

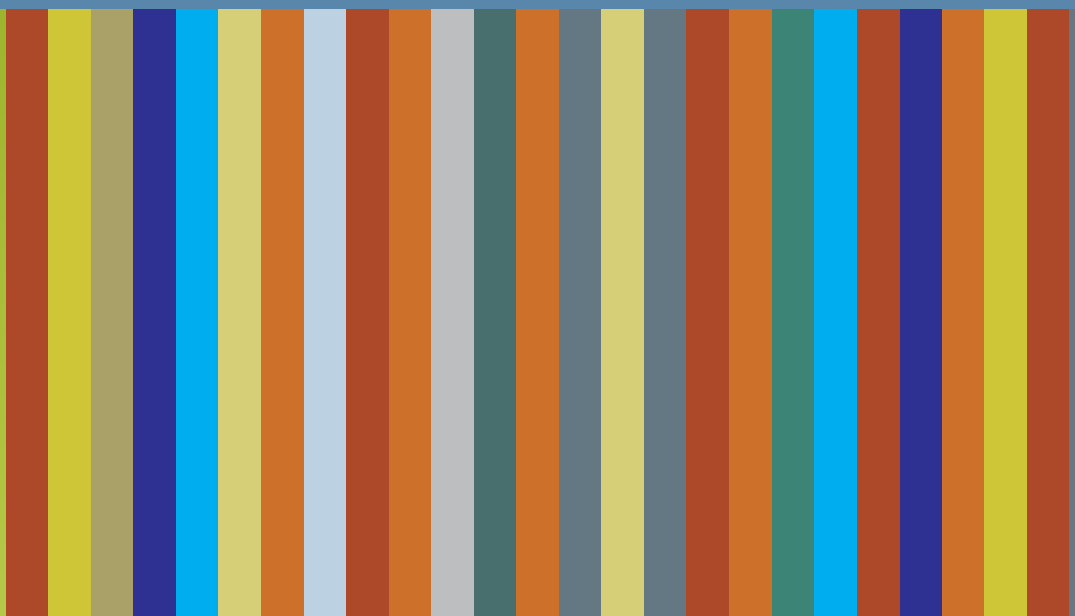


Balkan Civic Practices # 13



REPORT ON THE ECONOMIC VALUE OF THE NON-PROFIT SECTOR IN THE COUNTRIES OF

THE WESTERN BALKANS & TURKEY



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Report on the Economic Value of the Non-Profit Sector in the Countries of the Western Balkans & Turkey

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Prepared by

Dubravka Velat,

Belgrade, December 2015



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Introduction

This report was prepared as part of the four-year project **“Balkan Civil Society Acquis - Strengthening the Advocacy and Monitoring Potential and Capacities of CSOs”**, funded by the EU in the framework of the “Partnership Programmes for Civil Society Organisations” and co-financed by the Balkan Trust for Democracy (BTD). It is being implemented by the Balkan Civil Society Development Network (BCSDN) with 11 partners from the EU, Western Balkans and Turkey, in the period 2012 - 2016.

This project has established the following two overall objective(s): (1) Strengthening foundations for monitoring and advocacy on issues related to enabling environment and sustainability of civil society at regional- and country-level; (2) Strengthening structures for CSO integration and participation in EU policy and accession processes at European and country-level.

Multiple results are expected to be achieved. Particularly relevant for this study is the one connected to Priority 2: “Government institutions recognize the economic value of CSOs and design key strategies for economic and human-resource sustainability”. **This study resulted from one of the key findings of the first Monitoring Matrix regional report in 2013: “There should be a well-organized system to collect statistical information on CSOs and ensure that all the data are publicly available, as well as to use these data in the development of the policies to support the growth of the sector”**, which is also recognized in the EU Guidelines for Support to Civil Society in the Enlargement Countries for the period 2014-2020.

In order to meet this priority, the study on the **Economic value of the non-profit sector in the countries of the Western Balkans and Turkey** kicked-off in September 2014 with the development of the first data gathering questionnaire. In-country initial identification of such data commenced in October 2014 followed by the regional workshop of in-country project partners held in Belgrade, Serbia on the 3rd and 4th of November 2014. The aim of the workshop was to develop a baseline data collection plan and process for all countries that contributed to this study. This preparatory work resulted in the collection of data from seven countries. Their analysis and interpretation were performed between June and November 2015.

The purpose of this study is to enable greater availability of the statistical data on the financial and human resources characteristics of civil society. One of the aims is also to challenge myths about the financial parameters and size of the sector (i.e. annual budgets, wage level, number of employees) and to get deeper insight into the sector and its influence on the policy development and implementation. The study should also reflect the importance of the sector for the society and raise awareness among state actors of the need to support it via state budgets and other resources. Ultimately, it is expected that governmental institutions in the countries concerned will recognize the economic value of CSOs and design key strategies for economic and human resource sustainability in civil society.

For the first time, this study gives an overview of the current situation with the non-profit sector-related data collection, analysis and presentation in seven countries involved in the study: Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro, Serbia and Turkey. It provides information on the quality and reliability of data on the economic impact of the sector in those countries, including also challenges that CSOs face to obtain relevant data. Furthermore, this in-depth research maps and illustrates the financial capacities, size, outputs and value of the sectors vis-à-vis the overall economy. It will contribute to the process of legitimizing the non-profit sector and its activities across the region by revealing its position in the employment and economic growth, which is often neglected.

The term “non-profit sector” in this study refers to the non-state, voluntary structures in which people organise themselves to pursue shared objectives and ideals, and are formally registered and established as associations and foundations according to the relevant laws¹. Depending on the country, the legal definition might include: sports, hunting, professional, religious or other type of hobby associations. The terms “non-profit”, “non-profit sector”, “civil society” and “civil society sector” are used interchangeably throughout this report.

The study is divided in two main chapters: comparative analysis and analysis per country. The chapter with comparative analysis gives the overview of the common challenges in data collection in all seven countries, key economic parameters presented through graphs, as well as joint recommendations relevant for the whole region.

The chapters with analysis per country give a more detailed description of the situation with data collection, challenges, obstacles, more detailed economic data as provided by each partner, and country specific recommendations that aim at developing advocacy campaigns to introduce more systematic and standardized data collection and availability.

¹ Adapted from the DG Enlargement Guidelines for EU Support to Civil Society in Enlargement Countries, 2014-2020; http://www.civilnodrustvo.gov.rs/upload/old_site/2012/10/ELARG-Guidelines-CS-support-Final-14102013.pdf

Methodology

A standardized methodology was agreed in the first phase of project implementation. Desk research was carried out in order to obtain information on the methodologies already used to present the “economic side” of the sector.

The starting point was the UN Handbook on Non-Profit Institutions in the System of National Accounts², developed by the Johns Hopkins Center for Civil Society Studies in cooperation with the UN Statistics Division and an International Technical Experts Group, and issued by the UN in 2003. This Handbook calls on national statistical offices to produce regular “satellite accounts” on non-profit institutions and volunteering for the first time, and provides detailed guidance on how to do so. In March 2013, team of authors led by Lester M. Salamon from the John Hopkins University (Center for Civil Society Studies)³, published “The State of Global Civil Society and Volunteering - Latest findings from the implementation of the UN Non-Profit Handbook”, which is another valuable source of information.

In addition, other similar publications from EU countries about the economic value of the sector were researched to obtain information on the key relevant data to collect in this study (for example publications from Italy⁴, Great Britain⁵ and the ILO Manual on the measurement of volunteer work⁶).

Measuring Civil Society Economic Value International Efforts

The nature of the non-profit sector's finances and the available data make it difficult to quantify the sector's value to the wider economy. At the moment several initiatives and novelties in this field are happening and are announced:

2 United Nations Statistics Division, Handbook on Non-Profit Institutions in the System of National Accounts. Series F, No. 91, St/ESA/Stat/Ser.F/91. (New York: United Nations, 2003). [Henceforth cited as: UN NPI Handbook, 2003]. This will update results published in 2007 from the first 8 countries to implement the NPI Handbook (Salamon et. al., 2007). The countries covered in this report include: Australia, Belgium, Brazil, Canada, the Czech Republic, France, Israel, Japan, Kyrgyzstan, Mexico, New Zealand, Norway, Portugal, Thailand, and the United States. Strictly speaking, the U.S. has not produced a full-fledged NPI “satellite account,” but it has produced a series of tables with data comparable to those stipulated for the NPI satellite account.

3 http://ccss.jhu.edu/wp-content/uploads/downloads/2013/04/JHU_Global-Civil-Society-Volunteering_FINAL_3.2013.pdf; authors: Lester M. Salamon, S. Wojciech Sokolowski, Megan A. Haddock, Helen S. Tice

4 http://ec.europa.eu/citizenship/pdf/national_report_it_en.pdf

5 <http://data.ncvo.org.uk/a/almanac15/economic-value/>

6 http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_162119.pdf

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- The updated **UN Handbook on UN Satellite Accounts will be published in 2016**
 - **GuideStar** (<http://www.guidestar.org/Home.aspx>) is the world's largest source of information on non-profit organizations. It is a global software package that collects and makes available data on non-profit organizations: mission, legitimacy, impact, reputation, finances, programs, transparency, governance etc. All organizations can register and upload their reports online.
 - **Third Sector Impact** (<http://thirdsectorimpact.eu/>) is a research project that aims to understand the scope and scale of the third sector in Europe, its current and potential impact, and the barriers hindering the third sector to fully contribute to the continent's welfare. One of the areas of work of this project is measurement. Few countries regularly generate systematic empirical data on any substantial portion of the third sector. Those who do tend to utilize national legal definitions, thus making comparative study difficult. TSI will propose statistical tools to measure the third sector in Europe, working from the following methodological assumptions: measures of scale must take into account the special characteristics of the third sector, namely the fact that much of its activity is undertaken for other than purely remunerative objectives. Financial measures do not exhaust the sector's features. Given the rather fluid character of the sector and the limitations of existing data sources, measures may include the number of entities as much as the human resources that these organizations engage.
-

An initial list of potential data was developed and discussed among partners (see Annex 1) during the Belgrade workshop on the 3rd and 4th of November 2014, who did their own research on data availability. Through a consultative process, it was agreed to narrow down the amount of data to be processed, since the previous process revealed a major absence of data in almost all countries. Therefore, a questionnaire with seven key data point was developed, including: total income, income structure, total expenditures, expenditure structure, expenditure for taxes (VAT + personal income tax + profit), number of employees and number of volunteers (see Annex 2). It was concluded that this is the optimum number of data points to collect as a starting point, having in mind the assessed level of their availability in all of the countries.

Partners involved in the study development are the following BCSDN members: Institute for Democracy and Mediation (Albania), Center for the Promotion of Civil Society (Bosnia and Herzegovina), Kosovar Civil Society Foundation (Kosovo), Macedonian Center for International Cooperation (Macedonia), Center for Development of Non Governmental Organizations (Montenegro), Civic Initiatives (Serbia) and TUSEV (Turkey).

The methodology combined direct contacts by partners with state institutions to deliver data, as well as desk analysis of existing statistical and financial data available from state institutions (e.g. ministries of finance/tax administration, national registers, statistical offices, pension funds and others). Desk analysis is especially relevant for the general population data (population census, population estimates) and general economic data (total employment, GDP).

This methodology enabled partners involved to assess what data are being collected, what data are available and can be obtained, thus establishing the basis for the advocacy for improvement of either collection or availability of data in the coming years.

Comparative Analysis

Data Collection Situation

CSOs are not recognized as a significant and growing economic force, therefore there is limited or almost no statistical data in most of the countries. If data exists, it is usually not collected by the official statistical body, but often by other institutions, such as national registers, tax administration, different ministries, pension funds and other bodies.

