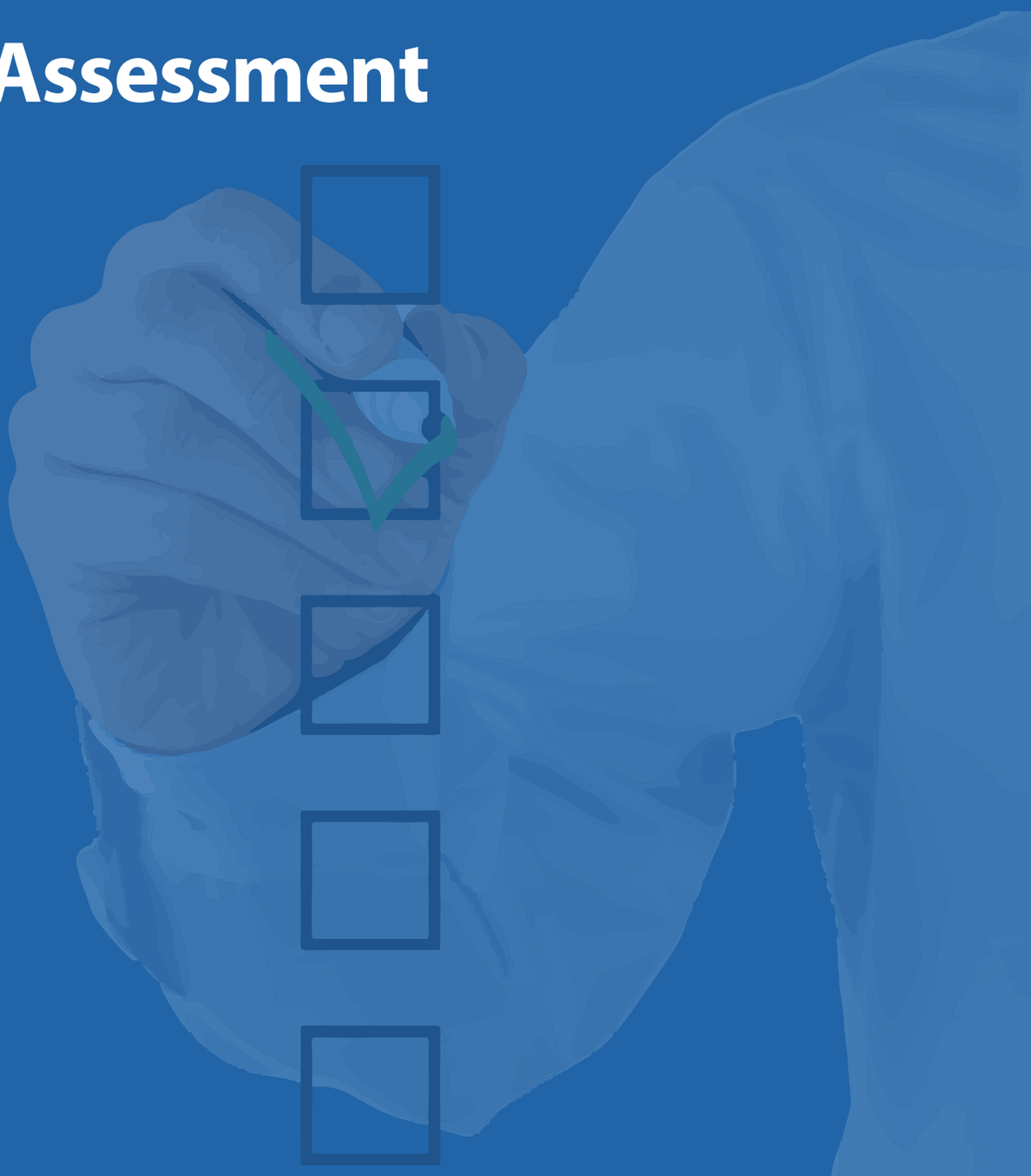
Technical Assistance for
Civil Society Organisations
Serbia Office
www.tacso.org

This project is funded
by the European Union

Needs Assessment Report

Serbia



Updated 2016

FCG SIPU International AB Sweden • Ecorys International • Intrac United Kingdom
Foundation Partners for Local Development Romania • Euclid Network United Kingdom • SMART Croatia

This page is intentionally left blank.

Technical Assistance for
Civil Society Organisations
Serbia Office

SIPU INTERNATIONAL
SWEDISH INSTITUTE FOR PUBLIC ADMINISTRATION

This project is funded by the Europen Union

2016 CSO Needs Assessment Report

Serbia

DRAFT

May 2016

Table of contents

List of Abbreviations 3
Introduction 5
Background information 5
Civil society environment 7
2.1 Legal framework 7
2.1.2 Public benefit status 8
2.1.3 Economic Activities 9
2.1.4 Volunteering 9
2.1.5 Taxation 10
2.1.7 Other relevant laws and by-laws 12
2.2 Donors and funding opportunities 15
2.2.1 International donors 16
2.2.2 Domestic Private Donors 22
2.2.3 Community support and business contributions 23
2.2.4 Governmental funding 24
2.3 Government mechanisms for cooperation and the policy framework that determines government - civil society relations 27
2.3.1 Central Government - Office for Cooperation with Civil society 27
2.3.2 Provincial government 28
2.3.3 Local self governments 28
2.3.4. Other forms of Cooperation 29
2.4 Government institutional capacities for engaging civil society 30
2.4.1. CS participation on the national level 32
2.4.2. CS participation on the Provincial level 32
2.4.3. CS participation on the local level 33
2.5 Public perceptions and support of civil society and its various segments 34
3 CSO organizational capacities 35
3.1 Overview of the civil society community 35
3.1.1 Structure of civil society 35
3.1.2 Human resources and technical skills 37
3.1.3 Field of operation/activities 39
3.1.4 Transparency of CSO work 40
3.1.5. Monitoring and Evaluation (M&E) capacities of CSOs 41
3.1.6 Strategic strengths of CSOs 41
3.1.7 Analytical capacities 42
3.1.8 Relationships with other actors 43
3.1.9 Material and financial stability and resilience 44
3.1.10 Organizational sustainability 45
4 Conclusions and Recommendations 47

This project is funded
by the European Union.

List of Abbreviations

ACR - Annual Consolidated Report on spending of funds planned and disbursed to associations and other civil society organisations from the budget of the Republic of Serbia

APV - Autonomous Province of Vojvodina

BCSDN – Balkan Civil Society Development Network

CBC - Cross Border cooperation

CI - Civic Initiatives

CMR Serbia 2015 - Country Monitoring Report for 2015

CSAI - Civil Society Advocacy Initiative

CSF - Civil Society Facility

CSF - Civil Society Forward

CSF FPA - Civil Society Facility Framework Partnership Agreement

CSO - Civil Society Organization

EaSI – The Employment and Social Innovation programme

EIDHR - European Instrument for Democracy and Human Rights

EU - European Union

EUD - European Union Delegation

FeNS - Federation of NGOs Serbia

FOD - Foundation for an Open Society

FPA - Framework Partnership Agreement

FUND PIO - Fund of Pension and Disability Insurance

GIZ - German Agency for International Cooperation

GMF - Germal Marshall Fund

IFIs - International Financial Institutions

IPA - Instrument for Pre-accession

LSGs - Local self governments

M&E - Monitoring and evaluation

MB - Multi Beneficiary

MM – Monitoring Matrix

NCEU - National Convention on the EU

NA - Needs Assessment

NGO - Non governmental organization

NPO - Non profit organization

OSCE - Organization for Security and Co-operation in Europe

P2P - Europe People to People Program

RC - Resource Centre

REC - The Regional Environmental Centre for Central and Eastern Europe

SB - Single beneficiary

SBRA - Serbian Business Registry Agency

SECO - Sector contact organizations

SEIO - Serbia European Integration Office

SENSE - Program for Environmental Civil Society Organizations in Serbia

SIDA - Swedish International Development Cooperation Agency

SIPRU - Social Inclusion and Poverty Reduction Unit

TA - Technical Assistance

TACSO - Technical Assistance for CSOs

The Office - The Office for Cooperation with Civil Society

TOT - Training of Trainers

UNDP - United Nations Development Program

USAID - United States Agency for International Development

VAT - Value Added Tax

Introduction

Background information

This study is one of seven country assessments of civil society capacities conducted as a preliminary activity within the EU-funded project Technical Assistance to Civil Society Organisations (TACSO) in Western Balkans and Turkey from the IPA Beneficiaries, implemented by SIPU International, during the period August 2013 – July 2017. The aim of the study is to provide a comprehensive assessment of civil society in Serbia and the environment that it works in, including its strengths and weaknesses, and its impacts to date and the challenges it faces to its further development. The study is based upon a combination of desk research embracing all relevant documentation, including legal and financial legislation applicable to civil society, previous civil society analyses and evaluations, policy documents and country - specific academic literature, in-depth interviews, survey of general population and TACSO survey of CSOs.

TACSO has been conducting needs assessment (NA) for the countries in the region ever since beginning of TACSO 1. The NAs are done individual for each country in the region on a bi-annual base. This is the fourth TACSO NA, covering the period 2014-2015.

TACSO Needs Assessment Reports (NARs), resulting from the NAs, are highly appreciated documents in the region and are regarded as such by wider community of CS stakeholders who are seeking information related to the enabling environment related to the CSOs and organizational capacities of the CSOs. It is often quoted document by the EUDs and other donors, as well as other relevant stakeholders.

The intention is that preparation of NA will be continued by the TACSO selected Resource Centres beyond 2017. So this is unique moment when RCs can be directly involved in this process, and learn by doing, so they can continue with it in 2017, and further.

Information provided are based on the desk research of relevant documentation including the most recent studies and analysis of different aspects of the environment civil society organisations (CSOs) operate in (such as TACSO IPSOS Civil Society Report 2016), legislative changes, policy documents, conference reports etc. In this way, all mentioned stakeholders, primarily CSOs contributed to the report through their active involvement in other country-wide processes by providing inputs, identifying the needs and presenting the statements on general overview of the state of civil society in Serbia, as well as prospects for possible improvements.

All information obtained through the various sources were analysed, grouped and presented in the report. The report provides the premise for the majority of project activities by serving as the basis of the development of the national as well as regional work plans to be implemented during the project's duration.

The report is an integral part of the project and it provides the premise for the majority of other project activities by serving as the basis of the development of regional as well as national work plans to be implemented during the project duration.

In line with the project's Terms of Reference and SIPU's technical proposal, the study understands civil society in the following two complementary definitions:

1. All organizational structures whose members have objectives and responsibilities that are of general interest and who also act as mediators between the citizens and public

authorities. This definition clearly emphasizes the associational character of civil society, while also accentuating its representational role. Civil society includes a variety of organizational types, such as NGOs, mass movements, cooperatives, professional associations, cultural and religious groups, trades unions and grassroots community groups, etc.

2. A space for views, policies and actions supportive of alternatives compared to those promoted by government and the private sector. This definition places the emphasis on social inclusion, social and political pluralism and the rights of expression in developing a participatory democracy.

The paper is composed of three sections:

- **Section one** provides an analysis of the civil society environment, including the legal framework governing CSOs and their work, the current donors and other sources of civil society funding, the government mechanisms for cooperation with and support of civil society, policy framework determining government-civil society relations and public perceptions and support for civil society and its activities.
- **Section two** gives an overview of the main characteristics of civil society: the types of organizations represented and their key organizational characteristics, the types of activities they carry out and their main fields of action, their geographical distribution and the position they have within the civil society. CSOs are assessed according to their technical, organizational and institutional capacities, including human resources and technical skills, strategic strengths, analytical capabilities, monitoring & evaluation capacities, relations with other actors including other CSOs, Government and the community, and material and financial stability and resilience.
- **Section three** summarizes the most important institutional and organizational needs of capacity building of CSOs in the country and also identifies key strategic issues for the implementation of the project. By way of conclusion, recommendations are made for both the project's regional work plan and country-specific work plan.

Finally, the Needs Assessment Reports serves as a broader base for cross-referencing data included in the so called "Traffic Lights Reports" or "Monitoring Reports of the Guidelines for EU support to civil society, 2014-2020" for 2016 progress reporting.

Civil society environment

2.1 Legal framework

Based on the "Capacity Building of CSO in Western Balkans and Turkey TACSO 2, Comparative report, February – April 2016" (IPSOS Survey) conducted by IPSOS commissioned by TACSO, although 40% of CSOs are negative about the legal regulations concerning CSOs and 56% of them are positive, majority of CSOs believe that situation has worsen in comparison to two years ago (39% of surveyed CSOs believe that the circumstances for development of CSOs have worsen in comparison to the last year, where 15% of them believe that circumstances have improved).

2.1.1. Fundamental rights

The **legal framework for freedom of association** in Serbia is regulated in most aspects: both Law on Associations and Law on Endowments and Foundations are considered to be modern laws that provide a framework for not-for-profit organizations. However, legal framework according to which any person can establish non-profit entity is a potential undiscovered conflict of interest in cases when an association is founded by a political party or individuals very close to them, since all CSOs can apply for public funding.[1] This is also recognized in some in-depth interviews carried out for the purpose of this analyses.

The Law on Associations (2009) defines not-for-profit associations as "voluntary and non-governmental organizations established for achieving and enhancing joint objectives and interests which are not prohibited by the Constitution or other Legal Provisions". It also recognizes a number of specific types of organizations for inclusion in a broader definition of civil society. The **registration process** for associations is simple and decentralized with possibilities for a CSO to register in only few days and on-line. Maximum number of days needed for registration of CSOs is five. The registration costs are maximum (i.e Belgrade) approximately 50 EUR. Registration of grass-roots CSOs is not mandatory, but the framework does not provide clear definition of grass roots CSOs. Unregistered organizations can freely operate and can receive financial support.

Law on Endowments and Foundations (2010) provides for two categories of non-membership, organizations: a "foundation," which is defined as a "not-for-profit, non-membership and non-governmental legal entity pursuing public interest objectives," and an "endowment," which is defined as a "not-for-profit, non-membership and non-governmental legal entity whose founder designated specific property to support its public or private interest objectives" (Article 2, Law on Foundations). The categories are based not only on the nature of the entity's goals, but also on the capital assets requirement. The Law regulates founding, internal acts, governance, transparency of work as well as a way of registering foreign foundations and endowments. The most important regulations within the Law are certainly those that define two entities. A foundation and an endowment can be established by legal entities or individuals; for the first time, Serbian legislation recognizes the possibility of an endowment to be founded to pursue private interest objectives. While there is no financial requirement for establishing a foundation, establishing an endowment requires a minimum capital assetsof 30,000 EURO.

[1] According to Country Monitoring Report for 2015 (**CMR Serbia 2015**), produced within the Monitoring Matrix (MM)[1] these associations are getting state funds, although they are not eligible according to public calls criteria. The most significant example is irregular public call of Ministry for labour, employment, veteran and social policy when 44 of 122 awarded CSOs were founded one month before the call announcement. This call has been later canceled.

However, in June 2015, the Ministry of Justice started public debate of the Draft Civil Code, which includes more restrictive framework for associations, foundations and endowments. The Draft Civil Code prescribes restrictions in terms of membership, does not allow the economic activities, does not recognize differences between foundations and endowments etc., therefore it is necessary for the Draft Civil Code to be harmonized with achieved level of exercising freedom of association. Public debate opened numerous issues regarding further activities of civil society and will last until July 2016.

Legal framework for freedom of assembly suffered significant changes in 2015. New Public Assembly Act adopted in January 2016, recognizes spontaneous gatherings which is a progress compared with the last report, but Ministry of Interior is free to decide if a gathering is spontaneous or not. Also, the Law does not define simultaneous and counter-assemblies. There are restrictions in terms of time and place of gatherings as well as very high responsibility and fines for organizers for breaking the Law provisions which is not stimulative for organizing gatherings. New Law on Public Peace and Order (also adopted in January 2016) predicted limits when it comes to collecting contributions, clothing, food (philanthropic actions) in that regard an application must be sumbitted to the Ministry of Interior eight days before the beginning of the action (art. 5) and may not exceed 60 days. After this time, the application must be submitted again.

Freedom of expression is explicitly guaranteed in constitutional, primary and secondary level legislation, but it's implementation is very poor. Numerous cases of violations and attacks on journalists and CSOs representatives dealing with investigative journalism were recorded in the CMR Serbia 2015.[2]

2.1.2 Public benefit status

Both Laws (Law on Association and Law on Fundations and Endowements) recognize "aims for the public benefit". However, there is no particular legislation which regulates assignment of public benefit status to not-for-profit organizations. Therefore, it is entirely within the discretion of the donor (government, LG) to accept or not accept the claim that the project or program is of public benefit.

