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CATALYSTS FOR CHANGE: THE ROLE OF CIVIL SOCIETY ORGANISATIONS IN HUMAN CAPITAL DEVELOPMENT AND LIFELONG LEARNING

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Author: Margareta Nikolovska, Senior Human Capital Development Expert (ETF)

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Executive summary

Civil Society Organisations (CSOs) are playing an increasingly pivotal role in advancing Human Capital Development (HCD) and Lifelong Learning (LLL) within diverse governance frameworks. Drawing on evidence from country case studies carried out by the European Training Foundation (ETF) in Albania, Georgia, Jordan, Moldova, Serbia, Tajikistan, Ukraine and Uzbekistan, this policy brief explores the multifaceted contributions of CSOs to policy dialogue¹ and co-creation, service delivery and capacity building.

Despite facing systemic challenges such as limited funding, institutional marginalisation and political constraints, CSOs have demonstrated remarkable resilience and innovation. They offer grassroots solutions to address gaps in labour-market alignment, education and skills development. The brief underscores the critical need to formally integrate CSOs into national, regional and local skills strategies, and to harness CSOs' capacity to engage marginalised and underserved populations.

The ETF country case studies emphasise the transformative potential of CSOs as proactive partners in policy dialogue and co-creation, rather than passive targets of policy measures. This evolution reflects a broader shift from hierarchical to networked and participatory

governance, necessitating a reimagining of CSO participation in shaping education and workforce policies. Within these emerging paradigms, CSOs are not only service providers but co-creators of systemic change.

Informed by ETF findings (2024) and contemporary governance and policy theories, this brief advocates enhanced collaboration between policymakers and CSOs. By engaging CSOs as advocates, contributors to policy dialogue and sources of community-based knowledge, governments can foster greater accountability, transparency and public engagement in HCD policy processes. Strengthening CSO participation is therefore an important step towards making policies more inclusive, adaptive and reflective of community needs, though it should be complemented by other measures to ensure lasting impact.

For CSOs to play a meaningful role as co-creators of reform, systemic changes are essential. These include institutionalising CSO engagement in policy dialogue², diversifying and stabilising funding mechanisms and investing in CSO capacity building. The brief concludes with strategic recommendations aimed at strengthening government-CSO collaboration to build more inclusive, resilient and sustainable HCD and LLL ecosystems.

¹ In this policy brief, policy dialogue is understood as an inclusive process of consultation and knowledge exchange that helps inform policy design and implementation, even if the formal adoption of policies remains the prerogative of government authorities and public institutions.

² Institutionalising CSOs' engagement in policy dialogue in the context of this policy brief means that CSO engagement should move beyond ad-hoc or project-based practices and become an established, predictable and sustainable part of policy processes.

1. Governance and human capital development (HCD): unlocking the potential of CSOs

Human Capital Development encompasses strategic investments in education, skills and lifelong learning (LLL) systems to enhance both individual potential and societal prosperity. Such investments are vital to national development, social cohesion and economic resilience. In today's context of technological change, demographic shifts and geopolitical uncertainties, their importance is even more pronounced. Yet the complexity of these challenges requires broad-based collaboration that goes beyond the capacities of public institutions or Civil Society Organisations (CSOs) alone.

In the ETF mission³, HCD is defined as 'work that supports countries to create lifelong learning systems providing opportunities and incentives for people to develop their knowledge, skills, competences and attitudes throughout their lives to help them find employment, realise their potential and contribute to prosperous, innovative and inclusive societies'. HCD also relies on governance systems that not only ensure effective delivery of public services but also create mechanisms for integrating citizen needs and voices into policy and practice. Especially in transition and developing economies, this sector is marked by complexity and unpredictability due to rapid economic and demographic shifts. Effective governance, therefore, requires more than technocratic efficiency (means); it must also address normative ends such as inclusivity, equity and sustainability (Friedman, 2019).

Governance in the HCD sector is best understood not simply as a set of institutions or formal rules, but as a dynamic, participatory process involving a wide range of actors engaged in addressing public challenges. Drawing on Pierre & Peters (2021) and Kovačić (2023), two contrasting governance models can be identified: the étatiste model, where the state dominates policymaking and sets the terms of engagement with civil society and the networked (participatory) governance

model, which emphasises collaboration, flexibility and shared responsibility among diverse stakeholders.

