the values they advocate for and to influence policy formulation and implementation. Similarly, from the state's perspective, it is crucial to officially recognize the institutional role of these collective bodies and to establish a systematic and meaningful consultation process with Civil Society. This process should be based on best practices from abroad and go beyond the mere posting of draft laws for a limited time on a special online platform.

Significant improvements can also be made in the process of consulting on political decisions at the local level, particularly in smaller regions and municipalities. Local government organizations and municipal enterprises can benefit greatly from collaborating with local associations in policy formulation and implementation. Key success factors in implementing policies, both at the national and local levels, include addressing

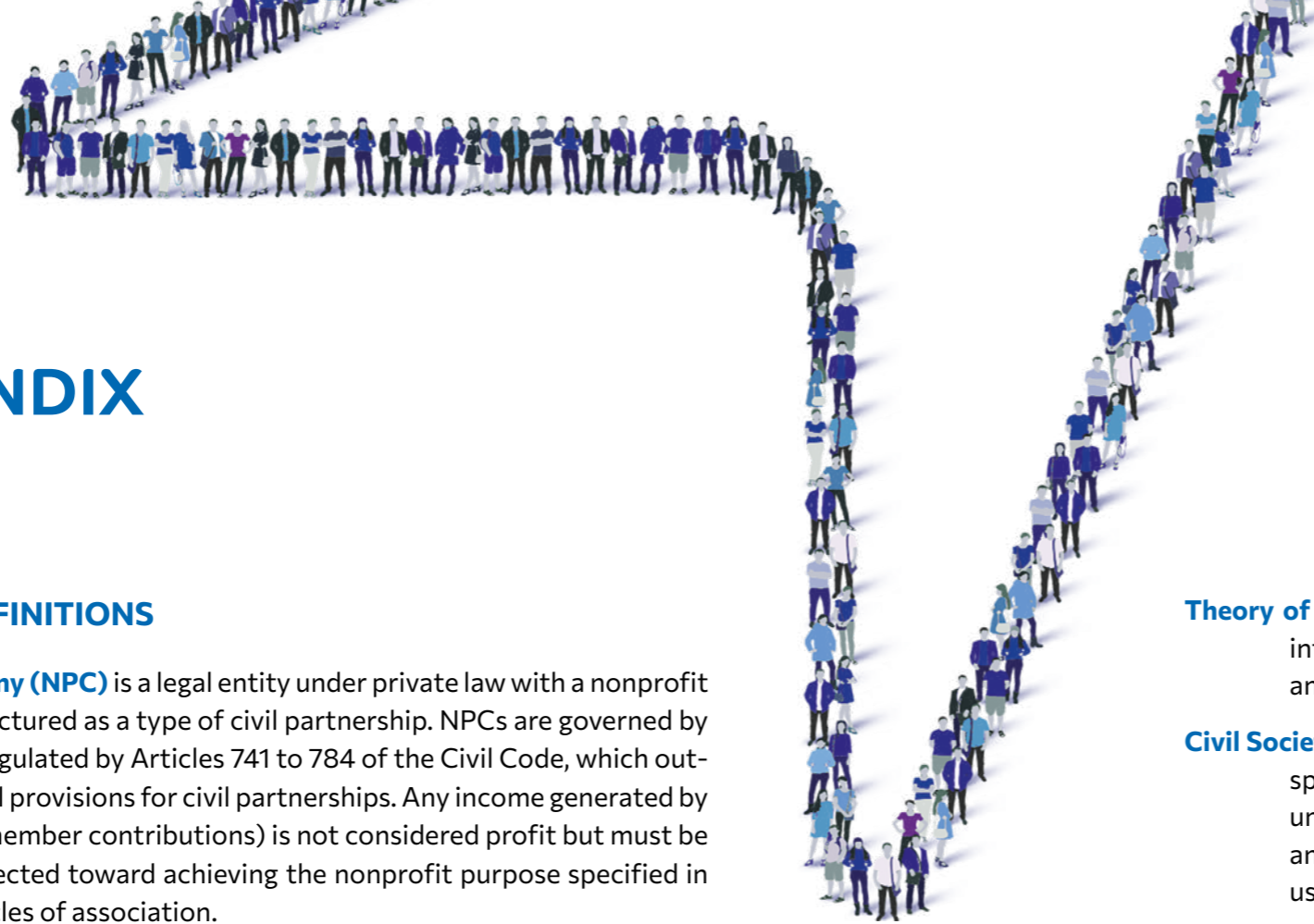
the real needs of society and gaining acceptance from citizens. In this context, collaboration with local Civil Society can prove valuable for municipalities across the country.

Voluntary contributions play a vital role, but Civil Society has yet to fully harness citizens' willingness to contribute to social causes. Low participation in volunteer activities is largely due to flaws and inefficiencies in the regulatory framework.

In line with this, it is proposed to simplify the legal definition of volunteers and volunteering, as well as to streamline the registration processes of volunteers in the Ministry of Labour and Social Security's ERGANI system. Specifically, in order to permit the participation of public sector employees, it has been suggested that the provisions of the Public Servants Code that hinder active volunteering should be reconsidered. On the self-regulation side, CSOs can adopt practices to encourage active volunteering by developing partnerships with businesses and public sector entities, while also ensuring that their independence is protected.

This Action Plan has been developed through a collective process involving extensive consultation with representatives from Civil Society and the research community. It serves as a comprehensive toolkit for policymakers and CSOs, supporting their efforts to enhance the role and effectiveness of Civil Society. The plan includes policy proposals that the state must adapt appropriately, informed by a deeper understanding of the processes and internal organization of public administration entities tasked with their implementation. To sustain this effort, the establishment of a Civil Society Observatory is proposed. Its primary focus would be collecting and analyzing institutional information and open data provided by CSOs, as well as publishing up-to-date data on the sector's development, best practices, and the social impact of these organizations' work.