Associations, under the Law on Associations, may be established for mutual benefit or public benefit purposes (Article 3, Law on Associations). The Law defines activities deemed for public benefit for which an association is eligible to apply for state, provincial and local governmental support. These include: social security; care for disabled war veterans; care for persons with disabilities; social child care; care for internally displaced persons from Kosovo and Metohija and refugees; promotion of the birth rate; assistance to senior citizens; health care; protection and promotion of human and minority rights; education; science; culture; information dissemination; environmental protection; sustainable development; animal protection; consumer protection;

[2] According to Monitoring Matrix, physical attacks on members of CSOs (BIRN, CRTA, KRIK), who are dealing with investigative journalism, watchdog and research are not being investigated. In the Action Plan for the Chapter 23 of EU negotiations, the authorities obliged themselves to create a mechanism for the fast protection of the journalists. There is an on-going government initiative to define "the journalists" as those who work in the registered media or even to introduce licensing of journalists. If introduced, these proposals could further shrink the space for the freedom of expression due to the fact that some of the most important investigations are led not by media but by CSOs working in the areas of transparency and anti-corruption.

combating corruption; as well as humanitarian aid programs and other programs whereby the association pursues public benefit purposes directly and exclusively. The wording of the Law suggests that the list of public benefit activities is illustrative, rather than exhaustive (Article 38, Law on Associations).

The definition of public benefit in the Law on Foundations largely mirrors the one in the Law on Associations and is also illustrative, rather than exhaustive (Article 3, Law on Foundations). Organizations that pursue these public benefit activities are eligible to apply for state, provincial and local governmental support.

Compared to the CSO framework regulation, the tax law provides for a narrower definition of public benefit. Deductions are provided only for donations that advance medical, educational, scientific, humanitarian, religious, environmental, and sport purposes, as well as for investments in the culture and donations given to the institutions providing social services. This affects the scope of CSO activities that, if funded by companies, could be tax exempted (explained in more details below)

2.1.3 Economic Activities

Associations, foundations and endowments pursuing public interest objectives may engage directly in economic activities insofar as the following conditions are met: 1) those activities are related to the organization's statutory goals; 2) they are envisaged in the statute of an organization; 3) they are incidental in terms of their volume, or are carried out in volume which is deemed necessary to advance the statutory goals of an association (Article 37, Law on Associations, Article 45, Law on Foundations). In addition, a CSO must register one economic activity - the so-called major economic activity it seeks to directly engage in - with the Registry of the Agency for Commercial Registry, but may directly engage in other economic activities insofar as they are envisaged in its statute. This rule has been inconsistently applied, as the supervising state authority occasionally has taken a position that a CSO may only directly engage in the economic activity which is registered with the Agency. Fines are levied on CSOs that do not meet the foregoing criteria (Article 72, Law on Associations, Article 62, and Law on Foundations). Furthermore, it is expected that new Law on Public Procurement will impose additional obstacles to CSOs in performing their economic activities.

In addition, tax legislation refers specifically to "CSOs that generate income from economic activities;" no distinction is drawn between related and unrelated economic activities (Article 44, Legal Entity Profit Tax Law). Income from CSOs mission-related economic activity is tax free up to amount of annual income of approximately 3.200 EUR.

Area of social entrepreneurship is important for the context of CSO economic activities. The Law, although was in the procedure of adoption, was withdrawn as quite weak and was not improved nor put back into procedure.

2.1.4 Volunteering

Law on Volunteering (2010) defines volunteer work as organized voluntary provision of services and conduct of other activities of general interest, for common benefit or for the benefit of other people, without monetary compensation or other economic gain, unless otherwise stipulated by this Law. This Law regulates basic terms related to volunteering, principles of volunteering, contracting on volunteers, rights and obligations of volunteers and organizers of volunteering and oversight on the application of this Law.

The Law is too codifying and makes it difficult for CSOs in Serbia to engage volunteers in their work. There is an obligation of the contractual relationships for types of volunteering recognized by the Law. The contract elements are taken from the Labour Law and treat volunteering as a free labour. Also, the Law prescribes obligatory agreements between a volunteer and an organization that engages him/her. On certain other points, the Law remains unclear; for example, it introduces the division into long-term, short-term and ad hoc volunteering, but without a clear distinction between them (or clear obligations that would arise from the selection of a given form of voluntary engagement). There is a general agreement within CSO sector that Law needs to be changed, and even some voices consider that Law can not be change but should be abolished completely.

In practice, there are indications that the Law is being misused by employers, who are using its unclear regulations to engage young, educated people as volunteers instead of employing them. Unfortunately, public institutions (including courts/judicial institutions), are also identified among those who use lack of clarity in the Law in this way.

The Law is putting additional administrative burden on CSOs and CSOs are trying to avoid these demands by creative implementation. In that sense, most of CSOs, engage volunteers using gaps in existing legislative and without official registration at the Ministry of Labour. According to the state record, 1.166 volunteers were registered in 2014 which is almost the same as in 2013. This information differs from the last available data on the number of volunteers in Serbia according to Civic Initiative's survey from 2011 which mentioned around 150.000 volunteers.

After a years of pressure and advocacy by the civil sector, the Ministry of Labour, Employment, and Social Affairs at the end of October 2015 finally formed the working group to deal with effects of the existing framework for volunteering with ten representatives of CSOs. CSOs recommendations will be aimed to encourage and promote volunteering, clear defining the terms of short-term and long-term volunteering, volunteer costs, keeping record on number of volunteers and volunteers hours and procedures for submitting reports.

2.1.5 Taxation

Property Tax Law

Serbia does not stipulate any exemption from property tax on the real estate for associations, foundations and similar CSOs performing activities of public interest, unlike many other Central and East European countries.

Having in mind comparative legal solutions, it should be necessary to amend the Property Tax Law in such a way as to expand exemptions from property tax on real estate owned by associations, foundations and endowments if they are intended and used exclusively for performing activities of general interest (tax exemption would not refer to the real estate use for CSO commercial purposes).

Gift tax

Bill Amending and Modifying the Property Tax Law from 2010 has abolished the 2.5% tax on gifts for foundations, endowments and associations for gifts/inheritance received and intended exclusively for achieving the public benefit objectives. As of May 2013, the non-taxable amount up to which received funds are not subject to gift tax was raised to 100.000 dinars (840 EUR) and CSOs do not have to file tax returns and ask for tax exemption since this is not subject to taxation.

Distinguishing between donations and gifts as well as the process of the tax abolishment is an area of ambiguity, subject to the interpretation of the Tax Administration. Property tax is not levied on non-monetary gifts as long as the transfer of those gifts is subject to VAT.

Corporate profit tax law

This Law generally exempts CSOs from taxation on grants, donations, membership fees, and non-economic sources of income. Under the Corporate Profit Tax Law, profit generated by the CSO is exempt from income tax, provided that: a) income from economic activities did not exceed a given threshold of 400,000 dinars (EUR 3,361); b) earnings were not distributed to the founders, employees, members of the management board, or any affiliated person thereof; c) salaries for the members of the management board and employees do not exceed double average salary paid by organizations engaged in the same activities in the commercial sector; d) all earned profit was used to further the objectives for which the organization was created; and e) the CSO's economic activities do not give rise to unfair competition with the private business sector, as defined by the antitrust law. (Article 45, Corporate Profit Tax Law). It should be emphasized that non-profit organizations are entitled to tax exemption only pursuant to the Article 44 of this Law, but they are not entitled to tax relief or tax loan on the basis of investment in basic funds, which is explicitly stipulated by the latest amendment of this Law.

Value Added Tax (VAT)

The largest number of CSOs are not payers of VAT because they do not perform the commercial activity of turnover of goods and services with compensation or because they perform a commercial activity making profit, but the total turnover of goods and services with commercial compensation is below the limit for mandatory evidencing in VAT, amounting to 8.000.000 dinars (67.000EUR). In practice, this means that CSOs have the same status as the final user - when buying all goods and services in the market; a CSO bears VAT as the expenditure of business operations.

VAT is not paid on funds provided through contracts based on State agreements (for example EU funds, USAID, OSCE, other international and bilateral donors). This tax exemption is important for CSOs, which in this chain of participants act as users of donation, and for the suppliers providing goods and services to CSOs, as well as their implementation and sub-implementation partners. On the basis of the tax exemption certificate, the invoice is issued with no VAT included, which stimulates the activities of CSOs. Tax exemption according to international agreements about donations can be achieved only by the payer of VAT who directly delivers goods or services to these persons. Starting from January 2014 slight changes were introduced into the procedures, but the essence of the process remains the same. However, there are still problems in the procedures for exemption from VAT, especially for subcontractors. Foreign grants and donations are not subject to VAT, but if the donation or humanitarian assistance is provided in kind (which is not exempt from tax), transport of goods and services is subjected to paying VAT. Additionally, the VAT exemption procedure is clear and simple, but centralized which is difficult for organisations outside the Capital (Belgrade).

2.1.7 Other relevant laws and by-laws

Tax Incentives - Deductibility of Charitable Contributions

Deductions up to 5% of the total annual corporations' income are allowed for expenditures in the area of health care, cultural, educational, scientific, humanitarian, religious, environmental protection and sport-related purposes, including contributions to the social security institutions established in compliance with the Social Security. In practice, companies report difficulties when attempting to obtain tax deduction, including inspection visit. Additionally, there is no effective system of keeping records on both corporate and individual giving.

CSO sector and relevant legal and tax experts recommend that the list of expenditures with humanitarian purposes should be expanded. Namely, the advantage of the existing legal solution is a substantial tax-recognized percent, the fact that the basis for the total revenues are the basis for the recognized expenditures and not profits, as well as that the focus is on the sort of activities performed and not on institutionalized formats (associations, public institutions) performing those activities. Another advantage is that all forms of giving are recognized (in money, goods, services and rights). On the other hand, companies do not perceive it as a tax break achieved through philanthropic giving, but rather as any type of costs.

The disadvantage is the narrow scope of activities of public interest and its consequence is that the activities which are not listed in Article 15, Paragraph 1 of the Corporate Profit Tax Law will not be recognized as tax expenditures. Some of the activities that are not listed in the Law and will not be recognized as expenditures in tax statements of legal entities condacting the activites are: contributions for protection of human rights, rule of law, anti-corruption campaign, animal protection or sustainable development, although, all these activities are listed in the the Law on Associations and Law on Foundations and Endowments) as public benefit activities

Regarding the legislative framework, important novelty is that, at the end of 2015, an initiative by Trag Foundation for amendments to the Corporate Profit Tax Law has been adopted, which was supported by the Civic Initiative together with 113 other organizations[3]. Among other things, these changes prescribe that disbursements made to social welfare institutions and other providers of social services, can be considered an expense for the company. The suggested changes will enable equal treatment of civil society organizations as social service providers, opening up new possibilities for additional funding for CSOs - providers of social services by legal entities.

Personal income tax law

Taxation of all types of incomes paid by CSOs (salaries, copyrights, rights related to copyrights and industrial property rights, income from real estate and other types of incomes) is made with no exceptions and differences and in the same way as in the profit sector. From the beginning of 2014, tax reports of tax payers contain the unified data about calculated taxes and contributions which additionally simplified procedures for salaries and honoraria payments.

3 https://www.tragfondacija.org/pages/posts/obezbeden-ravnopravan-tretman-ocd---pruzaoca-usluga-socijalne-zastite-u-zakonu-o-porezu-na-dobit-pravnih-lica-1922.php

Incomes which are exempted from taxation

No tax is paid on the incomes of citizens or social security contributions on the incomes realized on the following grounds:

- Organized social and humanitarian aid;
- Compensation for foster families and compensation for keeping beneficiaries in foster families;
- Compensation for volunteering costs made by a volunteer within the law regulating volunteering work;
- Monetary assistance to physical persons for medical treatment in the country or abroad in the amount of actual treatment expenses documented by receipts of the health institution conducting the treatment.

Individual charitable giving is not recognized by the Law as the ground for tax deduction.

Other laws relevant for CSOs

The Law on Social Protection (March 2011) introduced CSOs as potential service providers, followed by introduction of criteria for standardization and licensing, which was a novelty as compared to the previous Law and had potential to significantly influence both the work and sustainability of CSOs involved in the area of social protection. Furthermore, this Law is directly connected with the Law on Public Procurement (2012), which requires for transparent tender procedure in case of bidding for funding services from public sources, with criteria that not many CSOs can meet (bank guarantees, for example). This is especially case when CSOs are competing with public institutions (as service providers), who have all basic criteria already either met or provided by the State.

However, after five years since the Law took effect, all by-laws needed for it's full implementation have not been adopted. The main problem is that majority of CSOs are not able to get a license for providing services which entails the impossibility of being beneficiaries of public funds. The process of licensing CSOs is not widely implemented, considering the very high functioning standards (in regard to the space for offering services) that must be satisfied, and for which the CSOs have no possibility. State funds allocated to CSOs as social services providers are not sufficient; the delays and non-compliance with the deadlines by state institutions are present. In addition, CSOs are not included in all phases of the development of services, having in mind that only state institutions – Centre for Social work – assess if there is a need for social services and for which services. During 2015, Ministry for Labour, Employment, Social and Veteran Issues started procedure for Law changes, but working group was formed under very non-transparent process, and CSOs are not represented.

Games of Chance Law (last changes in 2012) stipulates that part of the funds which are the budget revenue of the Republic of Serbia in the amount of 40% (hereinafter: earmarked budget revenue), is used for financing the Red Cross of Serbia, organizations of persons with disabilities and other associations whose aim is to improve the social and economic position of the persons with disabilities and other persons with social needs, social security institutions, sports and youth institutions, local self-government and institutions for treating rare diseases. The first National Strategy

for Creating an Enabling Environment for Civil Society Development in the Republic of Serbia 2015–2019[4] also recognized need of the fundamental changes articles in the Law in terms of wider definition of activities relevant for financing from this sourcein in order to adjust it with the Law on Aassociations and the Law on endowments and foundations.

Labour Law – After adopting the law changes during 2014, CSOs are allowed to contract persons to work on time-limited projects. Compared with other legal entities, here are no discriminative articles for CSOs in labour legislation (including active employment policy).

Law on Accounting

The new Law on Accounting was adopted in July 2013 and it recognized specificities of the non-profit sector. Until the adoption of the new Law on Accounting[5] there were no exceptions, no possibility of exemption from business accounting and submission of the final statement. The main objections of the organizations from the non-profit and non-government sectors were the complete equation with business subjects and other non-commercial forms of business engagement. From the beginning of 2015, after adoption of the by-law for the implementation of the Law on Accounting, there are three different forms of financial reporting, according to CSOs' annual turn-over. IPSOS survey finds that 66% of CSOs surveyed claim that financial (including tax) rules are reasonable, while 29% of them claim that these rules are not reasonable. Also, 74% of CSOs consider financial (including tax) rules clear and understandable, while 23% of them claim that these rules are not clear and understandable. These findings are very similar to the 2014 survey when 77% of CSOs gave positive marks and 21% gave negative marks regarding these rules.

There is a moderate support system for implementation of the financial (including tax) rules. A certain level of support is provided by officials in Tax service and Serbian Business Registries Agency. According to legal framework, these institutions are not obliged to provide support and are very restrictive in providing additional information. Most of CSOs get efficient support through engagement of professional accountants or consultants on commercial basis.

Law on Auditing. Most CSOs are categorized as small legal entities and according to the new criteria of categorization they will be categorized as micro legal entities and thus are not subject to the statutory audit of financial statements, as stipulated by the new Law on Auditing adopted in July 2013.

Bylaws:

In October 2013, the Government has adopted changes of the **By-law/Regulation on criteria of financing and co-financing CSOs activities from the national budget.** The most significant change considers that in the process of applying for public funds, the additional documentation will not

[4] http://www.civilnodrustvo.gov.rs/upload/documents/Kancelarija/EU_IPA/English/Cooperation%20of%20State%20Ad\ministration%20and%20CSOs%20-%20Baseline%20study.pdf; Authors: Dubravka Velat, Marko Uljarević and Milena Banović. Publisher; Government of the Republic of Serbia Office for Cooperation with Civil Society; June 2015

[5] Paragraphs related to the Law on accounting are taken from the Draft " **ANALYSIS OF TAX AND FINANCIAL LAWS REGULATING BUSINESS OF CIVIL SOCIETY ORGANIZATIONS"**, 2013. Author: Milan Negovanovic, PhD; Made for: Office for Cooperation with Civil Society; supported by SIPU International, EU funded project

be requested from the associations, but will be provided officially by relevant institutions and public bodies. During 2015, this regulation is amended[6] introducing the obligation for publication of all public calls on the portal e-government and extending the appeal deadline from three to five days. These changes are of great importance for transparency of allocating funds for CSOs.