There are significant differences among countries in how income and expenditure structure is presented, therefore the regional comparison is made only on the basis of totals. Furthermore, when data exist, they are not processed in such a way so that the distinct feature of the civil society sector is visible. CSOs are not separated from other sectors (for example, data on employment, salaries). An example that can be a good starting point for other countries to consider is the "Annual Report on the Financial Performance of the Non-profit Institutions in Serbia", published by the Serbian Business Register Agency (SBRA). It is publically available on their website, however even this report requires some improvements in terms of the level of details provided.

When requesting data, BCSDN partners faced different challenges, including silence of administration, refusal to submit data based on the Law on Information Act, and requests to pay in order to obtain data. The tax administration in several countries has proven to be particularly difficult for cooperation. In some situations, neither institutions nor our partners were aware of the existence of data available. For example, the pension fund in several countries appeared to be a very important source of information on employment, which was not on the radar when data were initially requested.

In Albania, Montenegro and Serbia different strategic documents recognize the importance of systematic data collection, while in other countries there is no mention of CSO related statistics in the relevant documents. Montenegro and Macedonia are the only two countries that have appointed a representative of CSO in the statistical councils, although this seems not to be used to its full potential.

In most of the countries, there is no data on expenditures for taxes (VAT + personal income tax + profit).

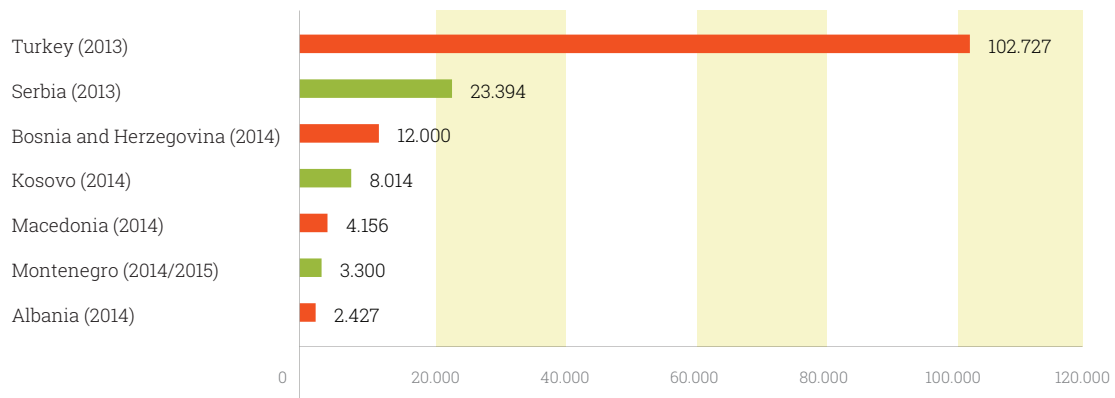
Except for Turkey, no country has provided information on the number of volunteers. The number of volunteers in Turkey is also questionable because there is no legal definition of volunteers, so there is a high level of discretion in reporting number of volunteers. Therefore, there is no information on the value of the volunteering, which if measured might be quite a significant contribution to the economic value of the sector.

Different practices related to CSO data collection and availability are revealed in this report. It is an excellent starting point to help CSOs use each others' experiences to improve the situation in their own countries.

The following table gives the overview of the key data for all seven countries, followed by a graphical presentation of comparative data. To put CSO related economic data in perspective, the table has been enriched with data on population, total number of CSOs, GDP and total employment.

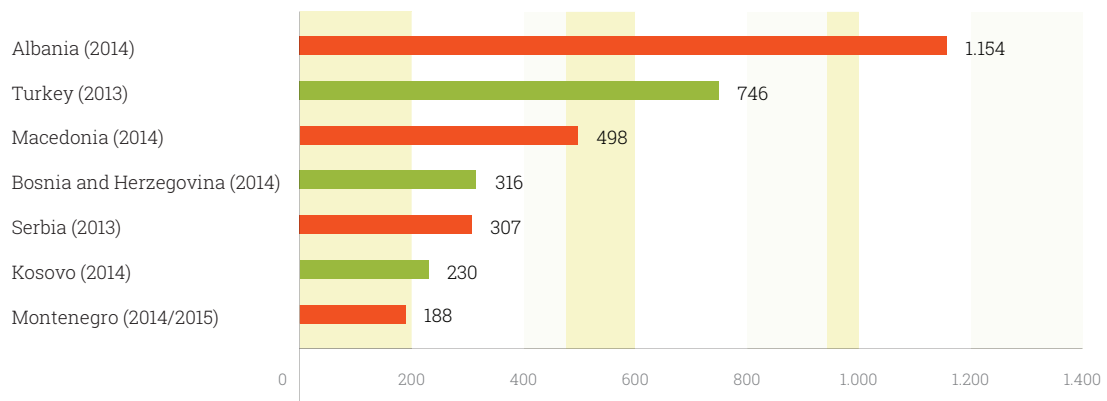
All financial data are given in EUR. It is important to highlight that data was provided for different periods (from 2013 to 2015), since their collection and availability differs from country to country. Regardless, we believe that data are illustrative and give sufficient information for comparative purposes. Furthermore, they are a good starting point to observe trends on this topic.

Number of CSOs



Having in mind the size of the countries involved, it was expected that Turkey would have the highest number of CSOs. Albania has the fewest, while Kosovo and Montenegro have relatively high number of CSOs per capita.

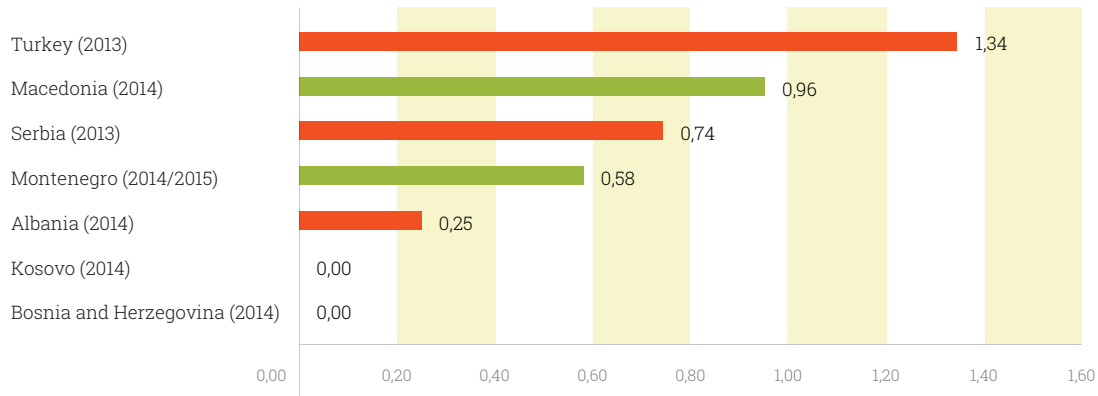
Number of Citizens per CSO



Number of citizens per CSO may be an illustration of civic activism. For example, it is possible that a smaller number of citizens per CSO leads to a higher level of activism. However, it may also point to the inflation in the number of CSOs, which are not necessarily all active. Albania has the highest number of citizens per CSO (1.154), while the lowest figure is in Montenegro (188). These data can be compared with those presented in the "International Civil Society Report"⁷, prepared by the Turkish Department of Associations, Ministry for Internal Affairs, in July 2013. There it was stated that the average number of citizens per CSO ranges from 95 in Croatia, 138 in Germany, 143 in Hungary, 198 in the USA, 203 in Canada and 344 in Great Britain.

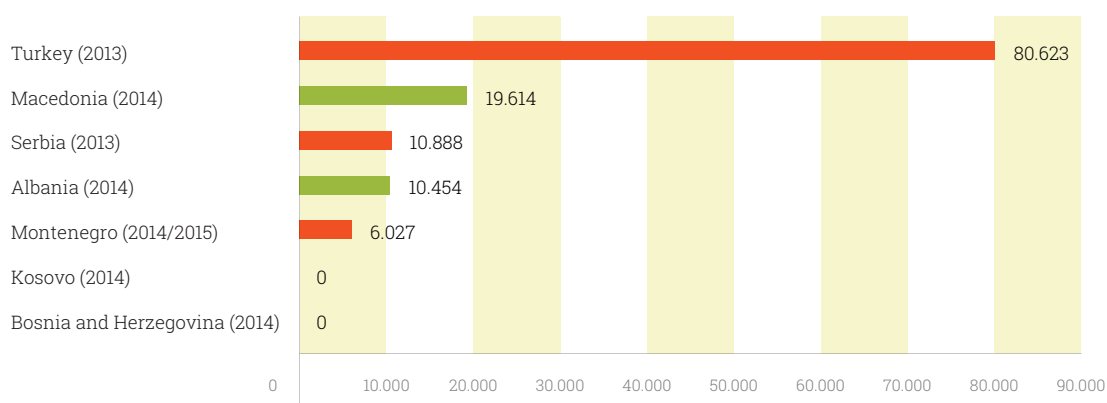
7 http://www.tacso.org/doc/nar_tr2014april.pdf

Participation of Total CSO Income in GDP, in %



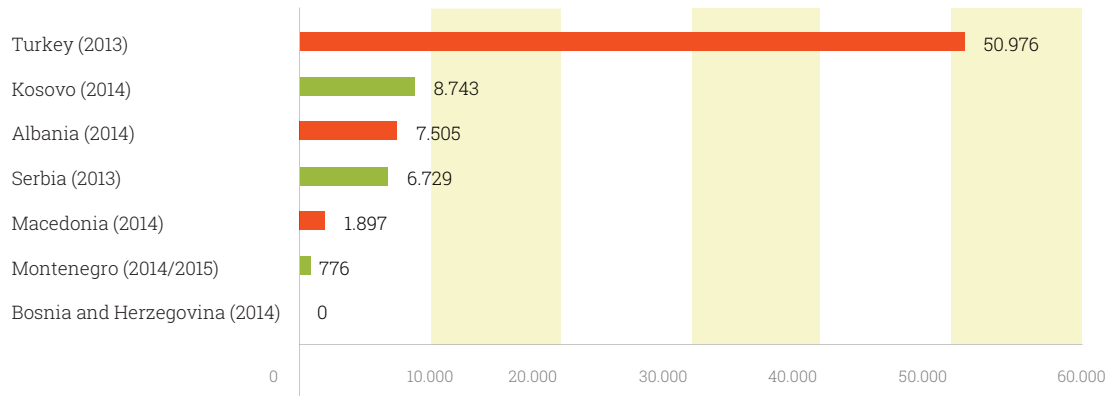
Presentation of the proportion of total CSO income to national GDP was possible for five countries. Bosnia and Herzegovina and Kosovo either did not have reliable data on total CSO income or had no data at all. Turkey has the highest proportion of the total CSO income to national GDP (1,34%), followed by Macedonia (0,96%), Serbia (0,74%) and Montenegro (0,58%), while Albania has the lowest (0,25%). These data do not include the value of the voluntary contribution. If methodology existed to calculate it in these countries, the proportion of GDP would be higher. For example, the average proportion of NPI⁸ to GDP of the 16 countries covered by the previously mentioned John Hopkins Study is 4,5%, 3,6% of which is without volunteers' contribution and 0,9% of which includes volunteers' contribution.

Average Income per CSO, in EUR



Turkey has the highest average income per CSO (80.623 EUR) and Montenegro the lowest (6.027 EUR), while data for Bosnia and Herzegovina and Kosovo were not available. However, these data do not account for the huge differences within the countries regarding the distribution of incomes among CSOs, especially between associations and foundations in Serbia and Turkey.

