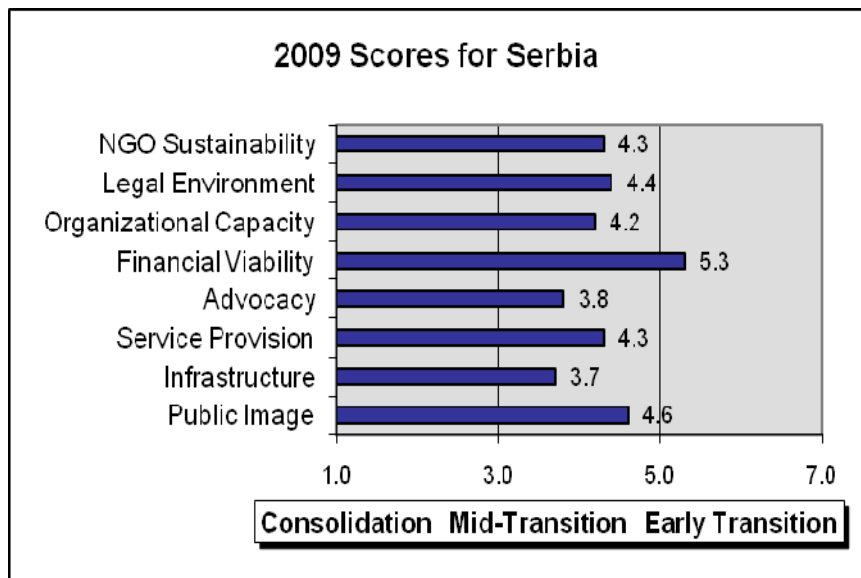


## SERBIA



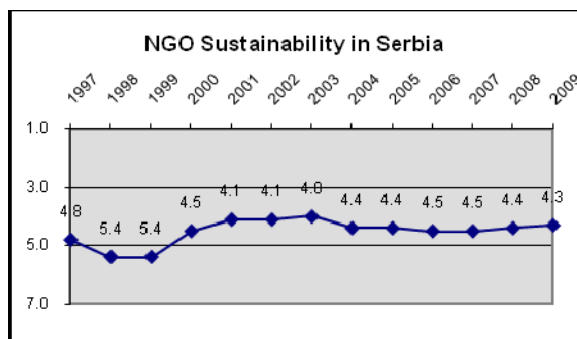
**Capital:** Belgrade

**Polity:**  
Federation

**Population:**  
139,390,205 (July 2010 est.)

**GDP per capita (PPP):**  
\$15,100 (2009 est.)

### NGO SUSTAINABILITY: 4.3



A series of specific events also had a direct impact on NGOs. These included passage of a new Law on Associations, developed by NGOs in cooperation with the government, in July. The law, which provides a much-needed regulatory framework governing the work of civil society, was the focus of NGO advocacy and lobbying of five successive governments over the course of nine years. The law's passage opens a new chapter in government-civil society organization relations.

The year 2009 witnessed several important developments for the NGO sector in Serbia. Foremost was the formation of a new, stable government—the first in almost a decade that experts predict will live out its full mandate. This means that NGOs have a credible partner with whom to interact, to press for changes, and to hold accountable. The worldwide economic crisis has affected Serbia in ways that have direct impact on the work of civil society. The resulting recession, inflation, increased unemployment, and workers' strikes make it harder for NGOs to solicit support, especially from businesses, and for NGOs to recruit volunteers, as citizens have become more anxious about earning money.

The past year also saw a struggle for minority rights take center stage. A new Law against Discrimination was passed despite attempts by conservative elements to withdraw it from consideration. A subsequent attempt to organize a gay rights parade in September was met with fierce resistance and an uptick in extremist violence, eventually causing the government to cancel the event. The ensuing controversy, coupled with an outcry over the beating death of a French tourist in Belgrade by the same groups that threatened the parade, galvanized NGOs and citizens to take to the streets to demand government action. This prompted the police, public prosecutor and the Ministry of Justice to

launch a formal initiative against extremist violence.