Ministry for Labour, Employment and Social Policy adopted one part of **bylaws needed for full implementation of the Law on Social Protection implementation** (primarily, related to standardization and licensing). The **Government Regulation on financing social services** was adopted in March 2016, but at this moment there is a lack of data regarding it's implementation. The Regulation was adopted without any consultation process with CSOs. These bylaws are of utmost importance for CSOs delivering services, as they define rules and criteria for service providers, which will be also required by Law on public procurement (for CSOs to compete on bids for public procurement). The issue of CSO capacity and ability to meet those established standards and how this affects CSO work and sustainability is to be addressed in the near future.

Changes of the **Rules (by-laws) on the method of determining and recording of public funds beneficiaries and on the conditions and manner of opening and closing sub-account with the Treasury Administration** adopted in April 2016, re-established the obligation of opening the special account for CSOs in the Treasury. This obligation existed previously, but it was abolished in 2014. When opening this account, CSOs have to pay higher bank fees than in the commercial banks, cash is not allowed nor e-banking. Furthermore, CSOs are obliged to pay costs of preparation of documentation for the opening (certification of documents and signatures etc). These changes were also adopted without any consultation process with CSOs.

2.2 Donors and funding opportunities

In the last several years, as is the case across the Western Balkans, Serbia has seen a gradual reduction of activity by foreign donors; most embassies and government development agencies have indicated that they will be gradually phasing out their support to Serbia as the country progresses towards European integration. As stated in the SIDA report from June 2015[7], "multilateral and bilateral donors primarily work with state institutions, with varying degree of assistance to civil society. However, the analysis reveals that donor community is becoming aware that the expected development of the civil sector did not occur, and that in the phasing out period it is important to strengthen civil society for its own sake as one of the pillars of democracy. The research also reveals that "biggest" donors to civil society (USAID, Norwegian Embassy, EU Delegation) have introduced new modalities of support to civil society, and some others (SIDA, for example) are considering changes. This shift in making developed civil society both as a goal and a means to an end includes core funding practice, local ownership and support to grass/roots local based organizations". In that context, strategic thinking on the future of CSO funding in Serbia, particularly from domestic sources and in the context of EU integrations is needed.

[6] ("Off. Gazette of RS", no. 8/2012, 94/2013 and 93/2015)

[7] **"Assessment of Options for Continued Swedish Support to a Pluralistic Civil Society in Serbia, Kosovo, Albania and Bosnia and Herzegovina" ,** Country Report for Serbia; Implemented by: SKL International and Public Administration International; Prepared by: Dubravka Velat, Jelisaveta Vukelic, Svend Erik Sorensen; June 2015.

2.2.1 International donors

European Union

The EU assistance to Serbia for the period 2014-20 is designed to support Serbia in its specific path to the EU, in line with the enlargement strategy, which highlights the importance of first addressing the fundamentals in the accession process. That is the reason why the EU financial assistance is intended to complement the national sector reform efforts and assistance by other donors and IFIs on two main pillars: Democracy and Rule of Law, and Competitiveness and Growth. Under those pillars and within each sector, annual EU assistance will be focused on a limited number of priority areas, which have the most impact on Serbia's path towards EU accession.

The structure of EU support for civil society in Serbia consists of the following:

1) IPA II - Multi-Country Civil Society Facility and Media Action 2014 -2015 (30,3 million EUR for the region; 6,5 million EUR for Serbia)

This Action aims at strengthening participatory democracies and the EU integration process in the Western Balkans and Turkey by improving the legal, policy and financial environment for civil society and pluralistic media, by building the capacities of CSOs and media organizations as well as enhancing the mechanisms of cooperation between CSOs and public authorities.

As in other enlargement countries, The Civil Society Facility and media multi-beneficiary action foresees four components:

- Support to cross-border networks through long-term and operating grants
- Media freedom and integrity
- Strengthening reconciliation
- Strengthening children rights

2) IPA II - Civil Society Facility and Media Action for Serbia 2014-2015 (6,7 million EUR)

The programme aims at supporting civil society and media sector in Serbia in line with EU guidelines to support civil society and media freedom in enlargement countries. Support to civil society will focus on achieving an environment that is conducive to civil society activities, including the development of mechanism for permanent dialogue with civil society and to establish transparent state funding frameworks for civil society. Support in the form of long term grants will be provided to increase the effectiveness of the Serbian CSOs in undertaking initiatives focused on Chapters 23 and 24, regional cooperation and dialogue between Belgrade and Pristina. Civil society participation in the process of negotiations in Serbia and policy monitoring, as well monitoring of EU and other donor funding will be enhanced through support to CSOs platform and networks and capacity building.

Media freedoms and professional journalism need to be strengthened and supported. The programme aims at enforcing the freedom of expression and investigative reporting through quality media production in the area of rule of law. An enabling regulatory and policy environment for the media freedoms and media pluralism will be enhanced, as well as strengthening the functioning and influence of the Press Council.

Activities to achieve Result 1:

Activities 1.1 - Technical assistance will be provided to establish transparent mechanisms for financing the civil society sector from the government budgets.

Activity 1.2 - Call for Proposals including small grants, with the duration of 12-48 months. Grants will be between 300.000-500.000 in selected thematic areas covering Chapters 23 and 24, regional cooperation and support to the Dialogue between Belgrade and Pristina, as well as to support civil society participation in the process of negotiations in Serbia. In addition civil society participation in the process of negotiations in Serbia and policy monitoring, as well monitoring of EU and other donor funding will be enhanced through support for CSOs platform and networks and capacity building.

Activities to achieve Result 2:

Activity 2.1 - Call for Proposals to enhance investigative reporting through support of quality media production in the area of rule of law, i.e. good governance, human rights and minority protection, freedom of expression and regional reconciliation. Grant will be between 50.000-150.000 and with duration of 12 to 24 months.

Activity 2.2 – In the form of Technical assistance support will be provided for two Public Broadcasters (RTS and RTV), independent and professional regulators, and support the process of privatisation of 70 state owned media in terms of training/education for managers/owners/staff.

Activity 2.3 - Provide direct support in the form of action grant to self-regulatory body Press Council for the period of 2 years that would also include regular informative press sessions on Council's activities and monitoring, research and analysis of media content; media campaign aimed to inform public of the role and importance of media self-regulation, and the role of the Council in enforcing it; public events on national and local level aimed at explaining the benefits of self-regulation to all target groups, including the public; consultation sessions for judiciary and newsrooms; seminars/lectures for journalism students.

3) EIDHR.

Country based Grant scheme with a budget of 2 million EUR from the 2014/2015 budget. There are two lots for large and small projects (10.000 to 50,000EUR and 100.000 to 200,000 EUR). Specific objective is to support civil society and human rights defenders in third countries in working on human rights (political, economic, social and cultural) and democratization, with direct reference to chapters 23 and 24 as part of the accession process.

4) Cross-Border Cooperation (IPA 2):

Cross-Border Cooperation is a traditional EU instrument aimed at reinforcing cooperation between institutions in border regions of the neighbouring countries. By providing financial assistance, these programmes facilitate cooperation between border areas of neighbouring states (cross-border cooperation) or cooperation of parts and/or entire states (transnational cooperation) in solving issues of common interest such as waste management, service provision in various sectors, cultural and economy cooperation, tourism, transport, etc..

Within financial framework 2007-2013, during 2004 - 2014, 35 public calls for proposals were launched, 3.598 projects applied for total amount of 91.037.587 EUR, 816 projects were contracted and the use of funds is about 90%. It is estimated that 35% of funds within 2007 -2013 financial framework were approved to CSOs.

The evaluation of the 3rd and last Calls for Proposals under IPA 2007-2013 for the Programmes Serbia – Montenegro, Serbia – Bosnia and Herzegovina and Croatia - Serbia are ongoing, with new contracts expected to start in September 2016. CSOs were excluded from the participation in two out of three of the aforementioned Calls due to their specific focus on local, regional and national public bodies active in the field of environmental protection and climate change mitigation.

For the financial period 2014 – 2020. a new allocation of 260 million Euro will be available to Serbia. By now, 5 Calls for Proposals are launched for the following programmes: Romania-Serbia (2 calls), Bulgaria-Serbia, Danube transnational programme and Adriatic-Ionian transnational programme. Operation programmes for all programmes are approved by European Commission (EC). By the end of 2016 Calls for Proposals are expected for the rest of Programmes: Serbia-Montenegro, Serbia – Bosnia and Herzegovina and Croatia – Serbia.

Implementation of these programmes on local and regional level enables establishment of long – lasting contacts between people on both sides of the border, which represents a solid foundation for further cooperation and development. Furthermore, through the process of project identification, applying for funds and project implementation, partners from Serbia gain valuable experience in management of EU funds, since all calls for project proposals are being out in accordance with the EU rules for external actions.

Projects which are being financed under these programmes are usually small-scale cross-border infrastructure projects, projects which reinforce economic cooperation, as well as activities related to environmental protection, tourism, culture, agriculture, education, research and development, employment, institutional cooperation, etc. Funds are being donated with an obligation of the beneficiary to co-finance its project in the amount of minimum 15% of the project value. Potential beneficiaries apply for funds through calls for project proposals.

5) Europe for Citizens:

"Europe for Citizens" programme for the period 2014-2020 has following aims:

- To **contribute to citizens' understanding of the EU,** its history and diversity
- To **foster European citizenship** and to **improve conditions for civic and democratic** participation at EU level
- To **raise awareness of remembrance**, common history and values
- To **encourage democratic participation** of citizens at EU level, by developing citizens' understanding of the EU policy making-process and, by promoting opportunities for societal and intercultural engagement and volunteering at EU level

The financial reference amount for the implementation of the Programmed for the period from 1 January 2014 to 31 December 2020 is set at 185.468.000 EUR.

Priorities of the programme for 2016-2020

For the 2016-2020 period, priorities have been designed to stimulate debates on dates of European significance and topics having a strong resonance in present times (for the European Remembrance strand) or anchored in the social, economic and political reality of the European Union (for the Democratic engagement and civic participation strand). Citizens are invited to take part in these reflections and debates through projects respecting the general features of the Programme (equal access, transnationality and local dimension, intercultural dialogue and promotion of volunteering) or through their active engagement in organisations participating in the Europe for Citizens programme. A distinction has to be made between: - specific priorities for "European remembrance" (strand 1); - specific priorities for "Democratic engagement and civic participation" (strand 2).

6) EU PROGRES' support to civil society projects in Sandzak

Citizens' Involvement Fund - A significant part of EU assistance to civil society organizations (CSOs) in Sandzak has been provided through the European Partnership with Municipalities - EU PROGRES Programme and its Citizens' Involvement Fund (CIF), designed to fund small, short-term projects, which address community needs. Those projects have resulted from partnerships of the civil society organisations and local governments. EU PROGRES has organised two public calls for proposals within CIF in 25 municipalities in the South and South West Serbia. Through these two calls, the EU, with contribution from the Swiss Agency for Development and Cooperation (SDC), supported 66 projects in the amount of EUR 546,800. The EU remains committed to support the area, including civil society sector.

Preparations for EU PROGRES successor programme are advanced: EU will provide additional EUR - 19.6 million from 2014 to 2017 to support 34 underdeveloped municipalities. Activities will include organisation of two public calls to support proposals coming from CSOs from the targeted area. Partnerships with CSOs from the area will be explored in interventions contributing to social inclusion, gender equality, inter-ethnic cooperation, gender, free legal aid etc.

7) Other EU-funded programmes

CSOs from Serbia are also eligible for other EU programs that also support in various way. However, a number of these are difficult to access for a majority of CSOs and are not a significant source of CSO funding . These include:

Erasmus+ - providing support to cooperation projects in the fields of Education and training; Youth & Sport). The total funding allocation for the whole period is 14.7 billion Euros.

Horizon 2020 is the financial instrument implementing the Innovation Union, a Europe 2020 flagship initiative aimed at securing Europe's global competitiveness. It is the biggest EU Research and Innovation programme ever with nearly €80 billion of funding available over 7 years (2014 to 2020)

Creative Europe - The European Union programme for the cultural and creative sectors. Following on from the previous Culture Programme and MEDIA programmes, Creative Europe, with a budget of €1.46 billion supports two sub-programmes; the Culture sub-programme to promote the culture sector, and the MEDIA sub-programme to support the audiovisual sector.

EaSI – The Employment and Social Innovation programme is a financing instrument at EU level to promote a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions. EaSI has integrated and extends the coverage of three existing programmes: Progress (Programme for Employment and Social Solidarity), EURES (European Employment Services) and the European Progress Microfinance Facility,

Other international donors:

USAID has traditionally been the biggest foreign supporter of civil society in Serbia, however due to decreasing budgets USAID has scaled down its overall activity in Serbia including support to civil society. Beginning 2013, USAID has closed its Civil Society Advocacy Initiative (CSAI) - a seven year grant and capacity-building program, implemented by ISC (Institute for Sustainable Communities in partnership with key local and regional CSOs) from 2006-2013. Parallel to that, USAID piloted three direct grants to local CSOs, after they were successfully audited through a structured process called "pre-award survey". USAID continued during 2013 and 2014 working for another two years with ISC through "Civil Society Forward Program". ISC directed its work towards preparation of local CSOs to take over USAID grants, closing the office in January 2015. In 2014-2015 USAID provided direct programmatic grants on annual base through an open call – with the focus on democracy and governance and economic growth. Through the 2014-2015 open call, USAID supported 12 CSO project's with the amount of approximately 2mil USD. The open call for 2015-2016 was opened for one grant during February 2016, with focus on the topics related with Serbia's elections and Center for research and transparency (CRTA) was awarded. USAID is currently in the process of assessing and evaluating its civil society strategy as it prepares to design a new civil society program for 2017-2018.

Bilateral donors are present either through development agencies and Ministries of Foreign Affairs, or directly through local embassies' programs'**:** Swiss Cooperation Office in Serbia, Netherlands MATRA programme, GIZ**,** Embassies of Great Britain, Japan, Finland, Sweden, Canada, the Czech Republic inter alia.

Norwegian Embassy is the biggest bilateral donor directly funding CSOs in Serbia, with average of **2,5 million EUR** per year. The Royal Norwegian Embassy in Belgrade manages a grant scheme "Embassy Fund" as an integral part of Norway's overall support program to Western Balkans. It is intended for developing civil society and local communities in Serbia, Montenegro and Macedonia.

The Embassy Fund is open throughout the year for various types of applicants, for initiatives usually lasting up to one year and up to € 100.000 of value. The following sectors were given priority:

- Rule of Law, Good Governance and Anticorruption
- Defence and Security Sector Reform
- Peace, Reconciliation, Minorities' and Human Rights, Vulnerable Groups and Gender Issues
- Economic Development and Entrepreneurship
- Energy, Environment and Climate Issues.

In 2014, the Embassy Fund included two sub-programmes: Media Grant Programme and Flood Relief Programme and also completed "Strenghtening civil society program in Serbia (phase III)". In 2015, Norwegian Embassy supported several organizations with 540.000EUR through a Refugee Crisis Relief Fund. Detailed data for 2015 are still not available. Norwegian Embassy was the first donor to introduce core funding for CSOs through an open call.

A number of **U.S. private foundations** are also supporting CSOs in Serbia, including C.S.Mott Foundation (1,3 milion $ in 2014-2015), The Rockefeller Brothers Fund, National Endowment for Democracy, GMF – Balkan Trust for Democracy, etc.