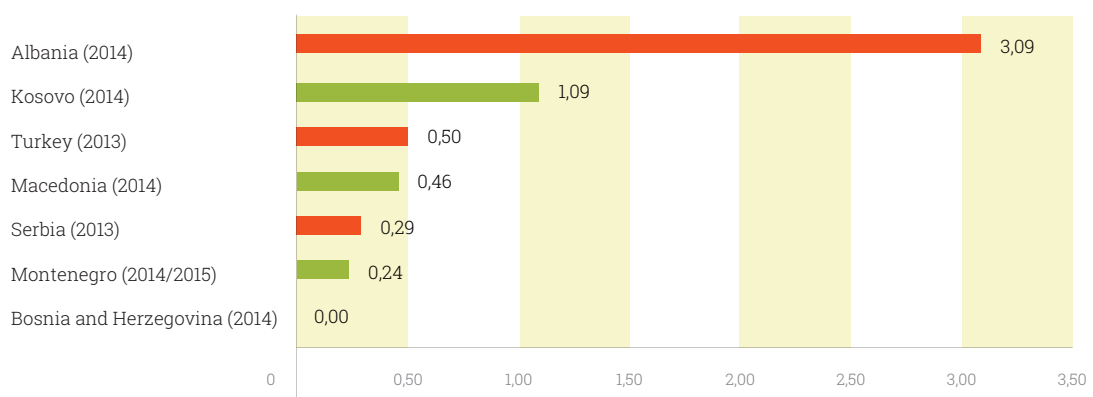
Number of Employees in CSOs



Data on the number of employees refer to so-called "full employment", i.e. staff of CSOs that are officially registered with full benefits/taxes covered. The majority of CSOs employ staff through different types of contracts, which are not included in this graph. This means that the actual number of people engaged in the non-profit sector is higher than presented. However, not all countries provide data on other types of employment.

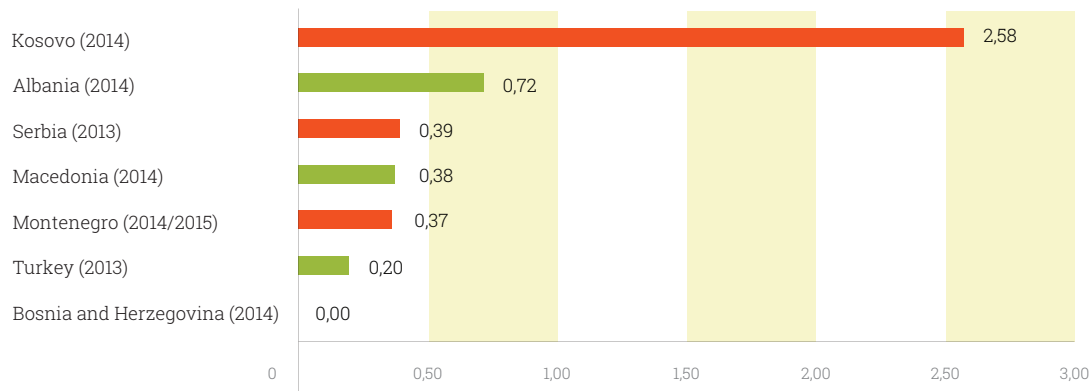
As expected, Turkey has the highest number of employees in the non-profit sector. This is because the number of registered CSOs is more than two times higher than in all other countries combined. There were no data available for Bosnia and Herzegovina.

Average Number of Employees per One CSO



Albania has the highest average number of employees per CSO (3,09), followed by Kosovo (1,09), while other countries have a significantly lower average number of employees per CSO: Turkey (0,50), Macedonia (0,46), Serbia (0,29) and Montenegro (0,24). Data for Bosnia and Herzegovina were not available.

% of CSO Employees in Total Employment in the Country



Kosovo has the highest proportion of CSO employees to total employment (2,58%), which is significantly higher when compared to other countries. The figure in the Czech Republic, for example, is 1,9%, although it is not included in this report. Albania follows Kosovo at 0,72%, while Serbia, Macedonia and Montenegro are all between 0,37% and 0,39%. Turkey has the lowest participation (0,20%), while data for Bosnia & Herzegovina were not available.

The Johns Hopkins Study reveals that the average percentage of the NPI workforce in the total workforce in 13 countries is 7,4% (paid workforce - 5,2% and volunteers - 2,2%).

Joint Recommendations

Based on the assessed situation with data collection and availability, joint recommendations are to be used as the key ingredient of the common approach to future advocacy strategies. Recommendations are developed so that they apply both to the governments to make an action and to the CSOs to advocate for those actions.

- **Recognition and identification of the non-profit sector as having distinct features, through specific classification/categorization.** In that context, it is necessary to develop specific forms adapted to meet the specificities of the non-profit sector, while at the same time avoid overburdening and applying the principle of proportionality. This can easily be done by using the UN Satellite Accounts on non-profit institutions (NPI), which offer a standard set of guidelines for highlighting the accounts of the non-profit sector in the national economic account based on the International System of National Accounts (SNA) methodology.
- **Enabling comparability with business and regional/global non-profit sectors.** When designing an approach for gathering data on the non-profit sector, final accounts policies and reporting formats for CSOs should also be revised, especially considering the reporting structures on income and expenditures, so that comparison with the business sector and global/cross-country non-profit comparison is possible.
- **Advocating for regular publishing by relevant institutions of the basic non-profit sector related data.** This includes economic data on the sector, since this data is already being collected by relevant bodies, such as tax authorities, registry agencies, public statistical institutions, pension funds and the like. Useful data would include the total income with detailed structure, total expenditures with detailed structure, and disaggregated data on employment in the sector, such as the number of employees organized by type of contract or average salary.
- **Summary data should be provided free-of-charge.** Ideally the data should be published as a public document that is available on the different institutions' websites for download and easily accessible to public. Furthermore, putting all these data in one unique document would be a significant step forward in presenting economic data about the sector.
- **Strategic documents relevant for CSOs (strategies, agreements, etc.) should reflect the importance and the need for systematic data gathering, publishing and analysis.** This should apply to both existing documents that might need revision and to any future documents.
- **Closely monitoring civil society development under the EU Guidelines for Support to Civil Society in Enlargement Countries, 2014-2020, as requested by the European Commission to Accession Countries' Governments.** The set of objectives, results and indicators for EU support to civil society have been developed, which allow for the measurement of progress at the country level as well across the Enlargement region. Systematic data collection is established and should be used for better CSO related data collection, especially having in mind that these data are serving also as an input into the annual EC Progress Reports.
- **Systematic gathering of data on volunteering is needed, as well as development of a methodology to calculate the monetary value of the voluntary work and its contribution to GDP.** Volunteering is a distinct and core feature of civil society. Volunteers represent a portion of the workforce and form an active part of the population that undertake important work and services in the society. Volunteers contribute to the economy and the GDP, so it is crucial to be able to present the value

that volunteering brings to society. The "ILO Manual on the measurement of volunteer work" is a good starting point to develop such a methodology.

- **Further use of already existing mechanisms for cooperation between the government and CSOs to advocate for systematic data collection, analysis and publishing, and/or advocate for establishing such mechanisms where they do not exist (for example, contact person for NGOs, statistical council).**
- **Access to information, responsiveness and timely feedback from state institutions should be fully implemented in line with existing legislation on the freedom of information act.**

Country specific recommendations are given in the following chapter, after the presentation of the situation and data for each country. They should be used as a starting point for partners to develop more detailed advocacy strategies and actions, with specific target audiences and messages.

Country Analysis



Albania

Data Collection Situation

Economic/financial data about the non-profit sector in Albania is not publically available. It is possible to obtain data from the General Directorate of Taxation of the Albanian Institute of Statistics (INSTAT), which is the institution responsible for processing data, and from the National Employment Service under the Ministry of Social Welfare and Youth. However, it is required to submit a request based on the articles of the Law No. 119/2014 on the Right to Information. The Albanian project partner, Institute for Democracy and Mediation (IDM), obtained the aggregated data through Freedom of Information (FoI) requests to the General Directorate of Taxation and through secondary data from the "Roadmap for Policy and Actions for an Enabling Environment for Civil Society".

On 27 May 2015, the Roadmap⁹ was approved with the Decision of the Council of Ministers (DCM) Nr. 459. In the Roadmap, collection of data on civil society development is considered the 7th priority area. Proposed actions include:

- 7.1 Change the current law on the registration of non-profit organizations to allow the establishment of an electronic register;
- 7.2 Develop a publicly searchable internet database that will be regularly updated with all relevant information on registered CSOs;
- 7.3 Amend current or draft new legislation regulating financial reporting of NPOs to enable developing new reporting templates that would allow preparing more advanced statistics on CSOs;
- 7.4 Start publishing updated factsheets with key statistics on the civil society sector contribution to a country's social and economic development and widely disseminate the results.

INSTAT is currently engaged in a twinning project¹⁰ with the Central Statistical Office of Ireland, and this is a window of opportunity to put pressure on INSTAT to learn from their peers in Ireland on the best ways to introduce statistics related to non-profit organizations.

9 <http://www.integrimi.gov.al/al/dokumenta/dokumente-strategjike/udherrefyese-i-shoqerise-civile&page=1>

10 http://www.instat.gov.al/media/305886/press_release.pdf

Key Economic Data on the Non-Profit Sector in Albania

| | |
|--|---|
| Population (last Population Census, 2011) ¹¹ | 2.800.138 |
| Number of CSOs in 2014 ¹² | 2.427 |
| Number of citizens per 1 CSO | 1.154 |
| Data on Economic Performances | Albania (2014) |
| GDP ¹³ | 10.059.000.000 |
| % of CSO income in GDP | 0,25% |
| Total CSO income ¹⁴ | 25.372.256 |
| Total CSO expenditure ¹⁵ | 24.826.390 |
| Expenditure for taxes (VAT + personal income tax + profit) ¹⁶ | 3.033.325 |
| Number of CSO employees ¹⁷ | 7.505 |
| Total employees in the country ¹⁸ | 1.037.061 |
| % of CSO employees in total employment | 0,72% |
| Number of employees per CSO | 3,09 |
| Number of volunteers | N/A |
| | Exchange rate: 1 EUR = 138,99 ALL ¹⁹ |

11 http://www.instat.gov.al/media/178091/tab_1_1_1.xls

12 For 2014, 2.427 is the number of active CSOs or CSOs registered with the tax authorities - in the General Directorate of Taxation in Albania (as cited in the Government Roadmap for an Enabling Environment for Civil Society Development), whereas 8.449 is the number of CSOs registered in the Court of First Instance in Tirana as per the Law 8789 "On the Registration of Non-Profit Organizations" (as cited in the MM Country Report for Albania 2014).

13 <http://countryeconomy.com/countries/albania>

14 Retrieved from the General Directorate of Taxation of Albania through a FOI request.

15 Retrieved from the General Directorate of Taxation of Albania through a FOI request.

16 Retrieved from the General Directorate of Taxation of Albania through a FOI request.

17 According to the official data of the General Directorate of Taxation for 2014 as cited in the Draft Government Roadmap for an Enabling Environment for Civil Society Development (TACSO, November 2014).

18 http://www.instat.gov.al/media/291851/tregu_punes_2014____.pdf

19 <http://www.exchange-rates.org/Rate/EUR/ALL/11-6-2014>

Data from 2014 on CSOs in Albania suggests a total of 2.427 CSOs registered with tax authorities, employing 7.505 persons.²⁰

The percentage of total CSO income in the 2014 Albanian GDP was 0,25% which is the lowest among the countries in this report. The average income of a CSO is 10.454 EUR, similar to Serbia. Expenditures for taxes represent 12,2% of the total CSO expenditures. Other details on the income and expenditure structure are not available.