The growing emphasis on deeper collaboration with citizens is transforming the relationship between service users and providers. This approach, known as co-creation, fosters greater user control and ownership over public services. Co-creation for policy process refers to participatory, problem-solving approaches initiated and guided by policymakers, where diverse stakeholders are actively engaged not just in consultation but in shaping and co-designing solutions. Using principles of self-organisation and design thinking, these processes foster creativity, iteration and prototyping, ensuring that outcomes are both innovative and anchored in real policy contexts (EIT, 2022). In other words, co-creation creates opportunities for the active involvement of individual users and citizen groups in both the planning and delivery of public services. It encompasses a broad spectrum of collaborative approaches and distinct forms and stages of citizen and stakeholder participation, enabling governments and policymakers to integrate diverse perspectives and expertise at multiple points in the service-delivery and policymaking process (EIT, 2022).

CSOs act as catalysts of co-creation, enabling more responsive and participatory governance in the HCD sector. Drawing from ETF (2024) case studies, CSOs fulfil multiple roles: as service providers, watchdogs and facilitators of citizen engagement. Their involvement spans direct service provision, advocacy, policy dialogue and monitoring. CSOs facilitate co-creation, a process in which policies and services are jointly developed by government and citizens. This approach transforms citizens from passive recipients into active partners in governance. By embedding co-creation practices into governance structures, CSOs institutionalise inclusiveness and help ensure

³ <https://www.etf.europa.eu/en/about/mission-planning>

that policy frameworks better reflect local realities (OECD, 2011; Pollitt et al., 2006).

CSOs have emerged as pivotal actors in supporting and complementing state efforts in HCD. They play a central role in expanding educational access, delivering labour market services, facilitating non-formal and informal learning and engaging in policy dialogue. As governance models evolve from top-down, hierarchical structures to more interactive, networked approaches, the active participation of CSOs in the planning, implementation and evaluation of HCD policies is not just beneficial – it is becoming essential.

CSOs often function as vital intermediaries between governments and citizens, particularly where state institutions face limitations in capacity, reach or public trust. Through advocacy, service provision and independent monitoring, CSOs contribute to more inclusive, transparent and equitable policy outcomes (ETF, 2024; World Bank, 2023). Their engagement helps ensure that the voices of marginalised and underserved populations are reflected in the design and delivery of HCD and LLL systems.

Evidence from ETF country case studies – Albania, Georgia, Jordan, Moldova, Serbia,

Tajikistan, Ukraine and Uzbekistan – demonstrates the varied and evolving roles that CSOs play within national HCD and LLL ecosystems (ETF, 2024). These cases highlight how CSOs actively engage in co-creation by contributing to the policy process, delivering services in non-formal and informal learning contexts and supporting employment-related initiatives. While the degree of CSO involvement and influence differs across countries, common themes emerge, including the potential of CSOs to address local needs, promote inclusive participation and strengthen the responsiveness of public systems.

Among the persistent challenges are heavy dependence on donor funding, fragmented HCD and LLL ecosystems and the prevalence of symbolic rather than substantive participation in policy processes. At the same time, promising models of institutionalised policy dialogue, effective advocacy and innovative service provision demonstrate CSOs' potential to bridge gaps between government strategies and community needs. In this evolving landscape, recognising and reinforcing the role of CSOs is imperative to building more adaptive, inclusive and sustainable HCD ecosystems.

2. Country insights: evidence from the field

Albania: advancing policy dialogue amidst stakeholders' complexity

Albania's human capital development is challenged by demographic decline, brain drain and low adult learning participation. EU integration has led to significant institutional reforms in education and employment, yet CSO participation remains limited. According to the ETF study (2020a), only 21.4% of surveyed CSOs report regular involvement in policy dialogue, often due to inadequate funding and scepticism about the government's responsiveness. The stakeholders are primarily education providers (83.6% of CSOs) and CSO platforms/forums (61.1%), with lower engagement from government institutions (55.6%) and national employment services (55.6%). Most CSOs engage with these

stakeholders regularly or occasionally through monitoring or advocacy-related activities.