At the end of the year, the mood among NGOs could once again be described as cautiously optimistic. The boost that NGOs experienced from the passage of the Law on Associations and closer cooperation with the government was followed by an increase in financial support

#### LEGAL ENVIRONMENT: 4.4

Analysts and civic activists alike consider the adoption of the new Law on Associations a huge success and a new chapter in the development of the NGO sector. The law's passage also garnered additional support among both government and NGOs for increased cooperation. The challenge now will be to ensure that the law is effectively implemented in a timely manner, including registration and re-registration of thousands of NGOs.

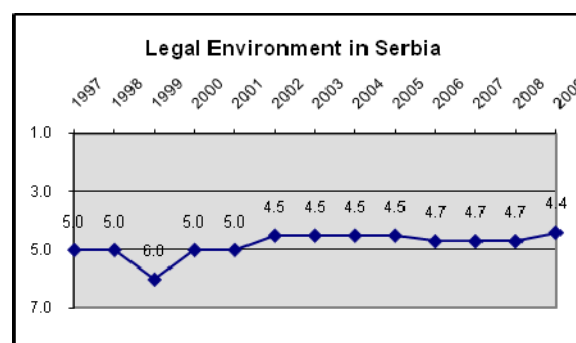
Other components of the legal environment remain similar to previous years. While large NGOs provide legal assistance and guidance to smaller organizations, there remains no legal support network for NGOs across the country. Local and regional NGOs report having more problems completing legal procedures compared to national-level NGOs. Current taxation laws continue to restrict the promotion of philanthropy and the development of the NGO sector. Despite the efforts of several strong organizations, tax incentives to promote corporate giving to NGOs are still insufficient. In addition, gifts to associations (but not foundations) exceeding 9,000 dinars (\$120) are subject to a 2.5 percent property income tax.

While current legislation formally allows NGOs to earn income from the provision of goods and

from several ministries and municipalities. Still, areas such as the poor public image of NGOs demanded renewed attention.

Data on the number of NGOs varies widely. The number of active NGOs is close to 2,100, including those that focus on human rights, the environment, peace, youth and other issues.

services, many procedural and bureaucratic obstacles prevent them from doing so.

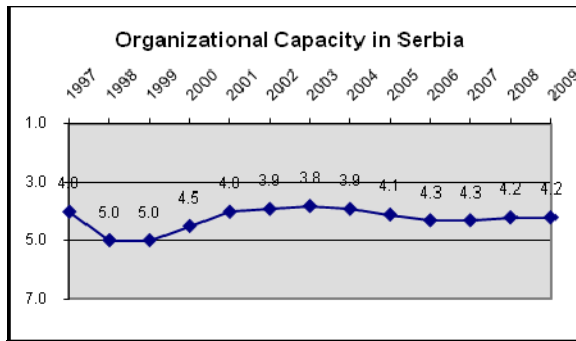


NGOs continue to complain about state-sponsored harassment, including visits from government tax inspectors to the offices of NGOs active in politics or human rights. The director of Radio Television of Serbia (RTS) filed charges on five separate occasions against NGOs because of their public criticism of RTS. On the whole, the operating environment has improved as the government and NGO sectors began to cooperate more at the national level. At the local level, however, NGOs often encounter a lack of government interest in their work. The city of Belgrade is a rare example of a municipality that funds NGOs regardless of their criticism of local government or its officials.

#### ORGANIZATIONAL CAPACITY: 4.2

NGOs' ability to develop strong constituencies showed no significant improvement. Working from project to project and a lack of continuity between activities have a negative impact on NGOs' ability to effectively reach out to the

local community for support. NGOs are instead forced to concentrate on the priorities of donors, rather than the needs of their own organizations or communities. This tendency was especially apparent among NGOs at the local level.



Strategic planning is becoming a more common practice in NGO decision-making processes, but many NGOs stray from their plans for two main reasons. First, the majority of organizations lack the internal capacity, staffing and management skills necessary for effective division of labor and a strategic approach to NGO management. Second, minimal resources result in a constant struggle for funding, sometimes at the expense of previous plans.