Persons working in CSOs represent 0,72% of the total employment in Albania. Thus, the average number of employees per CSO is 3,09, which is the highest number when compared to other countries.

Recommendations for Albania

- Implementing the recently adopted Roadmap for Policy and Actions for an Enabling Environment for Civil Society, especially the priority in Area 7 (see points 7.1, 7.2, 7.3 and 7.4 above);
- Special focus should be on providing data free of charge, as a public document, available on relevant institutions' websites for download;
- Systematic gathering of data on volunteering is needed, as well as development of a methodology to calculate the monetary value of the voluntary work and its contribution to GDP;
- Better implementation of the Law on the Right to Information;
- INSTAT to make use of the experiences and good practices from Ireland, through the ongoing twinning project.

Bosnia and Herzegovina

Data Collection Situation

Data related to CSOs in Bosnia and Herzegovina and their economic/financial performances can be obtained, but only if paid for, and it is at a high cost. The Bosnian project partner, Center for Promotion of Civil Society (CPCD), requested from the Federal Ministry of Finance to obtain the data free of charge, but the Ministry refused the request, although providing data in this manner is prescribed by its internal regulations. The Ministry interprets this possibility only as admissible for state institutions. The complex institutional organization of Bosnia and Herzegovina makes data collection even more difficult.

The Agency for Financial, Informational and Intermediary Services (AFIP²¹) is in charge of collecting financial data of different legal entities. It is established by the Government of Republika Srpska as an independent and non-profit body that charges for its services. However, the Law on AFIP prescribes that data necessary for the work of the public administration bodies should be provided free of charge to those bodies.

CPCD approached the Ministry of Justice Department for Legal Assistance to Associations to obtain data from the Ministry of Finances and informed them about the challenge faced with data collection. They were still waiting for a response at the time this report was written.

The following example illustrates the situation with data purchasing. AFIP has records on around 7.500 legal entities that they consider to be CSOs. However, not all CSOs submit financial reports. Therefore, a part of the financial data is missing. For those CSOs that have submitted financial reports, the Agency requests 1 EUR per report to be paid, which may amount up to 7.500 EUR for all CSOs. At the same time, information on the number of CSOs that actually submitted their financial reports is not available, making it impossible to know in advance how much money would need to be paid.

In Republika Srpska, it is estimated that around 2.160 financial reports could be purchased for 825 EUR, totaling up to 8.325 EUR that might be paid for data at the national level.

It is worth mentioning that the Agency for Statistics of Bosnia and Herzegovina has recently adopted the Strategy for Development of Statistics in Bosnia and Herzegovina 2020²² that, among others, has a strategic priority to promote “the extensive usage of statistical data among beneficiaries”. Activities within this priority are:

²¹ <http://www.afip.ba/>

²² <http://www.bhas.ba/planiprogram/STRATEGIJA%20%20RAZVOJA%20STATISTIKE%20BIH%202020FINAL%20BH.pdf>

- Development and promotion of dialogue with users;
- Promotion of the statistical data usage through improved access to data and information;
- Development of statistical areas based on cooperation in the internal and international environment.

There are a number of measures to achieve these priorities, so this could be used as a vehicle to introduce a more systematic approach to data collection regarding CSOs in general, and economic/financial data in particular.

Key Economic Data on the Non-Profit Sector in Bosnia and Herzegovina

| | |
|--|--------------------------------------|
| Population (2013 Population Census - Preliminary Data) ²³ | 3.791.622 |
| Number of CSOs in 2014 ²⁴ | 12.000 |
| Number of citizens per 1 CSO | 315,97 |
| Data on Economic Performances | Bosnia and Herzegovina (2014) |
| GDP ²⁵ | 13.667.000.000 |
| % of CSO income in GDP | N/A |
| Total CSO income | N/A |
| Total CSO expenditure | N/A |
| Number of CSO employees | N/A |
| Total employees in the country | N/A |
| % of CSO employees in total employment | N/A |
| Number of employees per CSO | N/A |
| Number of volunteers | N/A |
| Exchange rate: 1 EUR = 1,95583 BAM | |

As already mentioned, the data is almost non-existent (publicly). However, on the website of the Agency for Statistics of Bosnia and Herzegovina, one could find a Statement "Units of the Statistical

²³ http://www.bhas.ba/obavjestenja/Preliminarni_rezultati_bos.pdf

²⁴ Approximation; the Ministry of Justice of Bosnia and Herzegovina operates with the number of 22.000 CSOs.

²⁵ <http://countryeconomy.com/countries/bosnia-herzegovina>

Business Register”, published on June 30, 2014²⁶. This statement presents data on different enterprises, however it also encompasses non-profits, which could be identified through the Area “S - Other types of services²⁷” and official Code “94 - Membership based organizations”, as defined by the Classification of Activities in BiH²⁸.

Within Code 94, the following types of CSOs could be identified:

- 94.1 Activities of business associations, employers’ associations and experts’ members’ associations
 - 94.11 Activities of business and employers’ associations
 - 94.12 Activities of experts’ members’ associations
- 94.2 Activities of trade unions
 - 94.20 Activities of trade unions
- 94.9 Activities of other membership based organizations
 - 94.91 Activities of religious organizations
 - 94.92 Activities of political organizations
 - 94.99 Activities of other membership based organizations.

In 2014, there were 14.601 of those units (Code 94) in Bosnia and Herzegovina. Out of this number, 2.303 (15,8%) and 1.764 (12,1%) have submitted their financial reports. At the same time, 12.298 (84,2%) are not closed (did not cease to exist), although they had not submitted their financial reports, and among those 7.592 (61,7%) have active transaction accounts.

In the same statement, there is data about employment, but only for the whole Area “S”.

Since CSOs are part of the Area S and Code 94 (at least, codes 94.1 and 94.99), it is reasonable to assume that data presented in the brief are being collected on a regular basis by the Statistical Agency and that they could be easily extracted for CSOs only (providing that there is an agreement regarding which of the codes under Code 94 represent CSOs).

Recommendations for Bosnia and Herzegovina

- Establishing a unique register of CSOs in Bosnia and Herzegovina with clear classification of CSOs as a separate sector/entity with specific features;
- Regular publishing of the basic overall and economic data on the non-profit sector, since this data is already being collected by relevant bodies (total income with detailed structure, total expenditures with detailed structure, disaggregated data on employment in the sector: number of employees total and by type of contract, average salaries...);

26 http://www.bhas.ba/saopstenja/2014/SPR_2014_001_01-bh.pdf

27 Includes three codes: 94,95 and 96.

28 <http://dissemination.bhas.ba/classifications/kdbih.aspx?l=e>

- Special focus should be on providing this data free of charge, as a public document, available on different institutions' websites for download. Furthermore, putting all this data in one unique document would be a significant step forward in presenting economic data about the sector;
- Strategic documents (e.g. Agreement on Cooperation between the Council of Ministers of BH and the Non-Governmental Sector in Bosnia and Herzegovina, 2004) dealing with CSOs should also reflect the importance and the need for systematic data gathering, publishing and analysis;
- Systematic gathering of data on volunteering is needed, as well as the development of a methodology to calculate the monetary value of the voluntary work and its contribution to GDP;
- Using priorities from the "Strategy for Development of Statistics in Bosnia and Herzegovina 2020" as a vehicle to advocate for a more systematic approach in the CSO data collection, analysis and publication in general.

Kosovo

Data Collection Situation

Potential sources of information on the economic value of the non-profit sector in Kosovo are the Kosovo Agency of Statistics, the Central Bank of Kosovo, the Bank Association of Kosovo, the Tax Administration and the Kosovo Pension Trust. However, no data is available publicly and the project partner Kosovar Civil Society Foundation (KCSF) had to put repetitive efforts to obtain feedback on their data inquiry.

While the Kosovo Agency of Statistics (KAS) provided some data from 2013, the Kosovo Pension Trust (KPT) provided new and more detailed data for 2014 regarding employment. As for total income and expenditures, there is a significant discrepancy between KAS and KPT data. These data are not presented in the report due to doubts regarding their liability. Data on total income are available from the Kosovar Civil Society Index, published bi-annually by KCSF. However, these data do not include the entire sector, but are rather approximate estimations based on a sample of 100 active CSOs. Therefore, they are also not used in this report.

The Government Strategy for Cooperation with Civil Society 2013-2017 has one reference related to the shortage of data and statistics, stating that "It is estimated that about 8% of funding for civil society has been received from the budget of the Republic of Kosovo, while there are no accurate data on the government level on funding for civil society." A review of the strategy is planned to be carried out every two years²⁹, so it is worth exploring the possibility of incorporating the establishment of the system or data collection and statistics about CSOs (not only related to the economic aspects, but in general).

Furthermore, the strategy recognizes volunteering as one of the four key priorities, therefore similar efforts regarding statistics on volunteering in the strategy revision process could be initiated.

²⁹ The first two years of the Strategy implementation end in 2015, so 2016 will probably be devoted to revision.

Key Economic Data on the Non-Profit Sector in Kosovo

| | |
|--|------------------------------|
| Population (estimate for 2014) ³⁰ | 1,844,553 |
| Number of CSOs in 2014 ³¹ | 8.014 |
| Number of citizens per 1 CSO | 230 |
| Data on Economic Performances | |
| Kosovo (2014) | |
| GDP ³² | 5.326.700.000 |
| % of CSO income in GDP | N/A |
| Total CSO income | N/A |
| Total CSO expenditure | N/A |
| Expenditure for taxes (VAT + personal income tax + profit) | N/A |
| Number of CSO employees ³³ | 8.743 |
| Total employees in the country ³⁴ | 338.400 |
| % of CSO employees in total employment | 2,58% |
| Number of employees per CSO | 1,09 |
| Number of volunteers | N/A |
| Total number of individual contributions in the NGO sector | 12,874 |
| Number of employees with more than one employment, one of which is with an NGO | 4,583 |
| Total value of contributions from employees in NGOs | 3,561,897.52 |
| Division of contributions by gender | Male: 7,076 Female: 5,798 |

According to data received on 31st December 2014 from the Department for Registration and Liaison with NGOs (DRLNGO), there are 8.014 registered CSOs in Kosovo. However, KCSF estimates that only 15-20% of them (approximately 1.500 CSOs) are actually active. This estimate is based on a combination

30 https://ask.rks-gov.net/ENG/publikimet/doc_download/1322-estimation-kosovo-population-in-2014

31 Department for Registration and Liaison with NGOs, 31st December 2014.

32 http://ask.rks-gov.net/ENG/national-account/publications/doc_download/1328-quarterly-gross-domestic-product-q1-2015

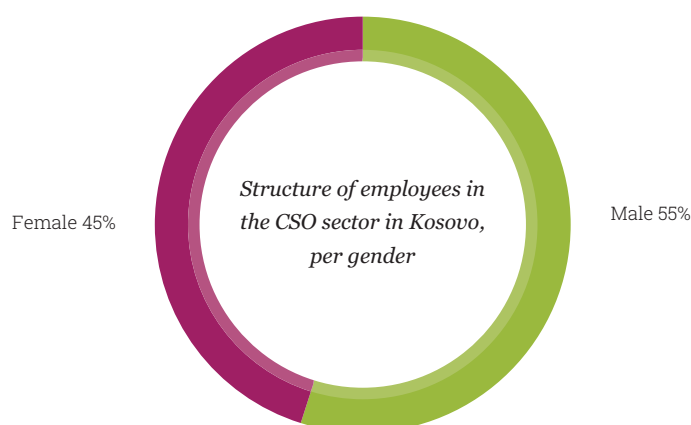
33 Employment in CSOs only.

34 http://ask.rks-gov.net/ENG/labour-market/publications/doc_download/1199-results-of-the-kosovo-2013-labour-force-survey

of several factors: CSOs that declared having employees to the Kosovo Agency of Statistics, CSOs being newly registered (in 2014) and small portion of CSOs working without paid staff, on voluntary basis.