Compared to other public, private or non-governmental actors, the CSOs that took part in the ETF study identified several key strengths. A significant majority (75%) indicated that surveyed CSOs support the effectiveness of education, training and other learning processes. Additionally, 64.3% highlighted their role in improving the outcomes of policy dialogue and public consultations. Furthermore, 42.9% noted that they are particularly effective in detecting the needs of groups excluded from formal learning and employment systems and in bringing their voices into policy discussions. Many surveyed CSOs view their role as complementary or collaborative to government efforts, while a significant number indicate there is little or no

communication between CSOs and governments. In Albania, donor funding is a substantial source for 92.9% of surveyed CSOs.

In Albania, despite robust institutional reforms and strong incentives linked to EU integration, CSOs remain underrepresented in formal policy dialogues due to limited funding and a lack of institutional trust (ETF, 2020a). This underrepresentation constrains their transformative potential, especially in the absence of structural inclusion and diversified funding. Nevertheless, CSOs continue to play a vital role in developing both technical and soft skills, as well as providing services tailored to marginalised groups.

Georgia: navigating challenges and building opportunities

As Georgia navigates economic shifts and employment challenges, CSOs continue to play a crucial role in upskilling workers, expanding employment pathways and addressing labour market disparities⁴. CSOs in Georgia (ETF, 2025) are key actors in economic development, particularly in rural areas, entrepreneurship and support for SMEs. However, most operate with limited resources: 31% have 2–4 staff members, 9% just one and 38% employ 5–14 people. Only 6% have over 50 employees, reflecting the sector's predominance of small organisations.

Funding remains a major constraint. A vast majority of the surveyed CSOs (91%) depend primarily on donor funding, making them vulnerable to external shifts. Government funding is a main source for only 18%, while 44% rely on self-financing, though with varying success. This highlights the need for diversified and sustainable funding models.

Surveyed CSOs indicated that they primarily serve young people (83%) and adults (74%), with a strong emphasis on vulnerable groups, including youth and adults with disabilities. Support for migrants, refugees and asylum seekers is less common. Gender disparities are evident: 48% of CSOs support women with special needs compared to 24% for men.

Non-formal learning is a core activity: 89% of CSOs frequently deliver such programmes to youth and 65% to adults. Advocacy is also central, with 76% of surveyed CSOs often or very often engaging in it, mainly for youth, adults and communities. However, direct employment services like self-employment support (41%) and job facilitation (29%) are less widespread.

Engagement in policy dialogue is moderate, with 67% of surveyed CSOs participating, but only 29% participating regularly. Interest exists among 18% of those not yet involved, showing potential for greater inclusion. CSO platforms (83%), education providers (61%) and academia (55%) are key partners, while collaboration with the government (46% see them as major stakeholders) and employers (43%) is weaker and less consistent.

While 27% of CSOs maintain regular stakeholder engagement, advocacy remains their main focal point, though legislative changes have recently hampered this role. Looking ahead, CSOs see strong potential in contributing to HCD, especially by improving access to inclusive learning opportunities – an area 100% identify as a top priority.

Jordan: championing advocacy and inclusion amid crisis

Jordan exemplifies a more integrated model where CSOs play a vital role in addressing the human capital implications of the Syrian refugee crisis. Hosting 1.3 million Syrians has placed significant pressure on public services, particularly in education and employment. In this context, CSOs fill critical service gaps and shape policy through targeted advocacy campaigns. ETF study (2020b) shows that over 50% of Jordanian CSOs are involved in policy dialogue. Their advocacy has contributed to meaningful changes, including wage reforms and employment initiatives. Most engage in monitoring, evaluation and dissemination of research, ensuring their perspectives influence public decision-making.

More than half of the surveyed CSOs in Jordan reported active participation in policy dialogue.

⁴ For more information about the impact of the 2024 legislation on CSOs in Georgia, see: European Training Foundation (ETF) (2025), *Civil Society Organisations and Human Capital Development: Country Report – Georgia* (forthcoming), European Training Foundation, Turin.