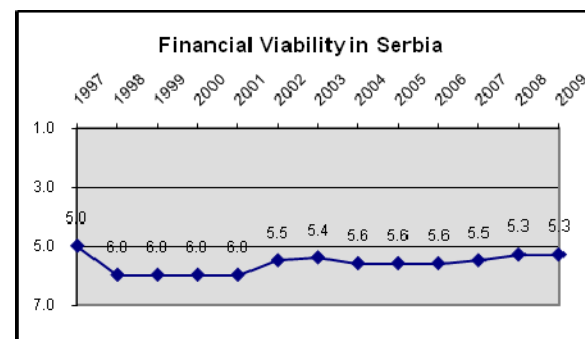
### FINANCIAL VIABILITY 5.3

The financial viability of the NGO sector remained at the same level as last year, in part due to the worldwide economic crisis, which undermined previous progress. While NGOs have made some inroads in soliciting support from the government and business sector, they are still largely dependent on foreign donors. Though an increased number of organizations compete for grants, international donor requirements are often bureaucratic and demand a high rate of cost share, which is difficult to attain. EU grants are accessible to only a small number of NGOs that are able to simultaneously raise and administer funds from several donors. Resources provided by local government agencies are usually minimal.

Despite NGOs' achievements during the previous year in raising awareness about and support for corporate philanthropy and corporate social responsibility, businesses in Serbia remain cautious about spending money during the economic crisis. NGOs' relations with the business sector remain strong, but only the largest corporations with advanced CSR standards continue to donate to NGOs.

NGOs typically do not divide responsibilities between the board of directors and staff members; an NGO leader is often both the board's key decision maker and the person responsible for program implementation, a tendency inherited from previous generations. Only recently have some NGOs undertaken a comprehensive attempt to institute good governance practices, such as establishing an independent board of directors. Additionally, NGO activists often have to wear multiple hats due to a lack of steady funding.

Even the most active organizations have only a handful of permanently engaged staff. This also makes it difficult for organizations to effectively mobilize and manage volunteers. The worldwide economic crisis has made it even harder for NGOs to recruit volunteers, as citizens focus on finding employment and find little appeal in volunteering.

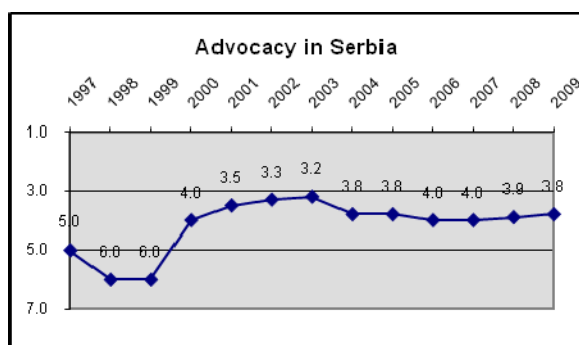


NGOs lack professional full-time fundraisers who could cultivate a stable core of diverse financial supporters. As international donors withdraw from Serbia, even the strongest NGOs will have a difficult time ensuring sustainability for more than a short period of time. Donors have largely discontinued support for the purchase of office equipment, rent payments and other related administrative costs, which directly impacts day to day as well as long-term operations for many NGOs. National ministries such as the Ministry of Youth have slightly increased funds for contracting with NGOs, an improvement over previous years.

## ADVOCACY: 3.8

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NGO cooperation with the state improved on both the local and national levels and is slowly becoming more institutionalized. Increasingly, government institutions, including the Office for European Integration and the Ministry of Youth, include NGOs in policy discussions and decision making at the national level. NGOs are also cooperating with officials on advocating for the draft Law on Funds and Foundations, amendments to the tax laws, and the establishment of an office for NGO-government cooperation. Although the overall effect of advocacy campaigns was uneven, the NGO sector had slightly more influence on officials and policies than in the previous year.