The Kosovo Pension Trust has provided information on the number of persons that pay pension contributions from NGOs (the total number is 12.874 for the year 2014³⁵), and on number of employees with more than one job, one of which is with an NGO (4.583). In light of this information, the data allows the extraction of the number of individuals that only work in the NGO sector, which is 8.743.

Structure of Employees in the CSO Sector in Kosovo, per Gender



Out of the number of total individual contributions, 7.076 (56%) are men and 5.798 (45%) are women.

Employment in the CSO sector in Kosovo is quite high compared with other countries. It is important to stress that in Kosovo, employment in the CSO sector only, and parallel employment in CSO and other sectors can be differentiated with the statistics available. Therefore, the share of total employment for all employees in the non-profit sector in Kosovo is 3,8% (those who work both in CSO sector and have another job), while the share of total employment for those that work only in the non-profit sector is 2,58%, which is still the highest among the countries covered in this report. However, there is no available methodology that would clearly differentiate the number of full-time jobs from the number of part-time jobs or consultancies in the sector.

The total value of contributions from employees in CSOs in Kosovo is 3.561.897,52 EUR.

Since there are no data on total income of CSOs in Kosovo, there is no possibility to estimate its contribution to the GDP.

Regarding the data on volunteering, there is no systematic, comprehensive data on volunteer numbers, volunteering hours and its monetary value.

³⁵ As of 2014, the employment data for the Kosovo Agency of Statistics is provided by the Kosovo Pension Trust.

Recommendations for Kosovo

- Relevant bodies to actively start with data collection on CSOs, through introducing specific categorization of this sector in their data collection systems;
- Establish regular communication with bodies in charge of data collection. In that context, it is important to identify and overcome reasons for discrepancy in provision of same type of data by different institutions/bodies;
- Transparent information about the type of data collected by different bodies/institutions related to economic performances of CSOs;
- Clear methodology for identifying the type of employment within the sector should be developed and/or presented to the public;
- Special focus should be on providing these data free of charge, as a public document, available on different institutions' websites for download. Furthermore, putting all these data in one unique document would be a significant step forward in presenting economic data about the sector;
- Strategic documents (e.g. Government Strategy for Cooperation with Civil Society, 2013-2017³⁶) dealing with CSOs should reflect also the importance and the need for systematic data gathering, publishing and analysis. The review of the current Strategy should be used to address the issue of missing data related to the sector;
- Systematic gathering of data on volunteering is needed, as well as development of methodology to calculate the monetary value of the voluntary work and its contribution to GDP. This should be incorporated in the revision of the current Strategy.

Macedonia

Data Collection Situation

According to the Monitoring Matrix for Enabling Environment for CSDev 2014 Report for Macedonia (MM Report)³⁷, the access to information about civil society is limited when it comes to national statistics on the sector (charges apply for obtaining information depending on the level of their complexity).

The registration process in Macedonia is done in accordance with the Law on Associations and Foundations³⁸ that enables everyone to register an organization through the Central Registry of the Republic of Macedonia. Thus the Central Registry, being responsible for managing specific data on the financial performance of the CSOs in Macedonia, is one of the key sources of data on civil society. However, these data are not publically available and have to be purchased (for the purpose of this report, these data have been purchased for 980 EUR).

The State Statistical Office in Macedonia is the key state body responsible for collecting, processing and disseminating statistical data about the demographic, social and economic characteristics of Macedonian society. Concerning the non-profit sector, some of the financial data for CSOs in Macedonia (such as average salaries) are publically available and may be found in publications by the State Statistical Office (published on annual or monthly basis), but these are generally for all forms of non-profit organisations (i.e. for all organizations based on membership).

A Statistics Council was established in 2014 as a cross-sector body involving one civil society representative, which is a potential that can be used for further advancement of the CSO related data collection and analysis.

Another important source of information regarding the non-profit sector are different state institutions, and the data can be obtained through the Law on Free Access to Information of Public Character³⁹ and the Law on Using Public Sector Data⁴⁰. Still, the possibilities given by these laws are fairly new and insufficiently explored. To acquire data from state bodies (reports, documents, opinion, experience, etc.) additional efforts are required, and sometimes those efforts are futile, due to lack of response from the state bodies.

37 <http://monitoringmatrix.net/monitoring-matrix/civil-society-and-civil-society-development-in-macedonia-2014/>

38 Law on Associations and Foundations ("Official Gazette of the Republic of Macedonia no.52/2010 and 135/2011")

39 Law on Free Access to Information of Public Character ("Official Gazette of the Republic of Macedonia no.13/2006, 86/2008, 6/2010, and 42/2014")

40 Law on Using Public Sector Data ("Official Gazette of the Republic of Macedonia no.27/2014")

The latest strategic document entitled "Strategy for Cooperation of the Government with the Civil Sector 2012-2017" does not mention the importance and need to improve data collection and analysis related to CSOs.

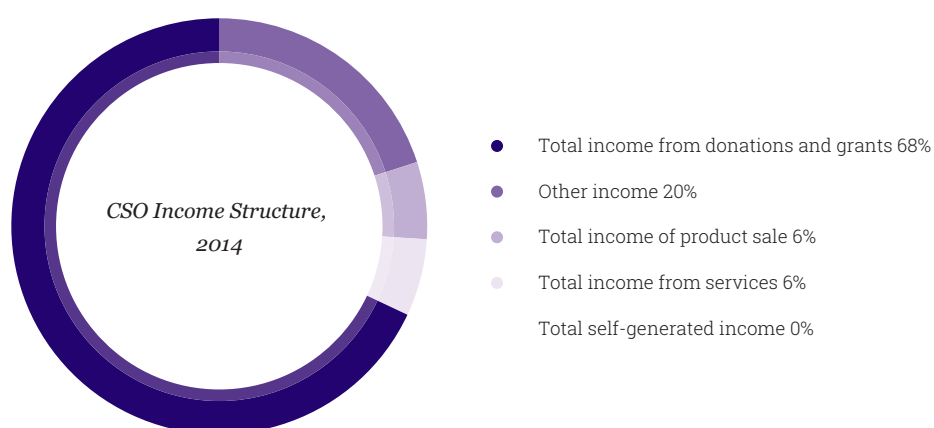
Finally, local CSOs are a potential source of data on civil society, by carrying out different surveys or grant programs (for example, estimated number of volunteers), but this is done only on a sporadic basis.

Key Economic Data on the Non-Profit Sector in Macedonia

| | |
|--|-------------------------|
| Population (31.12.2014) ⁴¹ | 2.069.172 |
| Number of CSOs in 2014 ⁴² | 4.156 |
| Number of citizens per 1 CSO | 498 |
| Data on Economic Performances | Macedonia (2014) |
| GDP ⁴³ | 8.535.000.000,00 |
| % of CSO income in GDP | 0,96 % |
| Total CSO income | 81.516.756 |
| Income structure | |
| Total income of product sale | 5.169.488 |
| Total income from services | 4.687.735 |
| Total income from donations and grants | 55.477.219 |
| Total self-generated income | 124.072 |
| Other income | 16.058.242 |
| Total CSO expenditure | 60.226.397 |
| Expenditure structure | |
| Salaries and other expenditures related to salaries | 9.875.892 |
| Expenditures for honoraria | 3.214.950 |
| Expenditures for part-time assignments | 4.716.287 |
| Profit tax expenditures | 220.402 |
| Support, donations and other giving's | 7.263.132 |
| Other expenditures | 34.935.733 |
| Expenditure for employees | 9.875.892 |
| Expenditure for contracted persons (honoraria) | 3.214.950 |
| Expenditure for taxes (VAT + personal income tax + profit) | N/A ⁴⁴ |
| Number of CSO employees | 1.897 |
| Biggest number of employees in one CSO in 2014 | 42 |
| % of CSO employees in total employment (%) ⁴⁵ | 0,38% |
| Average salary (net) ⁴⁶ | 348 |
| Average salary (gross) ⁴⁷ | 509 |
| Number of volunteers | N/A |
| Total number of CSOs registered | 13.656 |
| Total number of CSOs reregistered | 4.156 |
| Number of CSOs that submitted final financial reports for 2014 | 1.388 |
| Number of CSOs that submitted only declaration/decision for 2014 ⁴⁸ | 2.550 |
| Exchange rate: 1 EUR = 61,505 MKD | |

As stated in the MM Report, "The number of registered non-profit organizations (associations and foundations) according to the data of the Central Registry of Macedonia (CRM) as of December 2014 totaled to 13.656 or 6,6 organizations per 1.000 citizens". Out of this number, 4.156 have re-registered under the Law on Associations and Foundations adopted in 2010. If one excludes the sport associations from this number (almost 30%), there are about 1.000 active organizations in different sectors and regions in Macedonia. In this report, we will be operating with the number of re-registered organizations, i.e. 4.156 CSOs.

CSO Income Structure, 2014



According to the CRM, 29% from the total number (13.656) of registered CSOs have submitted their financial reports or a declaration of their spending, which is 95% of the total number of re-registered CSOs (4.156). The actual submission of the financial reports or declaration contributes to the accuracy of the number of re-registered organizations. However, this does not necessarily mean that they are all active.

41 http://www.stat.gov.mk/Default_en.aspx

42 According to official data from Central Registry of Macedonia (CRM) for 2014 there are 13.656 associations and foundations, out of which 4.156 re-registered according to the amendments to the Law on Associations and Foundations (and are probably active).

43 <http://countryeconomy.com/countries/macedonia>

44 The information cannot be obtained, only for profit tax.

45 <http://www.stat.gov.mk/Publikacii/2.4.15.05.pdf>

46 <http://www.stat.gov.mk/>

47 <http://www.stat.gov.mk/>

48 According to the Law on Accountancy of Non-Profit Organizations ("Official Gazette of the Republic of Macedonia" nos. 24/2003, 17/2011 and 154/2015), Article 18, non-profit organizations whose total value of property or annual revenue is less than 2.500 EUR in MKD counter-value, shall not be obliged to compile financial statements and to submit them pursuant to the provisions of this Law.

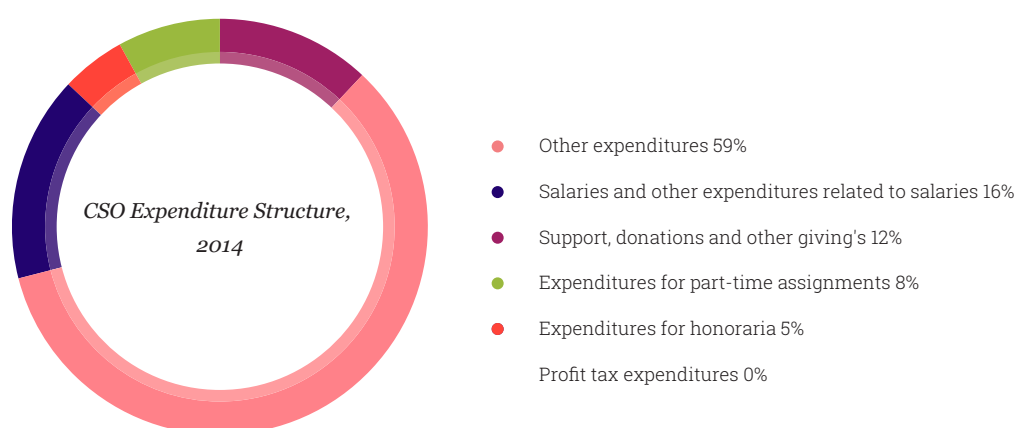
At the same time, only 1.388 of the total number of CSOs have submitted financial reports, which is 10% of the total CSOs and 33% of the re-registered CSOs. This means that the majority of organizations have annual budgets less than 2.500 EUR, with concentration of the funds among the smaller number of "bigger" organizations.