Government institutions, CSO platforms and forums are major stakeholders for all surveyed CSOs, while education and training providers (67%), academic institutions (67%), national employment services (60%) and trade unions (57%) also play an important role. A large majority of CSOs noted engagement with these stakeholders through monitoring and evaluation reports (89%), advocacy (86%), reporting on the use of budget resources (78%) and dissemination of research findings (75%). Half of the surveyed organisations indicated that their collaborative role with the government is significant. However, a relatively high share reported an ‘indifferent’ relationship, meaning there is no regular exchange of information between CSOs and government institutions.

Donor funding is a major source for 53% of surveyed CSOs in Jordan, followed closely by self-financing at 47%. Government funding remains limited, with only 13% of CSOs identifying it as a major source. Despite this, CSOs largely consider government institutions as key stakeholders, and over half of the surveyed CSOs reported that they are involved in policy dialogue. Nevertheless, CSOs in Jordan continue to face challenges in coordinating with government agencies and ensuring sustainable funding. While donor dependence is high, the growing role of self-financing reflects increasing maturity within the sector.

Amid refugee and demographic pressures, Jordanian CSOs remain active in policy advocacy and service delivery. Successful campaigns underscore their potential, but coordination across actors remains inconsistent. Jordan presents a dynamic ecosystem where CSOs influence policy through advocacy and public mobilisation, especially in response to the Syrian refugee crisis.

Moldova: empowering youth and inclusion through civil society in human capital development

In Moldova, CSOs play an important role in HCD (ETF, 2023), particularly by supporting non-formal and informal learning and by providing services such as career guidance, skills training, entrepreneurship support and labour market reintegration programmes that enhance employability. Survey results confirm that the majority of CSOs direct their skills development work towards non-formal learning opportunities for both young (50%) and adult (50%) populations. In contrast, their engagement in services for migrants (6%) and asylum seekers (9%) remains limited, as does their provision of skills development activities for adults more broadly (13%).

A significant majority of CSO beneficiaries – 72% – are young people, reflecting the strong orientation of CSO activities towards youth engagement. This trend is particularly visible across both rural areas and larger cities, where organisations strive to involve young people in most of their initiatives. Vulnerable groups, including disadvantaged youth and adults, also form a major share of beneficiaries, representing 50%. Additionally, 38% of the beneficiaries include young people with disabilities and refugees, signalling growing efforts by CSOs to promote inclusion. However, migrants appear less prominently among the target groups, with only 13% of CSOs reporting that they work with this population. This may be due to the specialised nature of migration-related support, which often requires specific expertise and close, sustained contact with migrants within and outside the country.

In terms of financing, nearly 91% of surveyed CSOs rely on donor funding, while 44% receive support from governmental sources. Only a minority sustain themselves through private donations (13%) or self-financing mechanisms (19%). When it comes to engagement in policy processes, 38% of CSOs stated that they are not involved in policy dialogue related to non-formal and informal learning or employment, often due to a lack of interest. Another 34% are involved occasionally, while only 22% participate

regularly. Just 6% of CSOs expressed a willingness to collaborate with political actors in this space.

Despite limited participation in policymaking, CSOs perceive themselves as offering distinct advantages over other public, private and non-governmental institutions. According to survey responses, 63% of CSOs believe they contribute to the effectiveness of education, training and other learning processes. Around 53% see their strength in identifying the needs of groups outside formal learning and employment systems and bringing these perspectives into policy discussions. Furthermore, 44% of CSOs believe they enhance the quality of HCD policy dialogue, ensure transparency in public consultations and help improve the overall outcomes of such consultations.

Serbia: CSOs' engagement and challenges in policy dialogue

In Serbia (ETF, 2020c), while only 26.7% of the surveyed CSOs are regularly involved in policy dialogue, more than half report occasional engagement with key stakeholders, including governmental institutions (75%), national employment services (66.7%), education and training providers (50%) and CSO networks (50%). Most CSOs engage with these stakeholders either regularly or occasionally to disseminate research findings (75%), communicate advocacy efforts (66.7%) or submit monitoring reports (41.7%).

CSOs primarily view their role as collaborative (66.7%) or complementary (53.3%) to government efforts, with fewer identifying as advisory (33.3%) or alternative actors (26.7%). Although stakeholder engagement and policy dialogue are not the main activities for most CSOs, 26.7% participate regularly and 53.3% occasionally. Still, 20% report no involvement in policy dialogue related to non-formal learning, informal learning or employment.