- **The Regional Environmental Centre for Central and Eastern Europe (REC):**

Civil society support program "SENSE" worth 2,2 milion EUR, aimed in strengthening of environmental civil society in Serbia, has started in December 2012, and was completed in October 2015. In the period 2014-2015 REC implemented the second round of grants for CSOs (10 grants awarded, 31 CSOs directly supported). All grantees were also beneficiaries of capacity building activities (five day master class and study tour to EU). In November 2015 REC Serbia started the implementation of a new, innovative three-year Programme to support environmental CSOs. With this Programme REC plans to strengthen the institutional capacity of civil society organizations that have the potential to take a leading role in the key challenges related to the environment. This will be achieved by providing institutional (core) grants (800.000 EUR in two rounds) and by establishing CSO Help Desk. In addition, the REC CSOnnect Programme plans to strengthen the civil society organizations and help them in their efforts to give their contribution to the EU negotiating process and reach a dialogue with the institutions of the Republic of Serbia and the European Union. Both programmes are financed by SIDA.

- **Multilateral organizations:**

UNDP, OSCE and similar are not typical grant-giving organizations, however occasionally they announce calls for proposals or, more often, subcontracting for local CSOs in the area of democratization, rule of law, citizen participation, youth, women, minority rights and other.

- **Other:**

Olaf Palme International Center, Civil Rights defenders, German political foundations, European fund for the Balkans, Bosch Foundation, Open Society Institute and others with specific focuses of support, and possible changes in the future due to shifts in donors' strategies.

2.2.2 Domestic Private Donors

Foundation for an Open Society (FOD). The biggest local foundation in terms of annual budgets that provides grants. Annual budget in 2013 was 3,7 million EUR and 3 million in 2014. FOD supports a broad range of activities that contribute to the development of a functioning democratic state in Serbia. The Foundation for an Open Society Serbia advances European integration, the rule of law, good governance, education reform, transitional justice, social inclusion, and human rights. As of 2016, project proposals are through a public call.

TRAG Foundation. Formerly known as the Balkan Community Initiatives Fund (BCIF), Trag is an indigenous non-profit foundation operating in Serbia since 1999. It encourages citizens' activism in local communities by providing financial support, capacity building as well as promoting local philanthropy. It is one of few independent domestic foundations and the major grant giver for grassroots CSOs in Serbia. Since its establishment Trag has provided more than 1,300 grants with total amount over 6 million EUR, while maintaining thematic and geographic diversity for more than 200 communities involved. In 2014 Trag awarded 103 grants in total amount of 723,427 EUR, whereas in 2015 the 74 grants amounted to 994,786 EUR. Trag is a co-founder and member of the SIGN network (*Southeast-European Indigenous Grantmakers Network).* As of 2015, Trag works as regional partner to Oak Foundation and provides grants, capacity building and networking opportunities to strengthen women organizations and movements in three countries of the region (Bosnia & Herzegovina, Montenegro and Serbia) to combat violence against women. Trag is the first local foundation in the Balkans that has established a financial endowment - a permanent fund for support to civil society development from 2017.

Reconstruction Women's Fund (RWF). **T**he only local women's foundation in Serbia. **Mission** of RWF is to support and sustain feminist political platform against war, nationalism, racism, militarism, all kinds of discrimination and violence against women. The **basic functions** of RWF are accountable, transparent and continuous collecting and providing of financial and expert support and strategic connection of compatible initiatives. Their budgets in 2014 and 2015 were over 200.000 EUR on annual basis.

Foundation Ana and Vlade Divac. Vision of the Ana and Vlade Divac Foundation is a society in which citizens take responsibility and understand the power of unity in addressing personal and societal problems. The Ana and Vlade Divac Foundation's work is focused on emergency relief, economic empowerment and employment, democracy and support to local community development. In addition, the Foundation is also a leader in innovative approaches to solidarity and philanthropy, working with individual and corporate donors, stimulating the culture of giving in Serbia and the region, and encouraging youth-led philanthropy. Foundation has 32 full-time employees and has been implementing different programs, with annual budget in over 2,1 million EUR for 2015. According to its Strategic plan for 2016-2018, Foundation will continue implementing its activities by grant giving, and by direct implementation of projects.

DELTA Foundation was established in 2007 with the aim of initiating the endowment spirit in Serbia. Since then, DELTA has organized 3.000 humanitarian activities and invested 34.5 million EUR in the community betterment. DELTA supports children and youth with disabilities, talented pupils and students, children without parental care, people in needy circumstances, local initiatives etc. Annual budget in 2013 was 2,5 million EUR and 1,35 million EUR in 2014.

Novak Djokovic Foundation **(NDF)** gives preschool aged children from impoverished areas the chance to learn and play in a safe, creative, and nurturing environment. NDF believes that early

education is the foundation upon which children will stand for the rest of their lives, and the foundation for the future of our world. NDF only invests in projects that will be sustainable. By taking a collaborative approach and working alongside local authorities to train and empower teachers, NDF creates self-sustaining schools and programs that will help children realize their dreams for the rest of their lives. Their projects deal with school adaptation, teacher support, different development projects. Annual budget in 2014 was around 1,1milion EUR.

Hartefact Fund (HF) is a regional organization that encourages, supports and connects creative and progressive forces, which contribute to the democratization and evropeization of the Balkans. Within their grant program, HF distributes funds to individuals and groups in the region, who contribute to the normalization of relationships and building of the modern civil societies. HF distributed in 2014 and 2015 around 60.000$ per year in small grants, supporting 10 projects on annual basis, with the average grant size from 3.000$ to 6.000$.

Hemofarm Foundation is a healthcare foundation established in 1993 that, among others, encourages active participation of CSO in public life aimed at implementing positive changes in the areas which reflect the strategic focus of Hemofarm and Hemofarm Foundation. This support to civil society encourages intersectoral collaboration and partnerships between CSO's and other relevant active participants in society with the aim of integrating all available public resources and potential for the purpose of improving people's quality of life. In 2014, Foundation's income was over 550.000EUR.

2.2.3 Community support and business contributions

Data on individual, community and business contributions are presented in the survey prepared jointly by Catalyst Foundation and TRAG Foundation[8]. In this report, it is stated that "regardless of the economic crisis and decrease in GDP per capita (from 2013. to 2015.) there is an increase both in number of charitable actions organized and amount of money collected, therefore it could be concluded that there is progress and positive development in the area of charitable giving in Serbia. It was also stressed that charitable giving in 2014 was quite affected with the flood situation, while in 2015 it was the situation with migrants and refugees.

Amount of money given for charitable purposes in 2015 in Serbia was over 22 million EUR. This is an increase of 22% compared to 2014. In 2015, the most active philanthropists were citizens through massive giving actions (42%), followed by the business sector (27%) and individuals (19%). The absolute number of actions to collect funds for different charitable purposes was 3.218 in 2015, which shows that the average number of actions on monthly basis has increased from 154 in 2014 to 268 in 2015. The average size of donation per individual citizen has increased from 2,59EUR in 2014 to 3,24EUR in 2015.

It is important to stress that increase in number of actions of the business sector comes as a result of the greater engagement of the corporative foundations. Business sector has increased giving through open public calls. More organizations have become partners to business sector in

[8] "Charitable Giving for the Common Good in Serbia in 2015 - Annual Report"; Research prepared by Aleksandra Vesić Antić, published by Catalyst Foundation and TRAG Foundation, Belgrade 2016. Funded by C.S.Mott Foundation, Balkan Trust for Democracy (BTD) and USAID. Data are being collected by Catalyst foundation through monitoring of the local, regional and national media (electronic, printing and on-line media). Having in mind that there are no official data on this topic, these data can be considered as accurate and indication of the minimum level of charitable giving for public good in Serbia. In practice, this means that giving is probably even higher than presented in the report.

publishing and implementing public calls, and there is an increase in number of organizations mentioned in the media to have received multiple donations.[9]

As for the amounts of the given donations, 52% was given by the business sector, followed by individuals (16%) and citizens (15%). Participation of private foundations and mixed philanthropists (campaigns) have decreased when compared to 2014. Amount of money granted by diaspora has significantly increased from 5% in 2014 to over 17% in 2015. Generally speaking, it could be stated that citizens remain the most massive philanthropists , while the engagement of the business sector (companies, corporate foundations and small and medium enterprises) are on the rise.

Majority of charitable giving (78%) in 2015 is provided for four key areas: health (33%), support to marginalized groups (24%), poverty reduction (14%) and education (7%), later being on steady increase. More than half of donations (57%) are given as ad hoc (one off) support to causes like humanitarian assistance, assistance in medical treatment of individuals (mostly children), materials and supplies for work of organizations and institutions, while 30% is given to long term causes (equipment, research, capital investment, raising awareness...) with the increasing trend. The biggest success in 2015 in collecting charitable donations was organized by BelHospice. They organized a donors' dinner with auction, and more than 75.000EUR was collected for one night with aim to build the first hospice in Serbia.

Recipients of donations in 2015 are mostly individuals/families (45%), institutions (31%), non profit organizations (16%) and local/national authorities (3%). When it comes to the amount of charitable giving (in relation to the known amount), institutions are leading (52%), followed by non profit institutions (16%), local and national authorities (11%) and individuals/families (11%). When compared to 2014, it s visible that the absolute amount for CSOs has slightly increased, while absolute amount for individuals has decreased. If the percentages given to non profit institutions are put in relation to the total amount given for charitable purposes in 2015, the calculation shows that more than 3,5 million EUR was given to non profit organizations. This represents 1,4% of the total annual income of non profit organizations in Serbia (associations, foundations and endowments)[10].

2.2.4 Governmental funding

Central Government. The Law on Associations stipulates that the Government or line ministries should finance programmes of public interest, defined by the Law and implemented by associations, based on public competition. This obligation appropriately refers to programmes financed from the budget of the Autonomous Province and local self-governments. The Law on Endowments and Foundations stipulates that rules referring to budget financing of programmes of public interest, defined by the Law on Associations, should be appropriately applied if implementers of these programmes are endowments and foundations. The Bylaw on Criteria of Financing and Co-financing CSO Activities from the national budget prescribes that allocation of funds is based on public calls announced by the competent authority on the official web site, and on criteria, conditions, scope, methods, process allocation, and the manner and process of returning the funds. Transparency of the process was improved by changes introduced in the **By-**

[9] "Charitable Giving for the Common Good in Serbia in 2015 - Annual Report"; Research prepared by Aleksandra Vesić Antić, published by Catalyst Foundation and TRAG Foundation, Belgrade 2016.
[10] This is a very rough estimate but still quite illustrative.

law[11] in 2015, which requires decisions made by the relevant evaluation committees to be published also on the Governmental E-web portal.

Still, public funding is not clearly based on public policies and related budgets, nor it is fully transparent. There is no systematic evaluation of the project outputs and outcomes funded by public resources and in most of the cases the reporting is purely financial without real monitoring and overview of the results. According to last available data (2013) from the **Annual Consolidated Report on spending of funds planned and disbursed to associations and other civil society organizations from the budget of the Republic of Serbia (ACR), published in December 2015**[12], evaluation conducted in most of cases through final reports (96,12%) and field visits in 9,3%. In 2,33 % case there were no evaluation activities. These data shows that in most of cases, state authorities do not make differences between monitoring activities and evaluation of public funding impacts.

Changes in Regulation on Criteria of Financing and Co-financing CSO Activities from the national budget are needed to provide decision making on public funding on the basis of policy papers, inclusion of beneficiaries in programming of the tenders, obligatory of publishing clear criteria in advance, merit decision with arguments, evaluation of achieved outputs and outcomes on the project and program level and possibility of multi-annual contracts.

Data on public funding are being collected annually by the Office and published in the **ACR.** However, these data do not cover entire governmental structure: not all ministries/bodies provided data, the survey did not fully cover funding on the provincial and local level. Furthermore, once they are published, data are not up-to-date (for example, at the beginning of 2016, latest available data are from 2013).

According to **ACR** in 2013 as "support to programmatic and project activities", the total amount disbursed through line 481[13] was 127.264.969 EUR[14], which is doubled when compared to 2012. The total sum paid to CSOs from public sources amounts to 50 million EUR or 21% of the total revenues of associations, foundations and endowments in the same year (239 million EUR). Draft **ACR** for 2014 reveals that 18 bodies on the national level have paid to associations and other CSOs 60 million EUR[15], which is a slight increase when compared to 2014 and is approximately 24% of the total annual revenues of CSOs in Serbia in the same year.

Support through public calls and competitions was organized by 95% of republican bodies, however only 21% of the approved funding was distributed in this way. Still, 79% of funds are being distributed without public calls/competitions, which is indicative in terms of (lack of) transparency .

The highest support to CSOs was provided by the **Ministry of Youth and Sports** that approved 50%, the **Ministry of Finance and Economy** approved 20% of the total funds disbursed through line 481 at the level of the State followed by the **Ministry of Health** (7%), **Ministry Of Labour,**

---

[11] Guidelines for participation of interested public in the decision making processes

[12] Due to deadlines for financial reports, data on public funds disbursement are lagging behind. Consolidated report for 2014 is still not completed. http://goo.gl/ZX9WoA

[13] Line 481 is a budget line called "allocations to non governmental organizations"

[14] Average annual exchange rate for 1 EUR=113RSD

[15] Average annual exchange rate for 1 EUR=117RSD. Annual revenues of CSOs in Serbia was around 251 million EUR (associations, foundations & endowments), according to the SBRA preliminary report on the finances of non profits in 2014.

Employment, Veteran And Social Affairs (6.5%) and **Ministry of Culture and Information (6%)** of the total funds. In the same time, not a single State body provided in-kind support to CSOs in 2013.

There are negative trends in the few last years related to the practices in governmental funding to CSOs, directed through budget line 481. For example, as alredy mentioned, Ministry of Labour, Employment, Social and Veteran Issues has announced in 2014 a public call to fund associations of citizens in order to advance the system of social protection. The call was full of irregularities (not fulfilling formal conditions of the call – a lack of a financial report with newly-formed associations, registering associations after the call was announced) and from other side, there were no clear criteria for awarding process. Newly registered associations (many of which were registered only a month or less before the call) were awarded, as well as associations with identical statutes, same exeprts and same addresses.

Province Government. Analysis of the budget of the Autonomous Province of Vojvodina for 2014 shows that total amount disbursed to CSOs from line 481 (donations to CSOs) was over nine million EUR, and similar amount is estimated to be spent in 2015. This is significant increase when compared to previous years. Big portion of these funds went to sports clubs (26%), ethnic communities (10%), political parties (7%) and religious organizations (4%), while for example, less than 1% of these funds went to CSOs providing social services.

In 2015, the Provincial Secretariat for finances has dedicated 1,657 million EUR to co-finance projects supported by EU funds. These funds were open also for CSOs (in 2014, they were accessible only to the local self governments and public companies). Furthermore, in 2015 the Development Fund of AP Vojvodina d.o.o Novi Sad has launched a credit line of 800.000 EUR to financially support implementation of the approved EU projects in cases where the pre-financing is required. This credit line is also open to CSOs.

AP Vojvodina has introduced the System for applying and monitoring public calls in the APV bodies **(eKonkursi),** with software support that allows on line procedure for all phases of the call, including integration with the APV on-line reception desk and Treasury Department.

Local governments. **ACR** for 2014 reveals that 150 bodies of the local self government have paid around 40 million EUR to CSOs, which is approximately 16% of the total annual revenue of CSOs in Serbia that year. It is a significant increase when compared to 2012 and 2013. This may be connected to the situation related to extraordinary elections and/or floods situation.

CSO funding on the local level lacks transparency, since most of the funding for entities regulated by special laws (political parties, churches, religious communities and sport associations) are still distributed based on the decisions made by relevant local authorities (as prescribed by the Law), and not through the public calls.

2.3 Government mechanisms for cooperation and the policy framework that determines government - civil society relations

2.3.1 Central Government - Office for Cooperation with Civil society

The Office for Cooperation with Civil Society (hereinafter: the Office) was established in 2011, with the purpose of systematic inclusion of CSOs into a permanent dialogue with government institutions, which should be based on a transparent and structured communication and regular exchange of experiences, information and opinions.

The Office is the main institutional mechanism to support the development of a dialogue between the Serbian Government and CSO's. The Office is supporting the governmental institutions to understand and recognize the role of CSOs in decision making processes. At the same time, the Office facilitates communication between two sectors in the process of defining and implementing legislative procedures and public policies.

The Office already contributed to establishing clear criteria for transparent budgetary funding of CSO's on the national and local level, through adoption and recent changes of the Regulations on Transparent funding for CSOs, but also through issuing three Annual Consolidated Reports on public funding in 2011, 2012 and 2013 (2014 Report is underway). The Office became a focal point for the EU program "Europe for Citizens" and also for introduction of a mechanism for co-funding, for CSO projects approved by the European Union.