CSO total income in 2014 was 81.516.756 EUR, with most of the funds coming from donations and grants (68%), followed by other income (20%), while income from services and from product sales both generated 6% of the total income. The non-profit sector in Macedonia is mostly dependent on donations and grants, and engages much less in economic activity.

The total income of CSOs in Macedonia comprised 0,96% of the national GDP⁴⁹ for 2014. The figure is quite significant considering that among the countries covered in this report, only Turkey has higher participation of total CSO income in the national GDP.

Average income per CSO was 19.614 EUR (average income is calculated based on total income divided by number of re-registered CSOs). If the total income is divided by the number of CSOs that submitted their financial reports, then the average income per CSO is significantly higher (58.730 EUR).

CSO Expenditure Structure, 2014



Total expenditures of CSOs in Macedonia were 60.226.397 EUR, with "other expenditures" being the most represented (59%), covering items like fee on payment transaction, interest on loans and borrowings, premiums for insurance, per diem and travel expenses for business trips, reimbursement of costs of employees and citizens, negative exchange rate differences, memberships, expenditures for international cooperation, and transferred funds. Salaries and related expenditures follow with 16%, then support, donations and other giving (12%), expenditures for part-time assignments (8%) and expenditures for honoraria (5%). It is worth mentioning that all expenditures dealing with salaries/honoraria i.e. engaging staff/personnel of the CSOs, comprise almost one third (30%) of the total. The average expenditures per CSO was 14.491 EUR for re-registered CSOs and 43.391 EUR for CSOs that submitted the final financial report.

49 <http://countryeconomy.com/gdp/macedonia>

The official number of employees in 2014 was 1.897 (full employment), which is 0,38% of the total number of employed persons in Macedonia in that year. That percentage is almost the same as in Montenegro and Serbia. There was an average of 0,46 full-time employed persons per re-registered CSO, and 1,4 per CSO that submitted their financial reports. It is worth mentioning that there are more people engaged in CSOs through different types of contracts that are not full employment, like an author's contract or service contract. However, these data are not extracted and it is not clear whether it is possible to obtain them from the Pension Fund or Statistical Office. The relatively small number of employees in CSOs points to the lack of a sustainable human resource base that the sector can develop and rely on.

The official number of volunteers is not available. Ministry of Labour and Social Policy (MLSP) data is based on number of issued volunteers' cards. The practice since the end of 2014 shows that the Ministry has stopped issuing volunteer cards, therefore it hardly gives any accurate information. At the moment, the number can be measured only through surveys carried out by the CSOs, but again it is partial and illustrative only. For example, the research conducted by local CSO Reaktor-Reserch In Action⁵⁰ has found that in 2014, 17% of the citizens are members of some organization. Another example is the research entitled "Social Responsibility of Citizens 2013" conducted by MCIC, which used a representative sample to produce information on the index of voluntary activities in the community (which was 18.4%) and index of participation in CSOs (which was 17.6%).

Recommendations for Macedonia

- Adjustment of the existing registration forms to CSOs specificities;
- Publishing the basic statistics on non-profits by the Central Registry of the Republic of Macedonia. This includes also regular publishing of the basic economic data on the non-profit sector, since these data are already being collected by the CRM (total income with detailed structure, total expenditures with detailed structure, disaggregated data on employment in the sector: number of employees total and by type of contract, average salaries, etc.);
- Special focus should be on providing all CSO-related data free of charge, as a public document, available on the CRM website for download;
- Exploring the possibility that the State Statistical Office collects, processes and presents specific statistical data regarding the non-profit sector;
- Enhancing the role of the CSO representative in the Statistical Council, which could be used to promote the need and importance for CSO-related data gathering, analysis and presentation in the regular statistical programs;
- The role of the Unit for Cooperation with NGOs as facilitator to obtain specific data on civil society that are not gathered on a regular basis, when and if needed, should be explored and promoted;
- Monitoring and exploring the openness of data regarding CSOs possessed by the institutions (by using the Law on Free Access to Information of Public Character and the Law on Using Public Sector Data);

50 http://www.graganskoucestvo.mk/static/pdf/gragjansko_uchestvo2012-1014_mkd.pdf

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- Strategic documents (e.g. the Strategy for Cooperation with Civil Society, Open Government Partnership, etc.) dealing with CSOs and civil society development should reflect also the importance and the need for systematic data gathering, therefore revision/update of these documents is suggested as one of the advocacy priorities;
 - Systematic gathering of data on volunteering is needed, as well as development of methodology to calculate the monetary value of the voluntary work and its contribution to GDP.

Montenegro

Data Collection Situation

The situation with data collection, analysis and publication in Montenegro is reflected in three main characteristics, described below.

Firstly, no other country (presented in this report) has a person officially designated for contact with NGOs in the official Statistical Institute/Body like there is in the Statistical Office of Montenegro⁵¹. The legal basis for the work of the contact person responsible for cooperation with NGOs is Article 16 of the Decree on Manner and Procedure for Cooperation of Public Administration Bodies and Non-Governmental Organizations (Official Gazette of Montenegro 07/12). This decree stipulates that each public administration body should have a person in charge of cooperation with CSOs. This person's contact data are to be presented on the website of the relevant public administration body.

Secondly, alongside Macedonia, Montenegro is the only country having a Statistical Council as an advisory and professional body with one representative of the CSO sector being a member of the body, again as prescribed by the above mentioned decree. "With a view to improving statistical culture and knowledge, as well as meeting official statistics users' needs, the Government shall establish the Council of Statistical System (hereinafter referred to as the "Council") as an advisory and professional body, as defined in the Chapter IV in the Law of Official Statistics and Official Statistical System (Official Gazette of Montenegro 18/12)".⁵² This means that there is a real opportunity for the non-profit sector to directly influence the development of the statistical system in Montenegro.

Thirdly, although there are two potentially strong aspects for having transparent and available data about CSOs, the situation with CSO statistics is recognized as being weak in the Strategy for Development of Non-Governmental Organizations in Montenegro 2014-2016⁵³, adopted at the meeting of the Government of Montenegro held on 26th December 2013. One of the strategic priorities and measures to be achieved are those under the strategic goal 4.4. Enabling Environment for the Work of Non-Governmental Organizations, i.e. 4.4.5. Statistics and Records on NGOs. In this chapter, it is stated as follows: "Statistics and records on non-governmental organizations are not separately regulated in laws and secondary legislation, nor in internal procedures of competent state administration bodies. One of the significant barriers to better consideration of the needs and functioning of NGOs

51 Contact with NGO: Vasiljević Ana, Head of general administration, human resources and finance; Tel +382 20/226-534; Fax +382 20/230-7814; e-mail: ana.vasiljevic@monstat.org; <http://www.monstat.org/eng/page.php?id=1035&pageid=1>

52 <http://www.monstat.org/eng/page.php?id=14&pageid=14>

53 <http://www.osce.org/montenegro/124433>

in Montenegro, particularly in terms of their development, is the lack of official data on employees and volunteers, revenue (donations from domestic and international sources, economic activities, membership fees etc.), offices for their work, and technical equipment. This shortcoming makes it difficult to plan and consider further directions of CSO development and support that the state bodies and local government bodies should provide to CSOs.

On the basis of the above mentioned, it is necessary to examine the possibility of embarking on monitoring certain data related to the specificities of the work of CSOs and entering them into the data system which is kept *ex officio* by the bodies competent for data (i.e. statistics, tax and other bodies). The need to amend the Law on Accounting and Audit has been identified, particularly in the part concerning a group of legal persons on which the law applies and the specificities of filling out final accounts by CSOs. It is believed that this will lead to obtaining data that are important for monitoring activities, staff structure and financial operations of CSOs in Montenegro which have direct impact on the transparency of their work and on their development.

Furthermore, the Action plan for the EU Acquis Chapter 23 also recognizes the need to improve the situation in this area.

In practice, it is already possible to extract some data that are being collected, like the number of CSOs that submit financial reports, total income, total expenditure, structure of income and expenditure, number of employees, and average salaries. However, they are not processed nor published specifically for CSOs.

Potential sources for statistics about CSOs in Montenegro are, in addition to the Statistical Office of Montenegro, the Ministry of Finances/Tax Administration and the Disability and Pensions Fund.

As already explained in the case of Bosnia and Herzegovina, legal entities should be easily identified through their codes defined by the classification of activities. In Montenegro⁵⁴ CSOs could be identified in the Sector "S" - Other services, area 94, which is dealing with organizations "that represent interests of specific groups or promote their ideas. Those organizations usually function on a membership basis, but others may join their activities if interested".

Within area 94, these organizations could be further identified as those serving the interests of employees, self-employees and scientific communities (9411, activities of the business associations and associations of employers); 9412, activities of the experts' associations and 9499, activities of other membership-based organizations - promoting ideas and activities dealing with religious, political, cultural, educational or recreational activities).

Data based on the classification of activities are already being collected and different publications are printed, therefore it is reasonable to expect that processing of data specifically for CSOs is possible (if the assumption about the codes is correct and CSOs could be easily identified through those codes). Similarly, data on employees through the Pension and Disability Fund⁵⁵ are regularly collected (based on specific questionnaires that each employer is submitting to this body for every employee, each month). This is, therefore, another potential source of data that might be available upon request. It is worth exploring if CSOs have a unique code that sets them apart from other legal entities.

54 <http://www.monstat.org/userfiles/file/klasifikacije/2.%20Publikacija%20KD%202010.pdf>

55 <http://www.fondpio.me>

Key Economic Data on the Non-Profit Sector in Montenegro

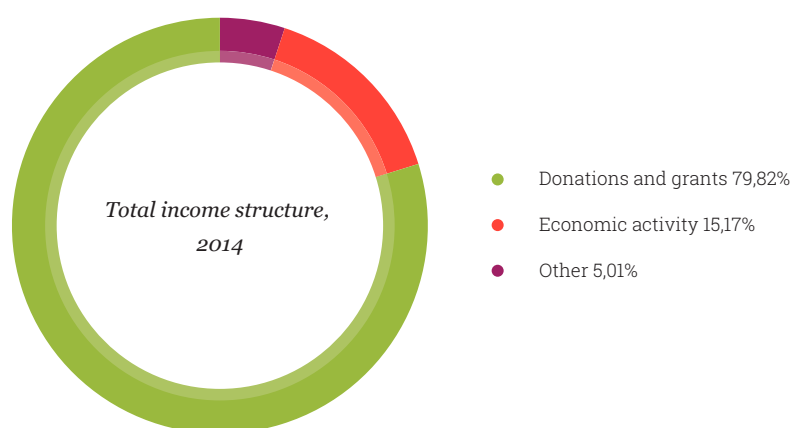
All economic data in the table (and the following text) related to CSOs are referring to 1.137 CSOs that have submitted their financial reports in 2014 to the Tax Administration, which is 34,5% of the total number of registered CSOs.

| | |
|--|--------------------------|
| Population (last Population Census, 2011 ⁵⁶) | 620.029 |
| Number of CSOs in 2014 ⁵⁷ | 3.300 |
| Number of citizens per 1 CSO | 188 |
| Data on Economic Performances | |
| | Montenegro (2014) |
| GDP ⁵⁸ | 3.425.000.000 |
| % of CSO income in GDP | 0,58 % |
| Total CSO income | 19.889.292 |
| Total income of economic activity ⁵⁹ | 3.016.225 |
| Total income from donations and grants | 15.876.546 |
| Other income | 996.521 |
| Total CSO expenditure ⁶⁰ | N/A |
| Expenditure for taxes & benefits | 2.412.946 |
| Number of CSO employees ⁶¹ | 776 |
| Total employees in the country ⁶² | 210.900 |
| % of CSO employees in total employment | 0,37 |
| Number of employees per CSO | 0,24 |
| Number of volunteers | N/A |

According to official data, there were 3.300 CSOs in Montenegro in 2014, out of which 3.104 NGOs (94,1%), 99 registered as non-governmental foundations (3%) and 97 (2,9%) listed as representative offices of foreign NGOs.