These findings align with broader research on the CSO sector in Serbia, which shows that three-quarters of CSOs believe their influence on public policy at both national and local levels is minimal. Many cite the need for greater citizen participation, increased media visibility and stronger networking and

cooperation with other organisations to enhance their policy impact.

In terms of funding, 93.3% of surveyed CSOs rely primarily on donor support, while 20% identify self-financing as a major source of income. Only 13.3% report significant government funding. Despite limited direct support, governmental institutions are still considered major stakeholders by the majority of CSOs.

Tajikistan: collaborative efforts amid diverse roles and challenges

In Tajikistan (ETF, 2021a), regarding policy dialogue in non-formal and informal learning and employment, 12% of surveyed CSOs are regularly involved, 50% occasionally, 31% are not involved but would like to be and 6% are not interested. Their main stakeholders include governmental institutions (50%) and education and training providers (37%). CSOs engage with these stakeholders primarily through monitoring reports (50%), evaluation reports (62.5%) and reporting on budget resource use (63.6%). National employment services, CSO platforms and employers are also recognised as stakeholders, while trade unions are less frequently considered (25% do not see them as relevant). Non-response rates were relatively high across stakeholder categories.

When asked about their role in relation to the government on human capital development, 56% of surveyed CSOs see themselves as collaborative, 38% as complementary and 38% as advisory. However, a substantial share also see themselves as misaligned (38%), indifferent (31%) or alternative (31%). Overall, 31% believe they play a major role, 18% a minor one, while 25% report no role.

CSOs also report having comparative advantages in several areas: identifying needs and giving voice to underrepresented groups (70% see this as a major advantage or advantage), supporting learning processes (63% major advantage or advantage) and independently evaluating HCD policies (44%). Only a small proportion see no advantage in promoting transparency or improving public consultations (13%). Significant non-response rates were noted throughout.

Financial sustainability is a core element for the existence of CSOs. The current CSOs finance themselves via different methods. As to what is considered a major funding source for CSOs, close to 70% indicated donor funds, 31% self-financing and 37% either private donations or governmental funds. Moreover, 25% also referred to self-financing as a minor source of funding.

Ukraine: active voices in shaping human capital development

In Ukraine, most surveyed CSOs (ETF, 2021b) reported being involved in policy dialogue (56.1% regularly involved, 31.7% occasionally involved) and their stakeholders, to a great extent, are government institutions (80.6%), but also education and training providers (63.9%) and other CSO networks and platforms (61.1%). Employers and national employment services are also important stakeholders, accounting for 30.6% and 36.1%, respectively. Most CSOs report to these stakeholders regularly or occasionally. Regarding the content of their reporting, key areas include monitoring reports (78.6% of CSOs), dissemination of analysis and research results (78.5%) and reporting on the use of budget resources (64.3%). Most CSOs see their role as complementary (68.3%) or collaborative (63.4%) to government structures. Fewer CSOs (29.3%) view their role as advisory – serving as consultants on government policies, programmes and other decisions in HCD – or as an alternative to the government (34.1%).

In other words, the case of Ukraine is particularly interesting, as CSOs specialising in HCD play an active role in policy dialogue with the government and other stakeholders. Many of these CSOs regularly participate in discussions on non-formal learning, informal learning and employment, highlighting the importance of policy dialogue. Most CSOs involved in these dialogues frequently interact with governmental institutions, which are their primary stakeholders. Additionally, many CSOs engage with education and training providers, such as vocational schools and training centres, as well as CSO platforms and forums. However, they are less active in working with employment-related stakeholders, such as employers and national employment services,

and trade unions are generally not considered key stakeholders by these CSOs. Thus, Ukrainian CSOs primarily focus their policy dialogue efforts on government institutions while maintaining connections with CSO networks and educational providers.

The CSOs surveyed in Ukraine are primarily funded by donors (for 65.9%, donations represent a major source of funding), followed by self-financing (29.3%) and a small share of governmental funds (9.8%). The ETF study reveals that more than half of CSOs were involved in policy dialogue, and a substantial share (over 80%) considered governmental institutions their primary stakeholders.