The Office has been very active in promoting within public administration the further understanding and recognition of the importance of civil society as a great resource of human and social capital, whose active participation in public life and advocacy of democratic value is aimed to create a better society for all. This is especially visible recently with the Office's intensive work on engaging CSOs in the EU negotiation process. The Office also provides trainings, capacity building activities and information sharing, not only to the public administration, but also to CSO sector, on relevant issues. As stated in the 2014 Office Annual Report "an important part of the mandate of the Office is convening round tables, meetings and conferences aimed at strengthening capacities and enhancing sustainability of civil society organisations as well as cooperation and sharing of experiences with similar governmental institutions in the region, in the countries of European Union and in the world. In order to fulfil its mandate, the Office initiated and partnered in organising numerous national, regional and European meetings". The total number of meetings initiated by the Office or the meetings in which the representatives thereof took part in, in the period 2011 – 2014 was 184. Of this number, more than a half of them (54%) were organised in 2014 which implies that the number of meetings increased as the Office developed. The Office Annual Report for 2015 is underway.

The National conference "GET INVOLVED – WHAT CIVIL SOCIETY DO YOU WANT?! - Civil society in Serbia 2018 – creation of the first National strategy for an enabling environment for civil society development" was organized in February 2014. Wide and transparent consultative process was organized to finalize the draft National strategy, so to have it adopted by mid 2015. However, due to the resignation of the office director at the beginning of 2015 and vacancy in this position for almost a year, the whole process was slowed down. At the beginning of 2016, after numerous requests and demands by the civil society, the Government appointed an acting director of the Office, but in the meantime, parliamentary elections were announced therefore it is not expected for the National Strategy to be adopted before the end of 2016).

Regardless of slowing down some of the Office's activities in 2015, it is worth mentioning that two baseline studies were carried out during 2015 to collect data from 2014. First one was the *"Cooperation of State Administration and Civil Society Organisations"; Baseline Study for the Development of the first National Strategy for Creating an Enabling Environment for Civil Society Development in the Republic of Serbia 2015–2019*[16]. This is the first study about the status of CSOs and cooperation between the CSOs and public administration, based solely on data collected by the state institutions.

The second study " ***Cooperation between local self governments and civil society organizations in 2014****; Baseline study for the Development of the first National Strategy for creating an Enabling Environment for Civil Society Development in the Republic of Serbia 2015-2019"*, is dealing with same data, but on the level of local self governments and will be published soon. Both studies are of crucial importance for providing reliable and accurate data on CSO sector in Serbia, in order to monitor to-be-adopted National strategy and to be able to assess the level of development and scope of work of CSO sector in Serbia, including also regional and international comparisons.

2.3.2 Provincial government

After closing of the Fund for Development of the non profit sector in 2011, there is no central mechanism for cooperation with CSOs in AP Vojvodina. However, almost every secretariat covers cooperation with CSOs, either as one of the listed activities or having specific staff member position for that (for example in the Provincial Secretariat for Culture and Public Information).

The European Affairs Fund of the Autonomous Province of Vojvodina has been established in order to monitor, analyze and implement the European integrative processes and build and strengthen the institutional capacities of the Autonomous Province of Vojvodina, aiming at faster integration of the Republic of Serbia into major European political and economic processes, as well as to establish economic, scientific, educational and cultural cooperation with European cities and regions and their institutions. The Funds' main activities are, among others**,** cooperation with local authorities and other organisations, bodies and institutions involved in the EU integration, which includes also CSOs.

2.3.3 Local self governments

A good example of mechanism for cooperation used to be the **Belgrade Agency for European Integrations and Cooperation with associations (the Agency)** that was a relatively efficient institution. The Agency significantly contributed to more transparent funding of CSOs by the City of Belgrade and they also provide support in terms of training and free space for CSO gatherings. However, this Agency was closed in July 2014 and as of January 1st 2015, new City Unit was established "City of Belgrade Office for youth and cooperation with associations". This Office was established within the framework of the National strategy for youth as well as the Strategy to support development of CSOs on the territory of Belgrade city. It is more devoted to youth issues than specifically to CSOs.

According to the draft 2014 Baseline study[17] majority of the LSGs have an organizational unit for

[16] http://goo.gl/sOMVqN; Authors: Dubravka Velat, Marko Uljarević and Milena Banović. Publisher; Government of the Republic of Serbia Office for Cooperation with Civil Society; June 2015

[17] **Cooperation between local self governments and civil society organizations in 2014**; Baseline study for the Development of the first National Strategy for creating an Enabling Environment for Civil Society Development in the Republic of Serbia 2015-2019 – Authors: Dubravka Velat, Milena Banović, Milena Lazić, Vojislav Mihailović

cooperation with CSOs. Data shows that having this organizational unit positively influences the number of organized public debates as well as the level of CSO involvement in these debates. The average number of submitted comments, comments taken into consideration and accepted comments is higher in those LSGs that have a person/body for cooperation with CSOs than in those without the person/body. Furthermore, direct informing of the CSOs about the organized public debate is more frequent by those LSGs that have a person/body for cooperation with CSOs.

2.3.4. Other forms of Cooperation

In order to enable more inclusive and transparent dialog, consultation and communication with all relevant stakeholders in the field of planning and programming of EU funds and international development assistance, SEIO established in 2011 a consultation mechanism with the civil society organisations (CSOs) - SECO mechanism. This mechanism is based on the consultative process with Sectorial Civil Society Organisations (SECOs) and serves as a platform that enables exchange of information and contribution of CSOs in relation to planning development assistance, particularly planning and programming of the Instrument for Pre-Accession Assistance (IPA), preparation of strategic documents such as NAD for period 2014-2019, Country Strategy Paper for the period 2014-2020 and Multi-country strategy paper for the period 2014-2020.

Members of SECO are participating at the Sector Working Group (SWG) meetings and they take part in consultation processes for analysing sector priority goals, measures and operations for financing from EU funds and international assistance.

Memorandum of Cooperation in the area of planning, programming, monitoring and reporting on international development assistance between the Office for European Integration and the leading sectoral civil society organisations (SEKO) were signed in November 2014. Eight SEKO consortia were selected and their representatives take part in various meetings related to EU support programming. SEIO and the Office for Cooperation with Civil Society organised several trainings for CSOs SEKO mechanism representatives. Financial support for SEKO operation was provided by TRAG Foundation and TACSO Serbia for activities during 2015.

Eight SECO consortia gathers over 400 CSOs. Government and representatives of donor community perceive SECO as a relevant collocutor and involve them in different consultation processes. However, according to the recommendation from SEKO internal assessment process conducted during 2015 there are challenges that need to be overcomed. Firstly, SECOs do not represent the wider CSO community; there is not sufficiently developed structure for efficient consultations. Taking into consideration the complexity of the IPA programming process, smaller/weaker CSOs do not have capacity to participate and to contribute. The awareness of ministry representatives need to be raised regarding the importance of participation of CSOs in the programming and monitoring of international development assistance. Another challenge is the limited capacity of CSO sector. Due to the lack of funding, consultations are mostly organized via e-mail and rarely through direct contacts. Therefore, SECO mechanism is currently under reconstruction and due to efforts of SEIO, TACSO and TRAG Foundation strong capacity building process is in progress. Within this process, during 2015 and 2016 several workshops were held in order to improve internal communication and visibility, strategic planning, common understanding of the purpose of the mechanism, equlizing of the reporting and monitoring of the achivemenets according to defined indicators. Communication and coordination among SECO consortia were in special focus and this resulted in new approach evident through development of the communication strategy and new web site.

National Convention on the EU (NCEU) is a permanent body for thematically structured debate on Serbian accession into the European Union, between representatives of the governmental bodies, political parties, NGOs, experts, syndicates, private sector and representatives of professional organizations. NCEU was established primarily as a body with the aim to facilitate cooperation between the National Assembly and the Civil Society during the process of the EU accession negotiations. The cooperation is established in accordance with the good strategic cooperation between the highest Serbian legislative body and chosen representatives of civil society, which was enforced by the Resolutions of National Assembly from 2004 and 2013. It was initiated by the European Movement in Serbia and currently gathers more than 700 CSOs (NGOs, 19 faculties, 12 institutes, 24 professional associations, 11 unions and three business associations).

Cooperation with the Government was formalized after consultation process which was led since May 2015 by the Chief of Negotiations Team and the Cabinet of Ministry of EU Integrations on modalities of communication with NCEU, level of transparency and level of availability of information and documents related to EU Accession process. In August 2015, in its decision - Government of Serbia recognized NCEU as key channel in informing citizens on EU Accession process. Level of coopeartion between NCEU and National Assembly remains on very high level.

With the support of TACSO, during the year 2015/16 NCEU has completed strategic planning process in which specific activities of the working groups and bodies of NCEU were defined. In this sense, the structure of NCEU consisting of Working Group and the Programme Council was improved by forming an internal expert team, with a task is to identify issues of importance to all negotiating chapters, providing analytical inputs to the work of the Working Groups and to allow horizontal thematic linking of different chapters. This team will deal with: constitutional issues, property rights, poverty (with particular reference to energy poverty), spatial and urban planning, economic and regional development, the Common Market and the EU Foreign Policy.

Since the establishment of NCEU been held 93 meetings of the Working Groups which was attended by more than 1,500 participants, published nine publications, and membership in the working groups was confirmed by more than 700 civil society organizations

2.4 Government institutional capacities for engaging civil society

Over the last two years, the state appears to be more ready to engage with civil society: the Parliament, ministries and government institutions are sending an increasing number of invitations to civil society representatives to participate in working groups, to submit their own reports on certain issues, or asking for reflections and suggestions on certain laws, to participate in public discussions, etc. It is especially visible recently, with the beginning of the negotiation process and increased role for CSOs in it, related to topics of interest for public administration. However, according to the IPSOS survey the perception of the civil society is that capacities of the Government to enagage with civil society is lower than before: 36,3% of surveyed CSOs assess that the current situation is less favourable now than a year ago, while 14,6% assess it is more favourable than before.

Guidelines for participation of interested public in the decision making processes, adopted by the Government in 2014 through a consultative process led by the Office, direct the work of the public administration bodies regarding the inclusion of CSOs in procedures of preparing, adopting and monitoring the implementation of regulations with the aim of ensuring their effective and efficient application.

Guidelines are one of the key documents for public participation, which introduced new practice as described in the EU and Council of Europe documents. This document should improve and facilitate the development of direct citizen participation, establish a mechanisms for consultations that would ensure that civil society (or for that matter, citizens) are properly consulted in the process of drafting and adopting legislation or policies. On the other side, there is an issue of capacity of CSOs to engage. Even though a smaller number of well-developed CSOs take an active part in discussing certain parts of legislation or policies, a majority of CSOs need to increase their knowledge both on legislative processes as well as the issues (including EU strategies and policies) that are being discussed, if they are to provide relevant input.

However, the Guidelines are non-binding document, so problems are still noticeable in: adequate access to information, sufficient time to comment, selection and representativeness/ diversity of working groups acknowledgement of input, degree to which input is taken into account, feedback and publication of consultation results, which is confirmed by the National Baseline survey data. In the baseline survey, mapping of the cooperation between the public administration and civil society, was conducted in early 2015 for the purpose of the National Strategy. Of the total number of state bodies (32) that submitted information on cooperation, just over 30% have resources for cooperation with the civil society.

Only two of the nine[18] bodies that have organisational units or focal points in charge of cooperation with the civil society conducted public hearings last year. There are only two cases of dedicated organisational units which deal with the activities related to cooperation between the state administration and civil society organisations, whereas the remaining seven bodies delegate these activities to the departments primarily tasked with other duties: international cooperation, public information, administration, etc.

During 2014, the Parliament of the Republic of Serbia passed a total of 146 laws, of which 115 (79%) in an urgent procedure. On the average, public hearings are conducted for one in ten acts adopted or submitted to the Government (10.5% of the total number of acts). Similarly, public hearings were organised for a very small number of legal acts also among the bodies that were the proponents of a high number of legal acts in the course of 2014. Although the number of laws adopted in urgent procedure in 2015 decreased for 35% (80 of 182 which represents 44% in 2015), some very important laws were adopted without public debate.

The representatives of the state bodies themselves do not perceive a small number of public hearings as a lack of cooperation with the civil society – they deem the cooperation was in place even if a public hearing had been organised only once during the previous year. The most frequent reason for absence of a public hearing was absence of a legal obligation to conduct it. From the perspective of state authorities' representatives – the high number of comments submitted during public hearings cannot be accepted as they are declaratory and do not contain concrete and specific proposals for changes of acts.

Other forms of cooperation – informing, counselling, participation – appear twice as frequently – for 20% of legal acts on the average. All 16 bodies (ministries, secretariats, directorates, departments, etc) on the national level that reported this form of cooperation also reported direct involvement of civil society representatives in the work of established project or working

[18] Of the 32 state administrative bodies that submitted data during the survey, nine stated they had a dedicated organisational unit or a focal point for cooperation with the civil society organizations.

groups. During the course of the year, only a few of the surveyed state bodies established working groups to which they invite, most often, certain civil society organisations that they recognise as relevant for different reasons. Public calls to CSOs for membership in working groups are published much less frequently (only eight of the total 38 working groups in 2014). The organisations are primarily selected on the basis of concurrence of areas of fulfilment of objectives with the working group topic or according to earlier publications, results and cooperation with the state authorities.

Cooperation between CSOs and independent bodies (such as the Ombudsman, Commissioner for free access to information and for Equality) is still a very important, dynamic and indirect ways of influencing the Government. Very good and practical forms of cooperation and mechanisms of mutual support that have been developed between these institutions and CSO resulted in number of joint actions and projects, which is presented in details the annual reports of these bodies.

2.4.1. CS participation on the national level

Office for cooperation with CS facilitates meetings between public institutions and CSOs. SECO mechanism is used to involve CSOs in the IPA programming process. **SIPRU** (Social inclusion and Poverty Reduction Unit) as governmental agency has continued to facilitate information exchange with CSOs in the area of social inclusion in the context of EU integrations. A certain level of cooperation has also been established with the **Serbian parliament** and there are examples of CSOs' Access to Plenary and Committee Sessions and Parliamentary Hearings. There is no institutional mechanism from the Parliament as to engage civil society in Serbia, however there have been recently invitation by the Parliament to engage CSOs in the negotiation process.

Individual ministries are more and more inviting CSOs to participate in the working groups, consultative processes or to provide comments.

During 2014 the Ministry of Youth and Sports opened a Public call for candidates from the scientific and professional public for membership in the Working Group for the creation of the National Youth Strategy 2015 - 2025 and the accompanying action plan for the period between 2015 and 2017. Total of 38 representatives of competent authorities, institutions, business and civil society were included in the working group. The Working Group prepared a working draft of the National Youth Strategy 2015-25 which was presented to the interested public in 13 round tables organized in various cities in Serbia over a period of 20 days. Compared to the process of making a previous Youth Strategy in the sense of the width of the consultation process and the degree of participation, this process is a step back.

Also, during 2015, Ministry for State Administration and Local Self-government announced an open call for CSOs members in the Working group for the Second Action plan within Open Government Partnership (OGP). Five members and their deputies were selected through the process managed by Office for Cooperation. This was very important process, bearing in mind that recommendations after implementation the First Action plan were aimed on more transparent and participatory activities of the Working group.

2.4.2. CS participation on the Provincial level

Rules of Procedures of the Assembly of the Autonomous Province of Vojvodina, envision transparency of its work, with provisions allowing for citizens to attend Assembly sessions, and to visit the Assembly. The Government of the AP of Vojvodina has 12 Secretariats and most of them declare "cooperation with non-governmental organizations" as part of their regular activities.

There is no detailed information about types of cooperation, typically what could be found are open calls for proposals for funding of Vojvodina based CSOs and examples of joint projects. Unfortunately, baseline study was not carried out for the Provincial level, so data are not available.

Vojvodjanska Initiative for the EU was prepared during 2015 and formed in March 2016. It is a network of civil society organizations, a mechanism which is expanding and constantly open to new organizations, members, ideas. Its potential power is in a wide participation of all those who can contribute to enhancing the process of Serbia's accession to the European Union. Vojvodjanska Initiative is a consultative mechanism within which a thematically structured discussion will be held among representatives of civil society, government administration, political parties, trade unions, businesses, professionals, and professional organizations, on the accession of Serbia to the European Union so that interests of Vojvodina citizens in this process are being taken into consideration.