The average number of citizens per organization in Montenegro is 188, which is the lowest average when compared to other countries.

CSO Income Structure, 2014



The total income of CSOs in 2014 was 19.889.292 EUR. Out of that amount, almost 80% came from donations and grants, 15% from economic activities (selling goods, products, services, income from rent and similar) and only 5% from other sources. CRNVO has requested a re-check of the data related to economic activity, having in mind that the Tax Administration reported a single CSO earning half of this income.

Total income of CSOs in Montenegro represents 0,58% of the GDP⁶³ in Montenegro for 2014.

The average income per CSO was 6.027 EUR, which is the second lowest average among the countries in this report.

56 <http://monstat.org/userfiles/file/publikacije/godisnjak%202014/stanovnistvo.pdf>

57 Registry of NGOs: <http://www.dokumenta.me/nvo/>

58 <http://countryeconomy.com/countries/montenegro>

59 According to Tax Administration data, one CSO reported income from the economic activity in amount of 1.586.023,00 EUR. Since this is unusually high amount for a CSO, CRNVO has requested additional information and clarification from the Tax Administration, but was still waiting for the official response when the report was published.

60 According to Tax Administration data, one CSO reported income from the economic activity in amount of 1.586.023,00 EUR. Since this is unusually high amount for a CSO, CRNVO has requested additional information and clarification from the Tax Administration, but was still waiting for the official response when the report was published.

61 According to the Tax Administration, data on 8th September, 2015. However, the data is referring only to employers that have the word "non-governmental" in their title. Therefore, the actual number of employees in the non-profit sector is probably higher.

62 <http://monstat.org/userfiles/file/ars/2015/1/Saopstenje%20-%20ARS%20I%20KVARTAL%202015%20konacno.pdf>

63 <http://countryeconomy.com/gdp/montenegro>

CSO Expenditure Structure, 2014

Total expenditure for taxes and benefits was 2.412.945,79 EUR. Since there are no data on the total expenditures⁶⁴, however, it is impossible to make interpretations and/or relations with other figures.

It is not clear why some data are not made available, since they are part of the "package". For example, when data on total income are provided, those on the total expenditure should be too, since they are extracted from the same financial report form. If expenditures on taxes and benefits are available, it is logical to have data on the number of employees, as these data are directly connected (taxes and benefits are collected per employee).

There is only provisional data on the number of employees in the civil society sector. Namely, the Tax Administration reported 776 employees in September 2015. The calculation is made based on the titles of the employees (i.e. those who have the word "non-governmental" in their names). Having in mind that it is not obligatory to have the word "non-governmental" in the title of the organization, it can be estimated that probably more people are employed in the CSO sector than reported by the tax Administration.

Employees working in the non-profit sector represent 0,37% of the total employed persons in Montenegro.

Data on volunteering is not being collected.

Recommendations for Montenegro

- CSOs should explore other potential data sources within state institutions in addition to the three already identified institutions/bodies providing data about CSOs;
- Use already existing mechanisms to influence data collecting, analysis and publication (contact person for NGOs, statistical council);
- Explore the possibilities to differentiate the civil society sector from others through classifications, VAT numbers, or identity numbers; advocate for regular publishing of the basic economic data on the non-profit sector, since these data are already being collected by relevant bodies (total income with detailed structure, total expenditures with detailed structure, disaggregated data on employment in the sector: number of employees total and by type of contract, average salaries, etc.);
- Special focus should be on providing these data free of charge, as a public document, available on different institutions' websites for download. Furthermore, putting all these data in one unique document would be a significant step forward in presenting economic data about the sector;
- Strategic documents that recognize the importance of the need for systematic data gathering, publishing and analysis should be used as advocacy tool to provide for data availability (Strategy for Development of Non-Governmental Organizations in Montenegro 2014-2016, Action Plan for the EU Acquis Chapter 23);
- Systematic gathering of data on volunteering is needed, as well as development of methodology to calculate the monetary value of the voluntary work and its contribution to GDP.

64 No official information was received before the publishing of the report.

Serbia

Data Collection Situation

The situation with data collection in Serbia is challenging, which was confirmed in the preparation of the Draft Plan for Monitoring and Evaluation (M&E) of the National Strategy for Creation of the Enabling Environment for CSO Development 2016-2020⁶⁵. This document is prepared as an integral part of the strategy with the aim to establish an M&E system. A baseline study has been carried out in order to collect available data about the non-profit sector. From the outset it was visible that, unlike in many other areas where the primary and dominant source of information is the Statistical Office of the Republic of Serbia (SORS) gathered through regular annual statistical surveys, the work of CSOs is not covered by a single SORS survey. Data about CSOs are mostly collected by the Serbian Business Register Agency (SBRA). Some data is dispersed among different institutions or collected by sporadic surveys carried out by a few institutions and/or CSOs.

This could be partially explained by the fact that SBRA is legally obliged to register CSOs and their financial reports, thus collecting basic data about the size and scope of the sector. In addition, the non-profit sector in Serbia is relatively young with 50% of CSOs being registered since 2010, covering a diverse range of areas and topics, dealing with different target groups, with a variety of activities that are neither classified nor standardized, and therefore all of this makes data collection more challenging.

At the same time, the preparation of the baseline study has revealed that some data are being collected on a regular basis, however they are not being processed and disseminated to the public. For example, the Pension Fund of Serbia collects vital information on the persons engaged in CSOs (regardless of the type of contract), social benefits, and years of engagement in the CSOs. However, these data were never presented before the baseline study. On the other hand, some data that are of vital importance for the sector do not exist (for example, on volunteering and non-formal education).

The whole process of the above mentioned M&E plan development was an endeavour that enabled the assessment of the situation in the data collection related to the CSOs, thus creating the starting point for the future systematic data collection and analysis of the non-profit sector in Serbia. This will require further development and modification of the existing data collection system, either through different institutions, through regular annual statistical surveys or through engagement of individual CSOs.

In terms of availability, key summary data about CSOs are available to the public on the SBRA website, which issues an Annual Report on the Work of Non-Profit Institutions⁶⁶. This report contains data on

65 Draft Strategy is to be adopted by the Government by the end of 2015.

66 http://www.apr.gov.rs/LinkClick.aspx?fileticket=cTuqyulHs_4%3d&tabid=286&portalid=0&mid=1717

the CSO total income and expenditure. However, it is not structured in a way that is adapted to the nature of CSO finances. If specific and more detailed data are requested, a certain fee needs to be paid to SBRA. If state institutions are requesting data, it is available free of charge from any institution collecting data.

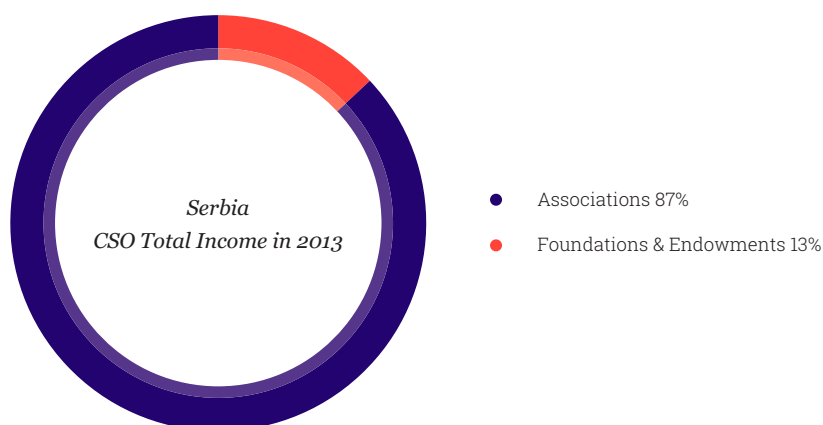
Key Economic Data on the Non-Profit Sector in Serbia

| | | | |
|--|----------------|---------------------|-----------------------------------|
| Population (Population Census 2011 ⁶⁷) | 7.186.862 | | |
| Number of CSOs (associations: 22.838; foundations & endowments: 556) ⁶⁸ | 23.394 | | |
| Number of citizens per 1 CSO | 307 | | |
| Data on Economic Performances Serbia (2013) | | | |
| | <u>TOTAL</u> | <u>Associations</u> | <u>Foundations and Endowments</u> |
| GDP ⁶⁹ | 34.263.000.000 | | |
| % of CSO income in GDP | 0,74% | | |
| Total CSO income | 254.713.543 | 222.195.480 | 32.518.063 |
| Operating income | 244.199.250 | 213.209.747 | 30.989.503 |
| Financial income | 5.096.108 | 4.117.888 | 978.220 |
| Other income | 5.349.145 | 4.801.178 | 547.967 |
| Net profit of businesses to be ceased | 69.040 | 66.667 | 2.373 |
| Total CSO expenditure | 247.615.305 | 215.451.510 | 32.163.796 |
| Operating expenses | 227.093.089 | 199.289.206 | 27.803.883 |
| Financial expenses | 2.836.640 | 2.319.825 | 516.815 |
| Other expenses | 17.232.574 | 13.389.921 | 3.842.653 |
| Net loss of businesses to be ceased | 453.002 | 452.557 | 445 |
| Expenditure for employees and contracted persons for social security | 8.580.129 | 7.740.666 | 839.463 |
| Tax expense of a period | 689.572 | 601.475 | 88.098 |
| Number of CSO employees | 6.729 | 6.170 | 559 |
| Total employees in the country ⁷⁰ | 1.715.164 | | |
| % of CSO employees in the total employment | 0,39% | 0,36% | 0,03% |
| Number of volunteers | N/A | N/A | N/A |
| Average salary in CSO (gross) | 591 | 454 | 728 |
| Exchange rate: 1 EUR = 114,6 RSD | | | |

According to SBRA⁷¹ there are currently 26.731 CSOs, out of which 26.076 are associations and 655 foundations and endowments. However, the financial data in this report cover the year 2013, since the data for 2014 are still not available. Therefore, this report operates with the number of CSOs from the same year. In 2013 there were 23.394 CSOs in Serbia, out of which there were 22.838 associations (97,6%) and 556 foundations and endowments (2,4%).

CSO Income Structure, 2013

Foundations/endowments and associations are subject to different legislations and regulated by different ministries. However, SBRA is in charge for both legal entities in terms of registration and the collection of status and financial related data. While associations and foundations do not need any property/capital to be legally established, there is basic property/capital requirement to establish an endowment (Serbian Dinars equivalent to 30,000 Euros). Furthermore, there is a legal requirement to maintain this property/capital.



Of the total CSO income in 2013, associations accounted for 87% and foundations and endowments for only 13%, which is a consequence of the very small number of foundations/endowments in Serbia, 40% of which were established in the last five years.