Advocacy efforts helped to expand the space for civil society to act and for the government to address issues of importance to the public. Many municipalities have adopted local action plans designed by NGOs to improve educational opportunities for local Roma inhabitants. Several municipalities have established municipal councils dealing with issues that range from gender equality to Roma issues, a

## SERVICE PROVISION: 4.3

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NGOs continue to provide a range of services across Serbia. NGOs are particularly active in serving the needs of vulnerable populations. For instance, NGOs typically provide training, research, legal advice and technical support as well as health and social services to these communities.

result of local NGOs' advocacy campaigns on these topics. NGOs often participate in or monitor the work of these councils.

At the national level, NGO advocacy efforts resulted in legislative reforms such as the adoption of the Law on Associations, as well as in national regulatory reforms governed by the Law on Social Housing, the Law on Free Access to Information, and the Law on Secret Data Classification.

The Law against Discrimination and the Law on Associations represent years of lobbying by Serbia's NGO community and both laws are fundamental to the development of the sector. The Law against Discrimination is particularly significant in that it provides a clear example that even politically sensitive issues can be successfully tackled.

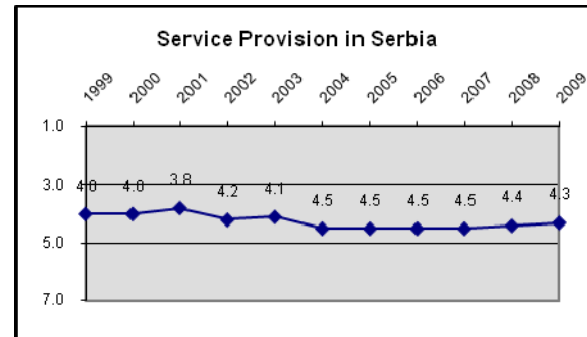
NGOs continue to be excluded from policy discussions that are deemed politically sensitive. For example, even NGOs with significant expertise are sometimes avoided when issues of justice and human rights are discussed. NGOs were underrepresented or their arguments ignored in working groups related to the development of the draft Law on Volunteering. Initial attempts by NGOs to put the Law on Free Access to Information and the Law on Secret Data Classification on the parliament's agenda were ignored, but sustained lobbying and advocacy efforts ultimately resulted in the adoption of these laws.

There have been noticeable improvements in the field of service provision, particularly involving cooperation with national and municipal authorities. NGOs are now more effectively providing psychosocial and housing support as well as support for the elderly and the disabled. For example, NGOs receive funding from municipalities and the national government for organizing services for the elderly unable to

make routine visits to health care centers; provision of food and clothing to the poor; provision of psychological support to the lesbian, gay, bisexual, and transgender population; support for individuals with various types of physical and mental disabilities; establishment of safe houses for victims of gender-based and sexual violence; establishment of shelters for homeless children and trafficking victims; and empowerment of Roma.

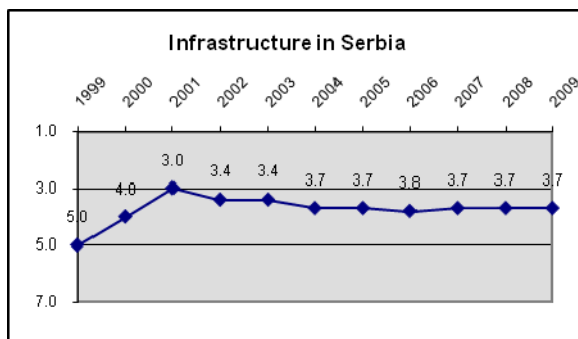
NGOs also provide training, research and technical assistance in information technologies, business plan development, project management, business development, campaign advocacy, energy efficiency, and waste management and recycling. Legal advice is provided to victims of human trafficking and gender-based sexual violence, as well as to individuals discriminated against by public institutions. However, these initiatives require additional resources, and NGOs often lack mechanisms through which they can develop sustainable revenue streams for their efforts. Services that NGOs provide often reflect donor, as opposed to community, priorities. Moreover, since NGOs are eligible to compete for both

municipal and national grants, some local agencies occasionally treat NGOs as competition instead of allies.