Uzbekistan: service delivery in a limited policy space

Uzbekistan presents a distinct model characterised by limited political pluralism and a strong state. In this context, CSOs (ETF, 2021c) primarily function as service providers in the education and employment sectors. ETF study indicates that 32% of surveyed CSOs receive government funding, 40% are self-financed, and donor funding plays a minimal role. However, engagement in policy dialogue is limited, with half of the surveyed CSOs reporting either disinterest or non-involvement.

Despite government initiatives such as the Yuksalish movement to enhance public participation, the overall governance environment remains top-down. CSOs nevertheless add value by addressing workforce skills gaps and supporting employment for women and youth. Their relative independence from donor agendas may allow for stronger alignment with local community needs, but restricted access to policymaking processes limits their broader impact.

Among those involved in policy dialogue, most CSOs engage with government institutions, trade unions and education and training providers – primarily through the monitoring of reports and the dissemination of analysis and research. Still, systemic inclusion in policymaking remains limited.

Uzbekistan thus illustrates a hybrid model: CSOs are predominantly service-oriented, supported largely by government and self-

funding, but with minimal influence on public policy. While government-led reforms may present new opportunities, meaningful

participation by CSOs in shaping HCD policies is still constrained.

3. Bridging policy and practice: the role of CSOs in evolving HCD and LLL ecosystems – lessons from cross-country analyses

CSOs play an increasingly vital role in shaping human capital development and lifelong learning policies across ETF partner countries. However, several barriers continue to limit their meaningful participation. Institutional resistance to shared decision-making and rigid governance structures often excludes CSOs from formal policy processes. Many CSOs, particularly smaller ones, face limited capacity to engage in evidence-based policy dialogue. Moreover, donor dependency remains a pervasive issue, with external funding priorities often misaligned with local needs, thereby compromising the autonomy and responsiveness of CSOs to grassroots concerns.

CSO involvement in policy dialogue, though beneficial, is frequently informal and under-resourced. While engagement with government and other institutional actors enhances the legitimacy and relevance of policies, many CSOs describe their involvement as symbolic or tokenistic. True co-creation – where CSOs are involved throughout the policy cycle from design to evaluation – remains rare. This is due not only to institutional resistance but also to the absence of mechanisms for integrating feedback and sustaining collaboration. Enablers such as legal mandates for CSO participation, structured advocacy platforms and access to data and evaluation tools can significantly strengthen CSO contributions. Notable examples include Albania's National Council for Civil Society (NCCS) and advocacy campaigns in Jordan.

HCD and LLL systems are under pressure from rapid economic changes, shifting skill needs and structural transformations in the labour market. These trends are particularly evident in economies in transition, where

education and training systems – key pillars of HCD – often struggle to adapt quickly. The Torino Process 2022 identified several common challenges, including a shrinking supply of relevant skills, underutilised labour resources and outdated educational and lifelong learning services. In response, many countries are aligning their national development strategies with the UN Sustainable Development Goals, adopting active employment policies, promoting private sector involvement and decentralising policy implementation. These shifts mark a gradual move from centrally planned systems to more flexible, outcome-oriented approaches to HCD and LLL. Yet, while policy frameworks have evolved, implementation remains a critical bottleneck, especially at the institutional level, due to limited budgets, capacity constraints and the lack of a whole-of-society approach.

In this context, CSOs offer crucial support through service provision and capacity building. Their work in non-formal and informal education, technical skills training and employment support is especially relevant for youth, women and vulnerable populations. Through community-based engagement, CSOs also help foster learner motivation, build confidence and address barriers to participation in mainstream systems. Their comparative advantage lies in their proximity to communities and citizens, enabling them to identify emerging needs, advocate for inclusive policies and monitor the impact of education and employment interventions. However, their potential contribution to strengthening HCD and LLL systems remains underutilised, due to limited coordination with public institutions, uneven access to sustainable funding and a lack of systematic recognition in national policy frameworks.

County cases evidence suggests that funding is one of the critical constraints affecting CSO participation and effectiveness in HCD and LLL. The ETF study reveals that most CSOs rely heavily on foreign donors, with government funding playing a much smaller role – Uzbekistan being a notable exception. This financial dependence can lead CSOs to pursue externally defined outcomes rather than locally grounded priorities, undermining their legitimacy. Moreover, limited access to stable funding weakens their operational capacity and limits their long-term sustainability. Funding decisions are often made without CSO involvement, reducing transparency and hindering collaboration.