2.4.3. CS participation on the local level

Draft baseline study for the local level stressed that during 2014 LSGs have adopted over 11.000 different legal acts (budgets, strategic development plans, decisions, urbanistic plans, statutes, etc), and only for 3% of adopted legal acts a public debate was organized, while the average number of organized public debates was three per LSG. In the same time, majority of LSGs that has organized public debates, included the CSOs in the process of legal acts preparation.

Out of 330 legal acts adopted after being put through public debates, the most represented was a budget (29%), which is relatively low representation, having in mind that this is one of the key municipal documents and it is presumed that citizens and CSOs should show high level of interest. For more than three quarters of legal acts, public debates were organized through public events (round table, working meetings, tribunes and similar), while for the less than half of the legal acts public debate was organized through internet sites of the official endorser (public online debate), except in Vojvodina where the situation is quite the opposite. Less than two thirds of legal acts have been adopted through public debates that lasted less than 20 days.

In most of the cases, comments were submitted by interested citizens (individuals) and CSOs, while academic community is the least represented. Lack of comments is also relatively high. However, it should be noted that in practice very often comments are given directly during the public event as part of the public debate, and later they are not forwarded in written to the official endorser. When analyzing legal acts that had comments, in most of the cases at least one comment has been taken into consideration and for two thirds of comments have been accepted and incorporated. The average number of comments submitted to adopted legal acts was 3,7 and the average number of comments taken into consideration was 3,1. There was an average of 1,3 accepted comments, 0,7 partially accepted comments and the average of one non-accepted comment.

Reporting on the conducted public hearings in 2014 was most often in the form of informing the associations and other organizations that participated in public debate about the adoption of their comments.

Almost three quarters of LSGs have conducted other forms of cooperation – informing, counselling, participation. The most frequent type of cooperation with CSOs is information sharing through materials via internet and traditional media. It is visible that those LSGs that have a person/body designated to cooperate with CSOs are much more involved and have much more

developed different types of cooperation, than those without designated persons/bodies. These types of cooperation have been conducted mostly in relation to decisions and action plans, while surprisingly very low level of cooperation is related to the municipal budgets. Number of acts for which these types of cooperation have been conducted was 323, which is less than number of legal acts adopted through public debates.

Most LSGs have organized permanent and temporary bodies/groups to deal with issues they are in charge of, majority of those LSGs having a person/body for cooperation with CSOs are also leading in this effort. Most of these LSGs have included CSOs in the work of bodies/groups, and in majority of cases they invited those CSOs they had already cooperated with. In most of cases, criteria for selection were based on the scope of CSOs' activities and its' connectivity with the topics relevant for bodies/groups, but rarely based on their real specific expertise or recognized credibility of the organization.

Most common reasons for the absence of cooperation between the LSGs and civil society organizations were the lack of resources, no legal obligation to include CSOs and shortage of time. LSGs stated the less common reasons for non inclusion of CSOs are: the lack of competent civil society organisations and/or absence of communication with the competent CSOs.

2.5 Public perceptions and support of civil society and its various segments

It can be stated that the public perception of CSOs is deteriorating. IPSOS survey registers quite low level of citizens' confidence in civil society organizations. Possible explanations can be the high number of citizens who do not perceive CSOs to solve the major problems which affect the everyday lives of citizens, combined with the negative campaign CSOs have been exposed to in the last two years by media and government representatives.

In 2015, according to the IPSOS survey 72% of the surveyed CSOs believe that CSOs are not visible enough in public, while only one percent think that they are present in public more than it is necessary. Out of those who think the CSOs' presence in the public is insufficient 64% think that the key reason for this is an insufficient interest of the media in reporting on CSO activities, while 34% find the CSOs insufficient (or inadequate) activity in terms of increasing their presence in the public to be the reason. Assessment is the same like in 2014, therefore suggestion is to continue working intensively on establishing better contacts and cooperation with the media, to promote CSO work and in the same time to make it closer to citizens.

The surveyed general population assessed that the most important topics are employment (86%); education (79%) and safety (78%). The least important topic areas are: EU integrations (36%), animal protection (47%) and culture and art (60%). Priorities have changed when compared to 2014, especially regarding education, which is now higher on priority list of citizens.

74% of surveyed citizens believe that CSOs in Serbia are **not active** in burning problems like employment, 70% in fighting corruption, believe 64% believe CSOs are not active in the area of education and 62% in safety. Furthermore, general population perceive low CSO engagement in vital citizens' problems in the areas like rural development and overseeing governmental and local governments performances. In the same time**,** general population recognize CSO highest engagement in the areas like rights of women, human rights and animal protection.

Similarly, surveyed CSOs assess that CSOs are mostly active in human rights protection (84%), rights of women (83%), and recognize to least active in solving problems of rural development

(38%), overseeing government and local government performances (41%) and employment (43%). It could be concluded that surveyed general population perceive CSOs not active in the areas they perceive of highest importance. There is an obvious gap between the actual citizen's problems and activities performed by CSOs.

The surveyed citizens have the strongest confidence in the police (61%), government (46%) and the President of the State (43%), which is quite a shift when compared to 2014 when the President of the State was topping the chart of confidence. This may be related with the fact that after the extraordinary elections in 2014, the new President was elected. In the same time, it should be noted that all similar surveys show that the highest confidence in Serbia citizen have in the Church and Army (which were not offered as option in IPSOS survey).

The surveyed citizens have the least confidence in political parties (18%); trade unions (24%) and CSOs (28%), which is less trust than in 2014. It coincides with the perception of the commitment of CSOs to solve problems, which is also very low (34%). Having in mind continuous campaign in media against CSOs in the last two years, these data do not come as a surprise.

When CSOs are asked about self perception of CSOs trustworthiness, 65% think that people do not trust CSOs in Serbia, which is more favourable than the external perception (72% of general population does not have confidence in CSOs).

There is a shared opinion that the CSOs do not communicate well with citizens who often do not understand what CSOs are doing and how these help their everyday life. This is still reflected in a negative image of the sector among citizens and lack of trust.

Local and central government representatives still do not see the full benefit of cooperating with CSOs. Moreover, there are still occasional cases of government officials, such as the Minister of Labour and officials from the City of Nis, publicly expressing negative attitudes towards the entire CSO sector, with CSO work being hampered on the local level. Public recognition for the diversity of civil society organizations and activity needs to be better and more promoted by the Office for cooperation and by local bodies in charge for cooperation with CSOs. In the same time, CSOs need to work with their constituencies.

3 CSO organizational capacities

3.1 Overview of the civil society community

In Serbia, there are three common not-for-profit organizational forms that include the following: Associations, Foundations and Endowments (Legacies). Other not-for-profit legal forms, which are outside the scope, include political parties, trade unions, chambers of commerce, cooperatives, and private institutions (faculties and universities). Data on the CSO sector in Serbia in this report are provided through the baseline studies on both national and local level (with status data from 2014 and financial data from 2013), IPSOS survey data from 2015, SIDA report from 2015 and most recent Serbian Business Registers Agency (SBRA) data. Throughout the text, it will be clearly indicated which data are being presented and interpreted.

3.1.1 Structure of civil society

According to the SBRA data, there are over 26.500 associations and 650 foundations and endowments registered by the end of 2015, which is around 5.000 CSOs more than two years ago.

In terms of active CSOs, according to SBRA preliminary report[19], 17.780 associations and 523 foundations/endowments submitted financial reports for 2014.

However, the subject of this analysis are 26,042 CSOs registered at the SBRA at the end of 2014, of which 25,416 associations and 626 foundations and endowments, as presented in the national baseline survey by the Office for Cooperation with Civil Society.

CSO sector in Serbia is relatively young, as the majority of associations, foundations and endowments were formed after the year 2000. At the same time, one should bear in mind that some associations in Serbia were established more than 100 years ago, and that Serbia has a long tradition of philanthropy and endowment philanthropy. Some of the biggest endowments were established in the 19th century.

The majority of associations is located in Vojvodina, followed by Belgrade, while the others are equally distributed across the regions. Just over 25% of associations registered a business activity, leaders among them being the newly-established associations, and the associations located in Vojvodina. Less than 20% of associations, most of which in Vojvodina, are members of a network. Most of the longest-standing associations are members of some network. Most foundations and endowments are located in Belgrade - twice as many than in Vojvodina, while their number in other parts of the country is negligible. Of 626 foundations and endowments, foundations are the most frequent form of organisation – 75% in total. Endowments engaged in public benefit activities represent some 20% of the total number of foundations and endowments.

The majority of legal representatives of CSOs are men - 72% in associations and 64% in foundations and endowments.

CSOs established before 1990 (13%) encompass organizations not usually perceived as CSOs (by the public, themselves, or the other part of the sector); such as the Red Cross, Hunter associations, Voluntary Fire-brigades, Auto-moto clubs, professional associations, pensioners' associations, cultural and sports clubs and hobby groups. Most often, these CSOs are more traditional and mostly politically passive in terms of advocacy initiatives. However, they usually have strong membership-base, large network of volunteers and sufficient capacity to organize activities in the community; more often than not, they respond to their constituency and provide adequate services; finally, due to good relations with local governments, almost 80% have either their own premises or are given space with no charges. Their funding comes from membership fees, governmental support and in some cases from “delegated authority” to provide services to their members (I.e. Auto-Moto Club, Red Cross). Many of the CSOs established before the 1990s are so-called “self help” organizations for persons with disabilities, which are organized within nationwide unions or federations, according to structures inherited from communist times. These organizations are spread out all over Serbia, and they have branch offices in almost every town and municipality. At the central level, the various unions (Deaf Union of Serbia, Association of Paraplegics and Quadriplegics of Serbia, and so on) are formally united under a single umbrella, the National Organization of Persons with Disabilities of Serbia.

Further, smaller group of more or less professionalized CSOs has emerged from the so-called “traditional” associations above during nineties and later. These associations retain their member-based service-orientation, but have been transformed - in most cases through inclusion

[19] http://goo.gl/qoIdVE

in internationally sponsored capacity building programmes - into modern, active CSOs which apply a rights-based and capacity-building approach to their activities with their membership, leading them into areas such as advocacy, policy dialogue and the provision of services to members which aim to empower by increasing their knowledge, skills and access to resources. Typically, these groups are included in national and international sector-based alliances and networks with like-minded regional associations and international CSOs specializing in their field (youth, women, disability, professional associations, etc.), and 'old' associations of persons with disabilities

Within organizations established during the 90's and later there are three 'subgroups':

A. About 9% are those created in the 90's focusing on combating human rights violations, disbursing humanitarian aid for refugees and displaced persons, promoting peace and reconciliation, fighting poverty, and promoting democratic values and principles. Many of them developed into professional, modern CSOs that are engaged in advocacy and capacity building in a number of areas of social policy, good governance, human rights and economic development. Usually, they are socially progressive and well-versed in international influences and socio-political agendas, both within the region and in the context of European integration. They rely on international support more than other organizations, and have a weaker constituency base and relations with citizens. Most of these organizations come from Belgrade and have been pasing through through transitional processes introducing new leadership and adapting to the changed external context and environment.

B. The other 'subgroup' (27%) emerged as a new wave after political and social changes in October 2000, joining the previous group. In addition to strong CSOs dealing with democratization, human and women rights, youth and children, think-tanks, the number of such organizations is related to smaller, community-based initiatives and organizations that focus on variety of issues in the community - social, environmental, economic, etc. They are undertaking smaller-scale projects, have smaller capacities and are more turned to mobilizing local resources from communities and municipalities.

C. Special case are recently registered CSOs - over 13.000 since 2010, 52% of the total number. At the moment there is no much information on these CSOs in terms of their capacities, structure, area of interest. This should be subject of further research.

3.1.2 Human resources and technical skills

SBRA preliminary data for 2014 shows that there have been 6.651 fully employed persons in CSOs (6.044 in associations and 607 in foundations/endowments), which is an increase of 6,5% when compared to 2013.

Possible explanations may be that there are incentives provided by National employment office, or small entrepreneurs are closing their businesses and moving towards CSO sector, so that the absolute increase in number of CSOs led to the increase of fully employed, however this needs to be further investigated. Participation of CSO employees in total employment has slightly increased, from 0,33% in 2013 to 0,36% in 2014, which is also resulting from the decrease in overall employment in these two years.

According to the Governemnt Office for cooperation with civil society more than 80% of CSOs that submitted reports did not have a single employee in the period 2010 - 2013. The majority of persons were employed in associations and a significantly lower number in foundations and endowments. Overall, 10.5% associations had one to four employees, only 1.2% from five to nine employees and 0.5% more than 10 employees in 2013.

In the same time, 16% foundations and endowments had one to four such employees. A very limited number of these organisations had five to nine employees with full-time contracts (4%), and more than 10 (5%). Interestingly, although the total amount of revenues increased, the share of foundations and endowments without employees increased (from 75% to 80%), and those with one to four employees decreased (from 16% in 2010 to 13% in 2013). The average number of fully employed persons in 2014 per one CSOs in Serbia was 0,26.

In 2013, most of the employees work in CSOs located in the region of Belgrade which corresponds to the fact that the majority of CSOs with the highest total revenues are located in this region. With respect to breakdown by municipality, the City of Belgrade leads with nine associations which have the highest number of employees, while one organization is located on the territory of the City of Novi Sad. Out of this number, the two are faith-based organizations. The size of the budget is not necessarily in proportion with the number of employees as the comparison between total revenues and the number of employees shows.

Among the foundations and endowments with the highest number of employees, seven are from Belgrade, two from Subotica and one from Topola. They differ by year of establishment, form of organization and the objectives they promote, safeguard and advance. As with the associations, the number of employees is not in proportion with the size of budget. In other words, foundations and endowments with significantly lower total revenues relative to others have a higher number of employees.

Regarding office premises, IPSOS survey shows that 68% of CSOs have rented premises and only 12% work in the premises that are owned by the organization. In terms of equipment, 84% possess computers, 83% access to internet, 73% Facebook page (social media), 69% telephone connection and 66% webpage. Only 16% has own a vehicle.

According to the report prepared in June 2014 by Civic Initiatives for the "Mapping of the CSO needs in Serbia for training and consultancies"[20], the members/employees of nearly a third of CSOs (29 %) did not in the previous three years participated in any training and consultancy.

Regarding the CSO capacity needs, SIDA report highlights the following: "There are different needs of the different parts of the sector, depending on the scope and size of the organisation, year of establishment, history, target group, etc. Despite a lot of capacity building activities in the last decade, the high staff turnover and 13,000 new organisations being established in the last five years, there is demand for more support regarding basic capacity needs.

The range of capacity-building needs for larger organisations is very wide: improvement of evidence based policy research; topics related to the European integrations - monitoring government accountability and transparency, law implementation; strategic planning, financial management, new fundraising techniques, building constituency, lobbying and advocacy, building

[20] Within the TACSO and USAID initiative "Training & Consultancy Forward" that aimed to improve the quality of the trainers' and consultants' services offered to CSOs; Authors: Branka Pavlović, Snežana Stojanović & Dubravka Velat

and maintaining networks. Support to small local CSOs especially to the “new generation” may focus on basic elements needed for successful start, such as: strategic planning, organisational development and management, fundraising (diversifying funding sources, especially from local sources), partnership building, citizen participation, and networking.

For several years the EU has been promoting an approach where "bigger" organisations have the responsibility to help and assist the "smaller" (through re-granting, advice, technical assistance, information sharing, training and mentoring, etc.). Local CSOs have to build their capacity to increase their influence at the national/regional and EU levels. Therefore, there is responsibility of the "bigger" organisations to bridge that gap and provide for networking and connecting organisations horizontally and vertically.

The CSOs’ staff are very often busy implementing projects and struggling with the daily operations. They find it difficult to sufficiently engage in the organisational and institutional development. In the changing and unstable context, the CSOs in Serbia need to adapt rapidly from individual to organisational level.

The existing approach to capacity building needs to be revisited. The methodologies used for building capacity require upgrading and adaptation to new trends in adult learning and greater use of social media. There are a number of resource centres and training/consulting providers who can develop specific programs according to needs of the specific segment of the civil society.

IPSOS survey shows that 77% CSOs engaged volunteers in 2015, while their perception of the rest of the sector is that 53% of CSOs engage volunteers. Their estimate is that average working hours per week of voluntary work in 2015 is 12,9 hours. 51% of CSOs engaged the same number of volunteers like in previous year, 25% engaged more and 22% less in 2015 compared to 2014. In the same time, only 4% of the surveyed citizens stated they were engaged in voluntary work in 2015, with 19 weeks of average voluntary engagement and 15,7 hours per week of voluntary work in 2015.