Some NGOs provide services beyond their immediate constituencies. For example, some organizations publish their analyses and reports and work with other organizations and institutions to develop policies and programs that help the wider community. Some universities and academic research programs initiated study areas, such as gender studies and conflict resolution, as a result of curricula developed by NGOs.

### INFRASTRUCTURE: 3.7



NGOs lack effective and consistent support for their efforts to further develop their infrastructure. NGOs routinely decry the dearth of funding by local foundations or grantmaking organizations, the lack of consistently available training providers and services, and a shortage of legal advice that could help them more effectively develop their capacities. NGOs also claim that information is not exchanged or

shared within the sector as often as it needs to be. A more effective communication mechanism within the wider NGO community could help organizers of broad social awareness events, such as the aborted gay pride parade, recruit additional support.

NGOs in the regions indicate that NGO infrastructure is significantly underdeveloped on the local level throughout Serbia.

While some organizations provide pro bono legal advice and other support to NGOs, Serbia lacks a specific organization that serves as a genuine resource center for the sector. The Federation of Nongovernmental Organizations of Serbia (FENS), which represents 500 NGOs, is the largest such network in the country. At its October 2009 annual meeting, however, FENS concluded that it must reorganize in order to

better support the NGO sector. While there are capable trainers available to help NGOs develop

their internal capacities, few resources are available to actually pay for trainings.

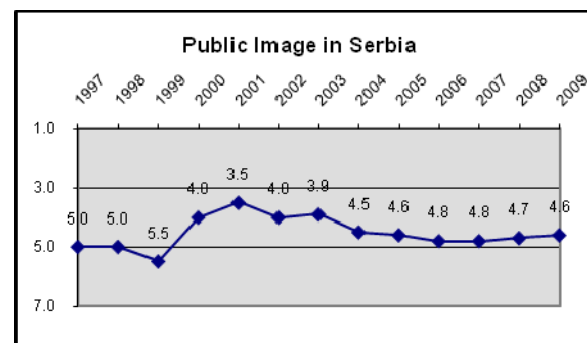
## PUBLIC IMAGE: 4.6

The public image of NGOs improved slightly over the past year. Though the sector still suffers the long-term consequences of aggressive state-sponsored attacks during the Milosevic years, Serbian society is starting to move beyond the propaganda of that era. One example was the close cooperation between EXIT, an internationally recognized music festival, and the “Respect the Planet” environmental campaign. A coalition of NGOs and EXIT conducted a large campaign to raise awareness of illegal dumping in Serbia and the consequences for local communities. The campaign involved hundreds of citizens and well-known musicians and celebrities, resulted in the collection of large amounts of trash, and received significant media attention.

NGOs made more of an effort to engage media, but media rarely report on the activities of NGOs, contributing to citizens’ lack of understanding of the positive role that the NGO sector can play and is playing in Serbia. Journalists themselves often do not understand the role of NGOs. NGOs organize media events, regularly participate in TV and radio shows, and have developed relations with some journalists, but need to improve in areas such as strategic communication and public relations.

The government shows signs of increased awareness of the role that NGOs play and a heightened willingness to engage them. Some government representatives openly regard NGOs as their partners. For example, both the deputy prime minister and the minister of public

administration and local self-government attended the annual Federation of NGOs of Serbia meeting and cited the passage of the Law on Associations as a new chapter in government-NGO relations. They also announced the establishment of a government-sponsored Office for Cooperation with the Civil Sector, primarily due to NGO efforts to develop closer ties with the government. Nevertheless, some NGOs claim this is only symbolic and that the government could do more to support the work and development of the sector.



The business sector is changing its attitude towards NGOs, owing in part to the hard work of several NGOs that have promoted increased cooperation between business and the NGO sector, such as Smart Kolektiv’s work with the Business Leaders Forum and BCIF’s annual VIRTUS award ceremony honoring companies and enterprises distinguished for their corporate social responsibility. NGOs need to improve their business acumen and public relations skills to engage the support of business, however.