An inclusive funding approach that involves CSOs in budget setting and decision-making can generate mutual trust, improve policy relevance and ensure that funding priorities reflect actual community needs.⁵ Examples of inclusive funding approaches include participatory budgeting at municipal, social contracting schemes where CSOs support co-design of service priorities, youth funds where CSOs help set funding directions and sectoral councils in education or health where CSOs influence budget allocations. These mechanisms show how involving CSOs in budget decision-making can align resources with real community needs.

Making funding available for CSO-led initiatives in education, training and employment services directly contributes to the development of more inclusive and resilient HCD and LLL systems. Learners gain access to support, state actors foster inclusive and responsive systems and CSOs strengthen their capacity and impact. Therefore, understanding

how CSOs are funded is vital, as budget allocations are not just financial instruments but powerful levers for setting policy agendas. Typically, state actors define and manage these budgets, align them with national priorities and attract additional funding from donors and the private sector. They are also responsible for monitoring and ensuring accountability. However, over-reliance on state-defined budgets may limit the flexibility of CSOs and hinder their ability to act independently. The ETF's analysis of funding mechanisms highlights the need to enhance the financial sustainability of CSOs, ensuring their continued contribution to HCD and LLL systems.

While some countries have made strides in integrating CSOs into policymaking and funding structures, participation often remains fragmented and inconsistent across sectors. This institutional fragmentation reduces policy coherence and limits CSO access to decision-making. Despite formal participation mechanisms, many CSOs find their role to be marginal, with limited opportunities to shape the outcomes. This 'tokenistic inclusion' undermines the transformative potential of civil society engagement. In summary, the ETF country studies reveal substantial variation in the role and impact of CSOs in HCD. Although CSOs in Albania, Georgia, Jordan, Moldova, Serbia, Tajikistan, Ukraine and Uzbekistan contribute meaningfully to policy and service delivery, persistent structural and financial barriers need to be addressed to enable their full participation and unlock their potential in building more inclusive and adaptive HCD and LLL systems.

⁵ In **Moldova** and **Ukraine**, some municipalities piloted participatory budgeting with CSOs helping communities articulate priorities for education, youth programmes and social services.

Conclusion and future outlook: building on progress and embracing change

Across Albania, Georgia, Jordan, Moldova, Serbia, Tajikistan, Ukraine and Uzbekistan, Civil Society Organisations are contributing to education and employment through grassroots services, advocacy and non-formal learning. Their community perspectives remain essential for ensuring that HCD and LLL systems and strategies respond to diverse needs, especially among vulnerable groups.

Looking ahead, the relevance and impact of CSOs will depend on their capacity to address new challenges linked to digitalisation, the green transition and the growing demand for hybrid, interdisciplinary skills. Excluded groups – such as rural youth, people with disabilities, displaced persons and women – require tailored, community-based solutions. CSOs are well-positioned to provide such support, but only if enabled by long-term policy and financing frameworks.

Financial sustainability continues to be a central concern. Transparent and diversified funding models, including participatory budgeting processes where CSOs help shape priorities, are essential for strengthening autonomy and enabling innovation. Ensuring access to predictable resources will support CSOs in their long-term strategic development.

To realise the full potential of CSOs in shaping inclusive and effective Human Capital Development (HCD) and Lifelong Learning (LLL) systems and strategies, future policy actions should focus on the strategic priorities below:

- **Institutionalising Collaboration:** Establish structured mechanisms for CSO-government collaboration in the design, implementation, monitoring and evaluation of HCD and LLL solutions and strategies.
- **Amplifying CSO Representation:** Support more structured channels for CSOs to share community-based perspectives with policymaking bodies, helping ensure that policy agendas reflect diverse needs.
- **Defining Quality Standards:** Develop clear quality benchmarks and recognition frameworks for non-formal and informal learning delivered by CSOs, aligned with national qualifications and labour market needs.
- **Building CSO Capacity:** Invest in institutional and operational capacity to support innovation, rigorous impact assessment and the scaling of successful models in education, training and employment support.