The number of volunteers in Serbia based on official reports submitted by organisations to the Ministry of Labour, Employment, Veteran and Social Policy each year, shows modest 1,166 registered volunteers in 2014. On the other hand, the CSOs themselves depict completely different picture and estimate the number of volunteers in the sector to be much higher.

3.1.3 Field of operation/activities

The majority of surveyed CSOs stated that their primary activity is "other" (18%). Those who specified, stated that they primarily deal with youth (15%), human rights and ecology (11% each), education and social inclusion (6% each). CSOs are least involved in human trafficking (0,7%) and anticorruption (2,1%).

Baseline study reveals that there are no systematized data on the number and type of CSOs providing social protection services, and the number and type of services. These data may be extrapolated from the general information collected by the Republic Institute for Social Protection. With respect to social services’ provision, local governments trust public social protection providers more than the ones from private sector or civil society. For the most part civil society organisations that provide social services at the local level are associations of people with disabilities, and thus the services provided by CSOs are most often directed towards the

people with disabilities – children and youth primarily. Less than 30% of accredited programmes for social service providers are from CSOs, while less than 50% of trainings were implemented by CSOs according to the ledger of implemented trainings kept since the establishment of accreditation programme. At the same time, according to the records in early 2015, the trainings implemented by CSOs mostly related to the area of support to marginalized groups.

The role of civil society organisations in the health care sector, in health policies and normative acts is not defined. The cooperation of the Ministry of Health and CSOs takes place through the regular annual Programme of Support to Associations which also includes support to the activities the Red Cross of Serbia.

There is no systematized data on informal education and CSOs as service providers in this field. The only information relates to the number of CSOs that were supported from the budget through public calls. The system for cooperation with CSOs will be established once the corresponding by-laws are endorsed.

The participation of CSOs in the process of European Integration happens largely through National Convention led by European Movement, and different coalitions covering specific chapters (Coallition "Preugovor" for Chapters 23 and 24; Belgrade Open School, engagement of CSOs in programming of funds through SECO mecanism, most recent Vojvodina initiative...)

As of 2014, a TACSO Resource Centre has been established as part of the TACSO exit process, led by Civic Initiatives and consortium of three CSOs: Centre for Development of Non Profit Sector, Dokukino and Human Rights House. The Resource Centre has been providing technical assistance, capacity building, information sharing and networking as part of its regular activities.

3.1.4 Transparency of CSO work

Majority of CSOs claim to inform almost all interested groups about their activities. Nevertheless, significant percentage of CSOs openly admit that their documents are not accessible to public – which primarily refers to financial statements.

According the IPSOS survey, 77% of the surveyed CSOs state that there is, by internal acts, a defined obligation to share information with their members. Beneficiaries and general public are least informed, therefore, this area needs further attention in terms of increasing the level of information available about CSO work to general public. This coincides with the (bad) perception of CSOs in public and low trust in their work, i.e. insufficient presence of CSO work in the media and disconnection with the citizens, already described in previous chapters.

There was slight improvement in the area of the official documents' availability to public, from 64% in 2014 to 70% in 2015 of CSOs stating that their statutes are published in some form, and from 33% to 41% of CSOs stating that they have published a rulebook in some form, while 78% of CSOs make results of their work available in some form.

44% of surveyed CSOs believe that CSO annual activity reports are accessible to public, while 52% of CSOs state that their own annual reports are published in some form and thus available to public. Surveyed CSOs believe that a majority (55%) of CSOs in the sector does not publish their financial reports/statements, which is improvement compared to 2014. In the same time, 35% of the surveyed CSOs openly admit that they do not make their financial statements available to the public. Surveyed CSOs believe that a majority, 66% of the sector does not publish their audited

financial statements, while 61% of the surveyed CSOs openly admit that they do not make their audited financial statements available to the public.

It is obvious that CSOs declare their own situation regarding accessibility of documents better than on the level of the whole sector. There is slow progress in this area, with more CSOs having their documents published and/or available to public, however it is still low percentage. Concern remains that both bigger and especially smaller CSOs in general do not have sufficient capacity for financial management, and/or resources for auditing their financial statements.

83% of surveyed CSOs believe that the majority of CSOs in Serbia are managed in compliance with rules set by Law, and 65% believe that decisions are made in consultations with employees, volunteers and broader audience, which is a significant progress when compared to 2014. In the same time, 96% of surveyed CSOs state that they are managed in compliance with prescribed rules, and 73% state that decisions in their CSOs are made in consultations with employees, volunteers and broader audience. In both cases, it is a significant progress when compared to 2014. There is obvious discrepancy between perception of CSO representatives about the way in which CSOs are managed and perception of their own organization.

3.1.5. Monitoring and Evaluation (M&E) capacities of CSOs

Majority of CSOs claim to evaluate project implementation and does it in order to learn and improve future projects. Majority of CSOs claim to have systems to assess efficiency of not only projects, but also strategic plans and staff appraisals, with external evaluation being used to a significantly lesser extent than internal evaluation.

According to the IPSOS survey, 29% of surveyed CSOs evaluate their projects pro forma, while 72% evaluate projects with the purpose of establishing efficiency and drawing a lesson for further projects, which is a slight improvement compared to 2014 (68%). Similarly to 2014, only 23% of CSOs use external evaluation to assess the realisation of their projects. In the same time, 85% of CSOs state that they have an established system for the assessment of efficiency for project implementation. This area is pretty much the same like in 2014, it requires improvement in terms of greater involvement of the external evaluation.

76% CSOs state that they have systems for the assessment of efficiency of their strategic plans, while one out of 10 of the surveyed CSOs use external evaluators to evaluate the implementation of the organisation's strategic plan. 70% of surveyed CSOs state that they have systems for staff performance appraisal, and 9% engage external evaluators in this area.

It seems that CSO selfpecreption is better than the actual situation, having direct contatcs with the number of CSOs in the field.

3.1.6 Strategic strengths of CSOs

66% CSOs claim to have developed strategic plan, which is less than in 2014 (71%). This is quite questionable, since practice show that most of CSOs do not have strategic plans, only few and mostly big ones, as it is conditioned by the CSO capacities (experience, finances and knowledge). These exceptions are to be found among the smaller number of professional, well-developed organizations which are well familiarized with their working environment, and often engage in research and analyses of changing trends. Owing to their higher profile, organization size or

"weight" and their closeness to the political and institutional centre, they have usually managed to position themselves favourably in relation to the democratic and developmental changes, which are gathering pace in Serbia in relation to the process of European integration. These organizations maintain close contacts with partner CSOs in EU countries and are members of a growing number of regional (Balkan) and European CSO networks and internet-based coalitions. For the remainder, taking the long view is a challenge. Small CSOs that survive "from project to project" are not capable to develop strategic plans. In some cases, strategic plans are more a wishing list than a comprehensive document as its development requires experts' support.

According tot he IPSOS survey, 47% of the surveyed CSOs claim to have a plan for the development of human resources available and 13% are currently developing it**.** 41% of CSOs admit that they do not have a human resources development plan. Regardless, 72% state that they manage to keep talented associates and 82% manage to attract quality new people. This is also quite questionable, since the practice shows that existence of human resource plan in the NGO sector in Serbia is still in its infancy. Furthermore, due to the unstable and limited funding, even the strongest organizations are not fully capable of attracting and keeping the most capable associates. Young and talented people are entering CSO sector, but rarely stay for longer period.

It can be noticed that there is more pressure on CSOs to start thinking strategically, and very often it is financially supported by funders, sometimes also as part of their exit strategies. Still, strategic thinking remains an underdeveloped capacity in CS organizational culture and it is especially important nowadays, with the EU integration process, changing political and economic context and emerging of new wave of CSOs. RC recognized this need and initiated during 2015 a Training of trainers (TOT) program for Strategic planning, to be fully implemented in 2016.

3.1.7 Analytical capacities

Sector-wide **analytical capacities** necessary for providing the basis for effective advocacy and policy dialogue are improving. It is still the strongest among fully professional organizations in the larger towns that are already positioned and recognized as think-tanks for specific issues. Local CSO capacity has been built though training and small grants, to carry out researches and analysis that should enable policy change. CSOs are improving in conducting the social research to ascertain constituency need or to assist in project identification. Desk research is undertaken more than before to advance programming or setting strategies. Specialized socio-economic think tanks are still few and far between. However, there is still a gap between CSO analytical capacity and advocacy needs. Therefore, at the end of 2015, RC announced a TOT program for trainers in advocacy, to increase the capacity of CSOs to influence decision making.

The most extensively used sources of information, according to CSO representatives in Serbia, are official sources (official statistics, ministries...) and very rarely CSOs order studies to obtain data. Less than half (45%) of the surveyed CSOs that are active in public advocacy always/frequently use research results and analysis for their advocacy activities, which is significant decrease compared to 2014 (63%), while one third (26%) rarely/never uses this research and results.

According to the IPSOS survey, 74% of CSOs claim that they usually have enough information and/or data at their disposal. In most of the cases (74%) the CSOs use official data of national statistical offices, ministries and in 57% cases data of domestic CSOs. Less than half (48%) conducts its own studies. In only 5% of cases, CSOs in Serbia commissions studies.

3.1.8 Relationships with other actors

Data on CSO networks active in Serbia is not available on regular basis. Latest SBRA data for 2014 show that 18% of registered CSOs are members of some type of network (around 4.500 CSOs). There are estimates that at least 35% to 40% of CSOs are members of some type of network. Almost all CSOs in Serbia routinely cooperate with other CSOs. Partnerships are a growing practice in the sector, though there is still insufficient communication and exchange of ideas, information and initiatives among CSOs. **Networking** is improving, with at least 120 functional networks at either the national or local levels. CSF FPA[21] projects have contributed to regional and national networking. Small and local CSOs are especially aware that networking improves quality of work and enables access to information and resources. There is a number of prominent sector and activity-specific networks, such as national women's network against violence, Roma Women Network, Network of Parents' Associations, National Coalition for Decentralization, Media Coalition, Aid Watch, Network of Ecological CSOs Natura 2000 Resource centre Serbia, Preugovor, National Convention on European Union in Serbia, House of Human Rights, Coalition for Monitoring Public Finances, European Network Against Poverty in Serbia, Network for Mental Health "NAUM", Association of Blind People in Serbia and many others. RC has invited CSO networks in Serbia to apply for technical assistance, and total of 35 networks are supported in the processes of strengthening internal capacities or development of strategic and advocacy plans.

According to the IPSOS survey, 68% CSOs find regional/international networks efficient, 74% national networks and 59% local networks, which is similar to 2014. 37% of CSOs stated that they benefit from network membership in terms of joint projects/activities/cooperation and assistance; 33% from the exchange of experience/knowledge; 33% gained in terms of access to information/ exchange of information, 26% gained in greater visibility/ influence/ strength/ affirmation of CSOs. Access to funds is least stated as the benefit (6%).

According to the results the surveyed CSOs are in average, members of 1,4 regional/ international networks, 1,4 national networks and 1,1 local networks. CSOs are active in 2,4 regional/international, 1,8 national and 1,7 local network. It could be seen that as the territorial distance, grows the number of CSOs that cooperate diminishes. This is exceptionally important information in the context of European Integration, since requirements for cooperation with CSOs from the region and with European CSOs and networks will increase in the near future. In the same time, better connections on the local level are needed.

CSOs are also forming cross-sector partnerships, with local self-governments and public institutions with increasing regularity. Such partnerships are becoming a popular way of applying for and implementing EU-funded projects, which are of mutual benefit to the respective partners. CSOs, particularly in rural areas and less developed parts of the country, often have superior project development and writing skills, as well as greater experience in project management than public administrations. For their part, municipal authorities have greater access than CSOs to matching funds required for all EU grant applications. In this way, wherever such social partnerships are formed, CSOs often perform a leading or even leadership role in the design and implementation of municipal social projects.

[21] CSF FPA - Civil Society Facility Framework Partnership Agreement, that support the need to work on a regular, stable and longer-term basis with networks involving well-established beneficiaries, facilitating the work already carried out by these organisations to influence public sector reform processes and give citizens a voice in decision-making

3.1.9 Material and financial stability and resilience

According to the IPSOS survey, surveyed CSOs believe that 29% of the organisations in the NGO sector mainly adapt to donors' priorities and collect means for other activities not in line with their strategic plan, which is significant decrease compared to 2014 (65%). In the same time, 15% of the surveyed CSOs say that the organisations that they are personally engaged in mainly adapt to the donors' strategies, again significantly less than in 2014 (28%). This suggest that more CSOs than before, raise funds according to their strategic plans and missions, which is confirmed by the fact that CSOs that have strategic plans, have fundraised 69% of their strategic plan's budget, which is the highest level when compared to other countries in the region.

In practice, it could be seen that CSOs have difficulties to raise funds in accordance with their strategic plans, partially because of the lack of reality of said plans and partly because of the unstable funding and overall difficult economic situation in the country and with international donors, although they do consider planning to be of key importance.

Baseline study reveals that there is a slight growth of total associations' revenues in Serbian Dinar over the past several years. Nevertheless, when impact of inflation is taken into account, a slight drop is evident in 2013. One should also bear in mind that the number of associations has been growing from one year to another which resulted in the increase of the number of associations that do not generate revenues.

Of the 10 foundations and endowments with the highest revenues, six are from the region of Belgrade, three from Vojvodina (Novi Sad, Vršac, Subotica), and one from Southern and Eastern Serbia (Vranje). They differ depending on the objectives they promote and safeguard and almost all of them – with the exception of the Endowment of Ilija M. Kolarac – were established in recent past.

SBRA preliminary data show that total CSO income grew for 5,3% in 2014, compared to 2013. However, the financial viability of CSOs in general terms has worsened. As stated in the USAID NGO Index Report "In 2014, the entire country was focused on providing aid to devastated areas hit by severe floods. All support—financial, human, and material—was sent to the affected territories. Major international donors, domestic foundations, and companies redirected their activities, programs, and funds towards rehabilitating the affected areas. The Government of Serbia ran an intensive campaign appealing for donations to the government relief program. The crisis highlighted civil society's ability to reach communities where the state does not have a significant presence. At the same time, the redirection of funds showed the sector's financial fragility since very limited relief funds reached CSOs, as they were instead directed to the state-led relief program." Similarly, in 2015 significant amount of foreign funding went to dealing with migrant crisis.

Continued inadequacy of state funding available for a number of active CSOs and the poor financial framework in which CSOs work have certainly contributed to this situation; in addition, despite an increase in charitable giving by individuals and businesses, non profits are still low on their radar being only 16% of recipients of their donations. As already mentioned, more than 3,5 million EUR was given to non profit organizations through charitable giving, which represents

1,4% of the total annual income of non profit organizations in Serbia (associations, foundations and endowments)[22] in 2014.

Data on different sources of income for CSOs on annual level is not available. According to the IPSOS srvey, surveyed CSOs list the most common sources of financing as follows: local administration and/or regional administration (57%); government/ministries/state institutions (45%); other foreign resources and private companies (33% each); EU funds (27%); members' fees (25%); own economic activity (24%) and citizens (22%). There is an obvious shift in the structure of income when compared to 2014, with membership fees and citizens' giving decreasing and governmental, EU and private companies money increasing.

3.1.10 Organizational sustainability

As stated in the SIDA report " There is an undivided opinion on the influence and contribution of civil society to the changes in Serbian society. Many of the issues were resolved or put on the political agenda as a result of civil society efforts. However, 15 years after democratic changes, the civil society in Serbia seems to be at a cross-road Indeed, the changing context has influenced the CSOs' way of working. At the same time, this perception may be connected to the generational shift and an emergence of the CSOs with new leadership.

Overall CSO sustainability in Serbia slightly deteriorated in the last two years. Legal framework and enabling environment is mostly in place, however practice is still quite diverse and needs improvements.

CSO structure has significantly changed as it doubled in size in the last five years, with no relevant information about the key features of the new generation of organizations. Therefore, capacity needs of CSOs vary and should be met in a tailored way, especially having in mind the transition processes and change ofleadership going on in a number of CSOs.

The lack of managerial skills, unclear lines between governance and management function and a constant influx of new, inexperienced staff continues to plague the sector. CSOs face challenges in recruiting and retaining quality human resources. Although strategic planning is recognized as important by CSOs, practices are different.

Some important international donors downsized, closed or changed their programs and operations, leaving even some of the biggest CSOs struggling to survive. Diversification of funding sources is weak. Individual and corporate giving has increased, however it is mostly not targeting CSOs. In the next period, there should be strategic focus on domestic and innovative funding sources.