8. APPENDIX

8.1 USEFUL DEFINITIONS

Civil Nonprofit Company (NPC) is a legal entity under private law with a nonprofit character, structured as a type of civil partnership. NPCs are governed by civil law and regulated by Articles 741 to 784 of the Civil Code, which outline the general provisions for civil partnerships. Any income generated by an NPC (e.g., member contributions) is not considered profit but must be exclusively directed toward achieving the nonprofit purpose specified in the NPC's articles of association.

Separate Taxation is the method of taxing specific income with given rates defined by the applicable legislation, exhausting the tax obligation. This income may be declared by the taxpayer in their tax declaration form so it can be used to cover deemed income.

Public Database of Civil Society organizations is the database maintained by the Ministry of the Interior, where CSOs are registered according to the registration terms defined in Article 6 of Law 4873/2021.

Voluntary Associations are organizations with members who have joined voluntarily (e.g., they are not military units). These associations a) have distinct boundaries regarding who is and who is not a member, b) have self-governance, and c) do not have commercial or broadly profit-driven purposes (Anheier and List 2005, 277). The conceptual boundaries between such associations and NGOs are vague. NGOs may have a more hierarchical internal structure than voluntary associations. Also, while political parties are associations of individuals, unlike voluntary associations, they seek representation in parliament, if not the ascent to government.

Special Registry of Civil Society organizations (CSOs) is the database maintained by the Ministry of the Interior, where only CSOs that meet specific registration criteria, as defined in Article 7 of Law 4873/2021, are registered.

ERGANI is the information system of the Ministry of Labour and Social Security where all key actions regarding labour relations between employees and businesses (hiring, dismissals, employment contracts, etc.) are recorded. It is an information system that facilitates compliance with labour law.

Theory of Change is a method that analyses how a given intervention or set of interventions is expected to lead to specific change, based on a causal analysis supported by available data (UNDG, 2017).

Civil Society (CS) is the set of institutions and organizations located in the public space between the family, the state, and the market, where individuals voluntarily connect to promote common interests and objectives (Anheier and List 2005, 54 and Mouzelis 2008). Alternatively, the internationally used definition of Civil Society is: "the wide array of nongovernmental and not-for-profit organizations that have a presence in public life, expressing the interests and values of their members or others" (World Bank, 2013 and World Economic Forum, 2013: 8). Civil Society is a broad concept ('a genus concept') that has various versions. It may include many 'a species concepts' or sub-entities, such as formal and informal citizen groups. Formal groups have a legal status and include Civil Society organizations or Non-Governmental Organizations (primarily associations and Nonprofit Companies), charitable foundations, trade unions, research institutes, professional associations, etc. Informal groups, which are not legally recognized, include local assemblies, social movements, citizen networks, etc.

Public-benefit foundations are entities consisting of assets dedicated to serving a permanent purpose, which have acquired legal personality. According to Article 108 of the Civil Code, the establishment of a charitable foundation requires both a founding act and a decree approving it. «The reason the law requires the decree is that, in most cases, the purposes of foundations are matters of state policy (social, economic, national, religious), general or specific» (Supreme Court Decision 1667/2007).

Civil Servants' Code is the Code that establishes uniform and standardized rules governing the recruitment and employment status of public administrative employees.

Nonprofit Legal Entities (NPLEs) is a term that includes all legal entities that do not distribute profits to their members. They do not aim for profit but for the service of statutory purposes, which may be educational, recreational, charitable, social, religious, political, athletic, cultural, ideological, professional, artistic, etc.

Civil Society organizations (CSOs) or Non-Governmental Organizations (NGOs)

are associations of individuals that neither belong to the state (public administration and broader public sector) nor are profit-driven, but are active in areas such as, among many others, international relations, environmental protection, human rights, humanitarian aid, and development cooperation (Anheier and List 2005, 173). They have a focus on the broader public interest and are typically open to the inclusion of new members.

Associations are private legal entities with a nonprofit character, established by at least twenty of their members submitting a relevant request to the Court of First Instance at their headquarters, thereby acquiring legal personality. They are generally governed by Articles 78 to 106 of the Civil Code, and if they are specific types of associations, such as labour or employee associations, they are subject to additional specific legislation.

Professional Tax is an extraordinary tax imposed under Article 31 of Law 3986/2011 and tax circular 1167/2-8-2011, affecting all taxpayers engaged in a profession or business, including individuals and entities listed under specific tax codes, as defined in Articles 2(4) and 101(1) of the Income Tax Code (Corporate entities, public enterprises, cooperatives, etc.). According to these provisions, the professional tax is not deductible as an expense when determining taxable income.

Third (or Nonprofit) Sector in a modern society is the sector that is neither part of the free market (first sector) nor the public sector (second sector). The third sector includes entities that do not belong to the other two sectors (Anheier and List 2005, 258-259).

Philanthropy or Charitable Action is the voluntary offering of money and/or services and/or goods to individuals or communities in need, organized (e.g., through an association) or informally. The concept has roots in Christianity and Islam and refers, depending on the context, to the temporary or permanent combating of social problems such as poverty or personal hardship (Anheier and List 2005, 45-46).

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Bodossaki Foundation is a public benefit organisation established in 1972 with the aim of continuing the contribution of its founder Prodrimos - Bodossakis Athanasiadis to Greek society. Its vision is a society of equal opportunities, with possibilities and prospects for all.

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