In conclusion, CSOs in the eight countries are not merely service providers – they are essential partners in building inclusive, resilient and future-proof HCD systems. To harness their full potential, governments and public authorities must embed civil society engagement in their laws, policies and practices. By translating participatory governance into concrete, scalable action, HCD and LLL systems can be strengthened to better address social inequalities and prepare national systems to respond to complexity, crisis and change.

The future effectiveness of CSOs in HCD will depend on governance models that foster meaningful policy dialogue and co-creation. Through these processes, CSOs can help shape inclusive HCD policies that respond to evolving citizen needs. This approach bridges the gap between national policy frameworks and grassroots realities, allowing systems to become more adaptive and sustainable.

To operationalise this approach, governments and public authorities need to shift from unilateral service delivery to acting as coordinators and facilitators within a governance framework that enables diverse societal participation (Pierre & Peters, 2021). Governance becomes less about command and control and more about interaction, negotiation and shared responsibility. Enhanced collaboration, robust accountability mechanisms and institutionalised policy dialogue and co-creation platforms will be

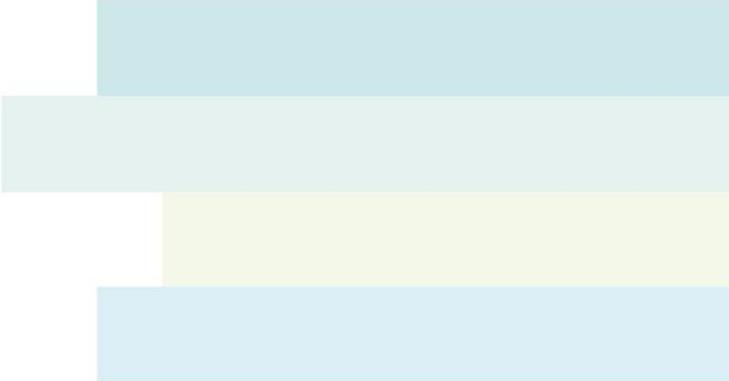
essential to strengthening the role of CSOs in HCD.

Two key areas merit further research and policy attention. First, attention must focus on how to institutionalise policy dialogue and co-creation initiatives in response to demographic and socio-economic challenges that influence the evolution of HCD systems. This includes building capacities – among CSOs, government agencies and citizens – for collaborative problem-solving and adaptive policymaking.

Second, the role of funding structures requires deeper examination. Future research should

investigate how different funding models – donor-driven, state-supported or community-based – impact the capacity of CSOs to engage meaningfully in co-creation and governance. This includes exploring how funding constraints affect autonomy, accountability and the long-term sustainability of participatory governance.

By addressing these areas – institutionalising policy dialogue and rethinking funding models – CSOs can further advance participatory governance and co-creation in HCD, contributing to more inclusive, equitable and transformative outcomes.



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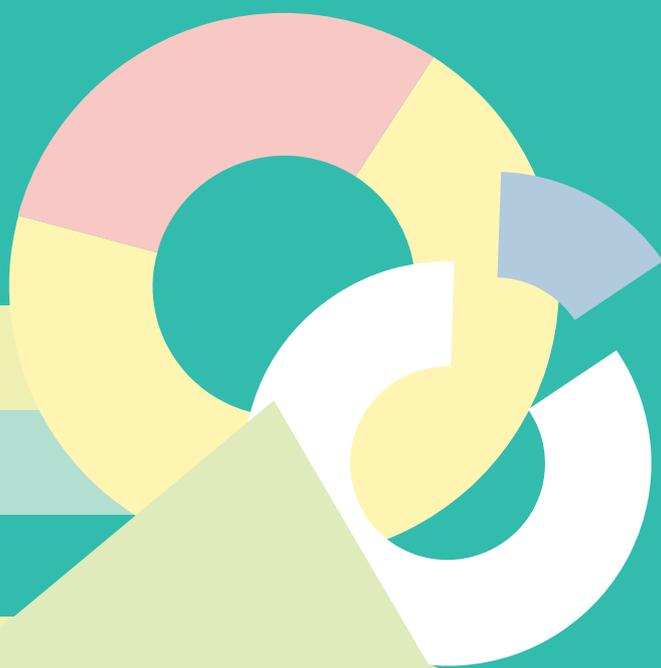
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