The effectiveness of advocacy efforts was decreased as a result of the extraordinary elections in 2014 and announcement of elections in 2015.

Service provision, although supported by legal framework, in practice faces number of obstacles. Governmental Office for Cooperation with Civil Society, although mobilized CSOs through four different coalitions to participate actively in EU accession negotiations was slowed down, functioning for almost a year without a director.

[22] This is a very rough estimate but still quite illustrative.

CSOs have weak constituency relations and lack of capacity in public relations. Citizens have low trust in CSOs and percive CSOs as not solving important issues, therefore involving citizens is one of the key sustainability issues for the sector. CSO need to be more transparent to gain trust and respect of thepublic. In that context, work on the Quality Assurance Systems by CSOs for CSOs is an imperative for sustainability.

4 Conclusions and Recommendations

4.1 Conclusions

- Although the framework for exercising freedoms is mostly in place, the number of cases of encroachment exercising freedom of association, freedom of assembly and freedom of expression has increased.
- The Law on Volunteering and amendments on various tax laws have also contributed to regulating the legal environment in which CSOs and other non-profit actors work. New Law on accounting has envisaged simplified and adapted procedures for CSOs, as of 2014.
- The **registration process** for associations is simple and decentralized with possibilities for a CSO to register in only few days and online. Registration of grass-roots groups is not mandatory. Unregistered organizations can freely operate and can receive financial support.
- There is no formally recognized status of public benefit. The definition of the public benefit is not harmonized between the Law on Associations and the Law on Foundations and Endowments and the relevant tax laws.
- The legal framework is still not favourable toward the promotion of volunteering; the existing legislative creates difficulties for CSOs when engaging volunteers. No relevant data exists on the number of volunteers and volunteers' hours.
- Financial (including tax) rules are moderately reasonable and moderately clear for implementation. There is a moderate support system when it comes to implementation of financial (including tax) rules. The support system provides somewhat clear instructions regarding the implementation of financial (including tax) rules There are three different formats (different forms of reporting) according to CSOs' turn-over.
- There is a tax relief in the amount of up to 5% of taxable income for corporations, but legislation does not provide for stimulating tax incentives for individual giving. Data on the number of registered taxpayers who donated to CSOs is not available. Corporate profit tax law changes have been adopted in order to provide equal treatment of civil society organizations as social service providers.
- Associations, foundations and endowments pursuing public interest objectives may engage directly in **economic activities;** however this possibility is still not largely used by CSOs. Income from CSOs mission-related economic activity is tax free up to the amount of annual income of approximatelly 3.200 EUR.
- Data on the amount of the total public funding of CSOs is not available, therefore no relevant data on the increase in public funding of CSOs exists. Public funding is not decided on the basis of policy papers. There is no inclusion of beneficiaries in the programming of the tenders. Clear criteria are not published in advance. There are deadlines for decisions and decision on the merits, with arguments. There is no evaluation of achieved outputs and outcomes on the project and program level. There is a possibility of prepayments, but there is no possibility of multi-annual contracts. Although there is official obligation for transparent reporting on the implementation of supports, there are various practices, particularly on the local level. Matching funding is poorly present, except for AP Vojvodina.
- Only partial data on the draft laws/bylaws consulted with CSOs in accordance to national legislation is available. There is non-binding document that establishes the framework for effective consultations with CSOs. Problems are still noticeable in: adequate access to information, sufficient time to comment, selection and representativeness/diversity of working groups acknowledgement of input, degree to which input is taken into account, feedback and publication of consultation results.

- Although, the number of laws adopted in urgent procedure in the Parliament compared with 2014 decreased by 35%, some very important laws were adopted without public debate. There is a pronounced trend for the public hearings to be conducted for a very limited number of acts, or not to be conducted at all, in absence of a legal obligation to that effect. On average, public hearings are conducted for one in ten acts adopted or submitted to the Government (10.5% of the total number of acts according to data from 2014).
- The representatives of the state bodies themselves do not perceive a small number of public hearings as a lack of cooperation with the civil society – they deem the cooperation was in place even if a public hearing had been organised only once during the previous year. The most frequent reason for absence of a public hearing was absence of a legal obligation to conduct it. From the perspective of state authorities' representatives – the high number of comments submitted during public hearings cannot be accepted as they are declaratory and do not contain concrete and specific proposals for changes of acts.
- Other forms of cooperation – informing, counselling, participation – appear twice as frequently – for 20% of acts on average. All 16 bodies on the national level that reported this form of cooperation also reported direct involvement of civil society representatives in the work of established project or working groups. During the course of the year, only a few of the surveyed state bodies established working groups to which they invite, most often, certain civil society organisations that they recognise as relevant for different reasons. Public calls to CSOs for membership in working groups are published much less frequently (only eight of the total 38 working groups in 2014).
- During 2014 LSGs have adopted over 11.000 different acts (budgets, strategic development plans, decisions, urbanistic plans, statutes, etc). and only for 3% of adopted acts a public debate was organized, while the average number of organized public debates was three per LSG. In the same time, majority of LSGs that has organized public debates, included CSOs in the process of acts preparation.
- Almost three quarters of LSGs has conducted other forms of cooperation – informing, counselling, participation. The most frequent type of cooperation with CSOs is informing through informative materials on internet and media. It is visible that those LSGs that have a person/body designated for cooperation with CSOs are much more involved and have much more developed different types of cooperation, than those without designated persons/bodies.
- There is a designated body for dialogue between the Government and CSOs – Government Office for cooperation with civil society, but there is no designated body, institution or contact point for dialogue between Parliament and CSOs. The total number of contact points for cooperation with civil society is still small. Urgent adoption of the 1st National Strategy is needed.
- In recent times, Serbia has seen a gradual reduction of activity by **foreign donors** as the country progresses towards European integration. Strategic thinking on the future of CSO funding in Serbia with special focus on domestic sources and more extensive usage of new technologies and social media, in the context of EU integrations, is needed.
- The total amount of financial **support** for civil society from the **community** and **business sector** is difficult to assess as the only source of information is media monitoring of charitable giving and support. It can take a variety of forms, including direct cash donations, provisions of in-kind goods or services, working together with their employees to achieve a common goal, and providing a platform for clients or customers to also participate in giving. Catalyst and TRAG foundation's report shows that there is an increase in charitable giving in Serbia. Estimates are that in 2015 there were 3.000 actions and 22 million EUR given for a wide

spectrum of issues, recipients and beneficiaries, which is an increase compared to 2014.

- Civil society's **public image** in Serbia is deteriorating. There is a quite low level of citizens' confidence in civil society organizations, with high number of citizens not perceiving CSOs to solve the biggest problems which affect the everyday lives of citizens. Other factors may include: the legacy of the nineties, the negative campaign that CSOs have been exposed to in the last two years by media and government representatives, the weak capacity of CSOs to present and promote their work in the community.
- **CSOs and the media** alike recognize the need to build the sector's public relations capacities.
- Number of CSOs has increased to almost 27.000. In terms of active CSOs, 17.304 associations and 442 foundations/endowments submitted financial reports for 2013 and 18.303 in 2014.
- The CSO sector in Serbia is very diversified by the primary area of activity, date of establishment, size, budget and geographic region. These differences affect their organizational level of development, therefore different strategies and approaches should be used to meet those needs. The CSO sector is relatively young, with the majority of organizations founded after 2010.
- High level of **technical, administrative and managerial competences** as well as the capacity for advocacy, social campaigning and policy dialogue is present mostly with CSOs established in the 90' and beginning of 2000s. A lack of managerial skills, the unclear lines between governance and management function, and a constant influx of new, inexperienced staff continue to plague the sector
- There have been **6.651 fully employed persons in CSOs** in 2014, which is an increase of 6,5% when compared to 2013. At least the same number of persons are employed in the CSO sector through other type of contract; there is an estimate that over 150,000 volunteers and hundreds of thousands of members are engaged in CSOs. However, more than 80% of CSOs in Serbia do not have a single employee.
- The majority of CSOs claim to inform almost all interested groups about their activities. Nevertheless, a significant percentage of CSOs openly admit that their documents are not accessible to the public – which primarily refers to financial statements.
- The practice of **programming strategically** within the framework of organizational strengths and envisaged opportunities in the working environment is improving, but still rather rarely practiced.
- Monitoring and evaluation is still weak. Majority of CSOs evaluate project implementation and does it in order to learn and improve future projects. Majority of CSOs claim to have systems to assess efficiency of not only projects, but also strategic plans and staff appraisals, with external evaluation being used to a significantly lesser extent than internal evaluation.
- Sector-wide **analytical capacities** necessary for providing the basis for effective advocacy and policy dialogue are improving. It is still the strongest among fully professional organizations in the larger cities that are already positioned and recognized as think thanks for specific issues.
- Partnerships **are a growing practice** in the sector, though there is still insufficient communication and exchange of ideas, information and initiatives among CSOs. **Networking** is improving, with at least 120 functional networks at either the national or local levels. CSF FPA projects have contributed to regional and national networking. CSOs are also forming **cross-sector partnerships**, with local self-governments and public institutions with increasing regularity. Such social partnerships are becoming a popular way of applying for and implementing EU-funded projects, which are of mutual benefit to the respective partners.
- **Financial stability** of CSOs is generally weak. Most Serbian CSOs are constantly facing financial instability and the situation has not changed in the past couple of years. Shifting the

focus towards domestic funding sources and developing innovative ways of fundraising is a must.

4.2 Recommendations

Support to advocating for a better legal/fiscal framework

Support should be provided to already existing CSO efforts that contribute to the enabling environment, including advocacy efforts to improve current legislation and also monitoring the implementation of laws. It encompasses adoption of the National strategy, work on tax related laws, harmonization of the public benefit status, Law on Volunteering, etc. as well as monitoring of EU Guidelines, future National Strategy for Development of the Enabling Environment, Law on Social Protection, etc.

TACSO support is needed in the area of of further improvements of the already adopted CSO related legislation and achieved level of exercising of freedom of association (including also freedom of assembly and freedom of expression).

Special attention should be put on implementation of existing legal regulations for the benefit of CSOs, such as transparent funding of CSOs from public sources on the local level as well as the process of implementation of the Open Government Partnership. It's agenda is harmonized with various CSOs activities aimed on increase of good governance and fiscal transparency

Further development of institutional mechanisms for cooperation between the Government and CSOs

In addition to the Office for Cooperation with Civil Society, establishment of bodies for cooperation on different levels (Parliament, national, provincial, local level), should be promoted and supported, as well as other forms of cooperation, thus working towards a comprehensive framework of cooperation rather than one mechanism.

Awareness raising among public authorities on the advantages of cooperation with CSOs in the early stages of policy formation, as well as in implementation and monitoring, should be made a priority. Furthermore, overall standards and procedures regarding appointment of CSO representatives to various bodies at national and local level should be discussed and developed, taking into account best practices in neighbouring countries and from CSO proposals.

TACSO support should be provided to policy development, advocacy and lobbying, monitoring governance and democratic process**,** in terms of CSO activity in the oversight of public administration and the work of parliamentarians and local assemblies that needs to be further improved. There are roles to be filled in monitoring the political process at the national, provincial and local level to ensure a proper democratic process, ascting as citizen watchdogs following the correct implementation of laws and the application of standards in service delivery, particularly at the local level, as well as overseeing the public administration budgetary process, the proper allocation of public resources and activities in the fight against corruption.

In that context, implementation of the bylaws dealing with CSO participation in decision making processes should be regularly monitored, data collected and reported.

Capacity of both civil servants and CSOs should be strenghtened for meaningful participation in the consultation processes.

Improving the public image of the sector and visibility of CSOs

Changing the public perception of the sector continues to be a priority. It encompasses working on improving CSO - media relations, to promote work of individual organizations but also of the whole CSO sector; using social media, info sharing and promotion tools as a way of reaching citizens. Besides trainings, helping CSOs to design and implement communication strategies might be an approach.

The CSOs need to re-think their strategies for approaching and connecting with citizens. It is important that the values the civil society organizations are nurturing and being communicated in an understandable and accessible way. Citizens need to see the real change in their lives as a result of CSO work. The CSOs must take point of departure in the needs and concerns of the citizens and the local communities and represent their cause loyally and further mobilise and involve them in different activities as volunteers, participants, and ensuring proper feedback and avoid 'elite capturing'.

Transparent and accountable work of CSOs as key pillars of quality assurance system are an imperative both for improvement of the public image of CSOs and strengthening influences of civil society on decion makers . These topics should be provided by TACSO through facilitating process which will be aimed on the best QAS model tailor made for CSOs in Serbia.

Strengthening the role of CSOs in the EU integration process

Already existing efforts of different institutions (the Office for Cooperation with Civil Society, SEIO, SIPRU and other State actors) to increase role of CSOs in the EU integration process should be further supported.

Support should be provided to CSOs to increase their role in the EU integration process, in a way that will make connections to what CSOs are already doing. It should be related to issues that are high on citizen agenda (employment, education, security, fight against corruption, health reform, judicial reform, environmental protection, etc.). CSO work in the EU processes should be connected to the overall decision-making processes (especially how are EU standards and *acquis* transformed into practice).

CSOs are lacking capacities to engage in this process whatever form this participation will take. Therefore, a continuous support to CSOs to properly engage and be part of the EUI process should be high on priority list. The CSOs should be supported to further enhance their technical expertise in these areas as well as capacity to engage in and influence the process on thematic bases. Additionally, support to CSOs networking around territorial/regional specifics and influencing EUI process from that perspective is needed.

Existing coalitions, but also the SECO mechanisms should work on monitoring of the action plans related to chapters 23 and 24, and further in the process.

Moreover, there is still a growing need of local CSOs to engage with EU actors on different levels, i.e. to be more informed and prepared when applying for funding; to increase knowledge on EU CS networks and how they deal with different issues; to learn from EU CSOs but also CSOs that have already participated in the pre-accession process etc.

Organizational development of CSOs and networks

Overall approach to capacity building provided by TACSO should be tailor-made, recognizing different needs of the organisations and those specific needs should be assessed before any capacity building effort is taken into consideration. When selecting issues for capacity building, it should be considered in the framework of the EU integration and negotiation process but also in relation to the internal needs of CSOs and their response to the needs of citizens and communities (their constituencies).

Capacities of individual CSOs, networks and coalitions should be supported, in order to ensure their more effective social influence. Topics of general interest for CSOs are identified as follows: Strategic Planning, Fundraising (diversifying funding sources, especially from local sources), Human resource management, Financial management, Monitoring and Evaluation (including assistance from experts/consultants provided for number of CSOs interested to conduct advanced evaluation of their work, as well as in the process of creation of annual reports), Writing project proposals for EU, Project Management, Advocacy, EU integrations (disseminating information to CSOs and the general public regarding the EU, its institutions and functions, as well its values and development objectives and policies).

Direct support to networks and coalitions: building their capacity for successful regulation of internal relations in the coalitions/networks, cooperation with regional/EU networks, work on specific priority issues including for monitoring government accountability and transparency, implementation of the laws.

Improving a transparent internal structure as well as ethic and professional standards of CSOs - principles of good governance should be supported, as well as transparent CSO work and quality assurance.

Both through larger organizations and networks/coalitions, support to small local CSOs should be provided. Special focus should be given to “new generation” of CSOs established during last five years.

In general, particular TACSO focus should be **CSOs long-term sustainability.** Addressing the legal/fiscal framework as well as improving the public perception of the sector should contribute to greater overall sustainability as well as financial stability of civil society. However, additional efforts are needed in building CSO internal capacities for diversifying funding sources by addressing different types of donors, for citizens, government, EU, companies; how to use social media, online and crowd funding; how to develop sustainability plans, how to influence state and local policies related to public funding, etc. Donors should incorporate capacity building for alternative and new funding mechanisms in their strategies to support local CSOs.

On the other side, support should be also provided for developing a supporting environment i.e. promoting local philanthropy, community foundations and exploring self-financing, social entrepreneurship, social contracting, etc.

This page is intentionally left blank.

TACSO Serbia Office
Kneza Miloša 4
11 000 Belgrade, Serbia
e: info.rs@tacso.org

This publication has been produced with the assistance of the European Union. The contents of this publication are the sole responsibility of SIPU International and Consortium Parners and can in no way be taken to reflect the views of the European Union.

Technical Assistance for
Civil Society Organisations
Serbia Office
www.tacso.org

This project is funded
by the European Union