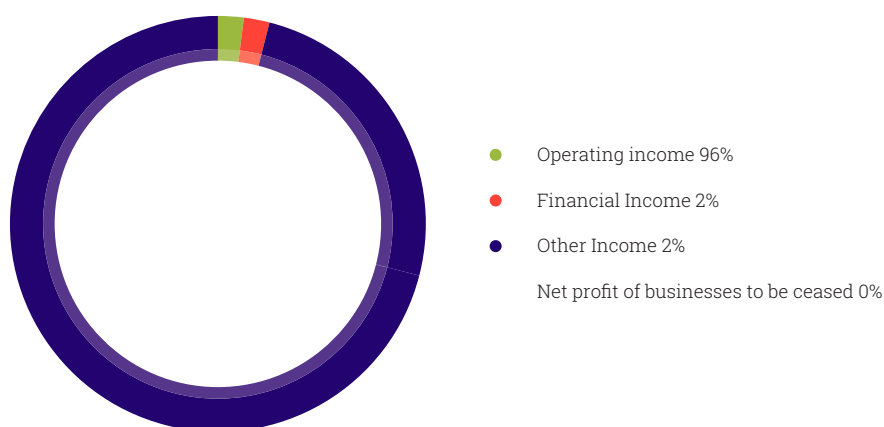
67 <http://webrzs.stat.gov.rs/WebSite/userFiles/file/Aktuelnosti/StatGod2015.pdf>

68 <http://www.apr.gov.rs/>

69 <http://countryeconomy.com/gdp/serbia>

70 Annual average in 2013 <http://webrzs.stat.gov.rs/WebSite/Public/ReportResultView.aspx?rptKey=indId%3d240201IND01%2635%3d6%262%3d%23last%233%2633%3d0%2c1%2c2%2623%3d0%2c2%26sAreaId%3d240201%26dType%3dName%26lTy pe%3dSer>

71 <http://www.apr.gov.rs/eng/Home.aspx>



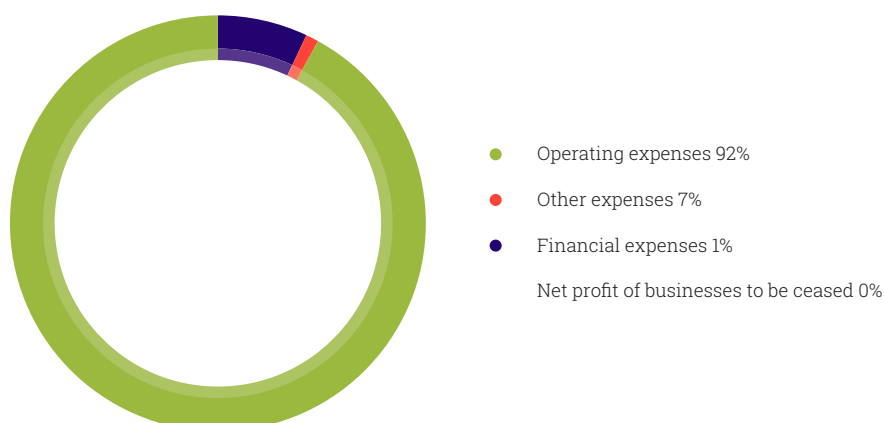
According to SBRA, 76% of the total number of CSOs submitted their financial reports for 2013. Their total income in 2013 was 254.713.543 EUR, of which operating income comprised 96%, while the remaining 4% was divided evenly between financial income and other income. Income structure between the associations and foundations/endowments is almost the same, although it is not detailed in such a way that it reflects the specific features of CSOs.

The total income of CSOs in Serbia represented 0,74% of the Serbian GDP in 2013.

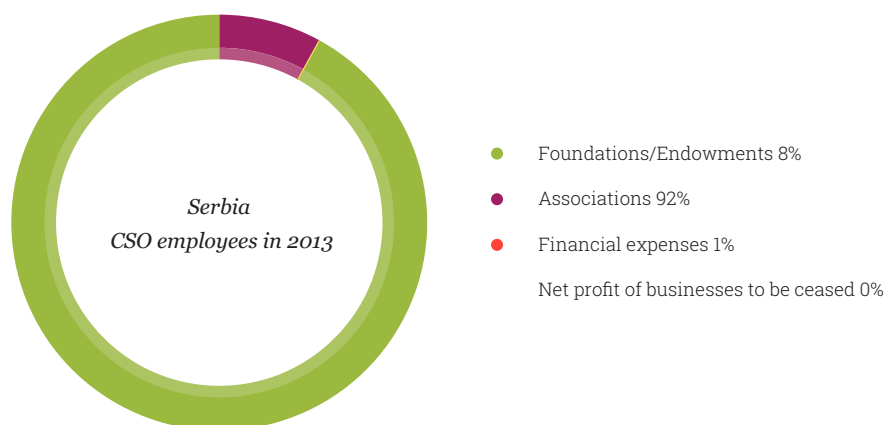
The average income per CSO in 2013 was 10.888 EUR. However, it is important to stress the difference in the average between associations (9.781 EUR) and foundations (58.486 EUR). If the average is calculated on the basis of the number of CSOs that submitted financial reports, then the averages are slightly higher: 14.353 EUR for CSOs, 12.841 EUR for associations and 73.570 EUR for foundations.

As already explained, the income structure presented in the SBRA summary report does not reflect in detail the characteristics of the non-profit sector. For example, it is not visible what portion comes from grants and donations and what portion comes from the membership fees.

CSO Expenditure Structure, 2013



The total expenditures of the civil society sector in Serbia were 247.615.305 EUR, with operating expenditures accounting for 92% of that total. Financial expenditures accounted for 1% and other expenditures accounted for 7% of the total. The average expenditures per CSO were 9.508 EUR. Expenditures for employees and contracted persons for social security were 8.580.129 EUR, which represents 3,5% of the total CSO expenditures. Again, the structure of expenditures in this report is not given in detail.



SBRA data show that the average number of employees in CSOs in Serbia at the end of each month in 2013 was 6.729 (full employment), with 92% working in associations and only 8% in foundations/endowments. That figure represented only 0,39% of the total employed persons in Serbia in the same year. There was an average of 0,29 fully employed persons per CSO, with 0,27 employed persons per association and 1,01 person per foundation/endowment.

There are more people engaged in CSOs through different types of contracts that are not employed full-time, like an author's contract or contract for services. That doubles the numbers of actual employment in the civil society sector. This is confirmed by the Pension Fund data, which show that there were 14.206 persons employed in CSOs in Serbia in 2013, through different types of contracts, representing 0,83% of the total employment that year.

Regarding the data on volunteering, there are no systematic, comprehensive data on the number of volunteers, volunteer hours and its monetary value. Some data are being collected by the Ministry of Labour, Employment, Veteran and Social Affairs as prescribed by the Law on Volunteering (which registers organizers of volunteering, volunteers, requesting reports from organizers, etc.). However, it is not reliable as most CSOs do not submit those reports/information. For example, Ministry data show that there were 1.166 registered volunteers in 2014, while the latest survey from 2011⁷² indicates more than 150.000 active volunteers in Serbia.

72 Assessment of the Situation in CSO Sector, September 2011; Civic Initiatives in cooperation with the Office for Cooperation with Civil Society.

Recommendations for Serbia

- Implementation of the to-be adopted National Strategy and M&E plan - CSOs should insist on data collection, processing and publishing as envisaged by these documents. This requires development of several targeted advocacy campaigns related to different chapters covered by the national strategy;
- Special focus should be on providing transparent and detailed data on financial performances of the non-profit sector and publishing them in more detail than is the case now (detailed income and expenditure structure per associations and foundations/endowments);
- Systematic gathering of data on volunteering is needed, as well as development of methodology to calculate the monetary value of the voluntary work and its contribution to GDP.

Turkey

Data Collection Situation

According to the Monitoring Matrix for Enabling Environment for CSDev 2014 Report for Turkey⁷³, foundations and associations are subject to different legislation and are regulated by different public agencies. Along with their administrative duties and guidance role, the Department of Associations (DoA) and General Directorate of Foundations (GDoF) are the two public authorities responsible for collecting CSO data and keeping the statistics. Despite some recent attempts to openly share general statistics on associations and foundations, CSO statistics are still not integrated into the official statistical programme kept by the Turkish Statistical Institute. Associations and foundations are obliged by law to provide up-to-date data in their annual notifications to DoA and GDoF. However, the quantity and quality of the information and statistics publicly shared by these public authorities on their website is not sufficient.

Within the process of implementation of e-government in Turkey, the DoA started to collect data on non-profits through DERBIS, Associations Information System, that became operational on 18th February 2013. Since then, more than half of the associations have submitted their profiles in the system database and submitted their annual reports online. Previously, in all of the cases, the data was not shared with the public. Data on volunteers was collected yearly by DoA and GDoF. While GDoF published the data, DoA did not publish/share the data. As of 2014, DoA has provided access to further data on associations which were not available before.

In practice, it seems that there is a duplication in providing data to different state relevant bodies, which may put an extra burden on CSOs. For example, all associations and foundations have to provide documentation to the tax authority regarding data on the structure of income/expenditures, in addition to data being collected by DoA and GDoF. Similarly, data on employees are collected yearly by DoA and GDoF, as well as the Ministry for Labor and Social Security, which has all records on employed staff.

Part of the data presented in this report is not public yet, therefore should be considered as preliminary. TUSEV was able to gather these data through the EU working group which was formed in 2013 to work on the EU CS Guidelines. These data reflect upon the number of volunteers, the number of full time employees working in associations, the sources of income of associations, and the number of penalties sanctioned on associations. Besides, the format of information provided by the public institutions are not standardized. As an example, GDoF compiles all statistical information related to foundations on a single PDF document and uploads it to their website, which is difficult to use for research purposes.

73 <http://monitoringmatrix.net/monitoring-matrix/civil-society-and-civil-society-development-in-turkey-2014/>

Furthermore, the Right to Information Law (No. 4982, 9/10/2003) specifies some limitations to access to information. The most important problem in the existing legislation is that it gives the public institutions the right not to disclose information if the information requested (1) necessitates additional research and work, (2) is accepted as a "state secret", (3) would challenge the "national security" or "economic benefits of the country" or (4) is related with the internal operations of the public institution having no public concern dimension. The concepts such as state secret, national security or economic benefits of the country are not defined in the legal framework and hence public institutions are given interpretation authority and discretionary power. To illustrate, in 2014 TUSEV issued 20 separate requests to relevant ministries to access public information on the relationship of Ministries with CSOs. In return, 16 Ministries responded and 4 out of 16 declined to provide information on the grounds that more research was needed (invoking their rights under Articles 7 and 12 of the Law on the Right to Information) and 4 Ministries have not responded to the request for information at all. Ministries use different website applications with regards to the Right to Access to Information Law requests. While some of these online application systems are user-friendly, some are inefficient.⁷⁴

74 For more information, please refer to the evaluation and recommendations put forward by the Focus Group Meeting on Practices Related to the Right to Information held in January 2014: http://www.tacso.org/doc/tr_rim_report.pdf

Key Economic Data on the Non-Profit Sector in Turkey

| | | | |
|---|--------------------------|---------------------|-------------------------|
| Population (2013) | 76.667.864 | | |
| Number of CSOs in 2013: (97.970 associations and 4.757 foundations) ⁷⁵ | 102.727 | | |
| Number of citizens per 1 CSO | 746 | | |
| Data on Economic Performances Turkey (2013) | | | |
| | <u>TOTAL</u> | <u>Associations</u> | <u>Foundations</u> |
| GDP ⁷⁶ | 616.345.000.000 | | |
| % of CSO income in GDP | 1,34 | | |
| Total CSO income | 8.282.157.668 | 3.042.800.238 | 5.239.357.430 |
| Income structure | | | |
| Foreign donations | 99.937.971 | 53.351.626 | 46.586.345 |
| Membership fee | 1.242.954.528 | 281.107.138 | 961.847.390 |
| Public funds | 700.129.748 | 148.322.519 | 551.807.229 |
| Donations | 2.852.556.908 | 1.265.006.707 | 1.587.550.201 |
| Economic activity earnings | 143.919.981 | 79.662.953 | 64.257.028 |
| Financial earnings | 994.752.282 | 175.475.173 | 819.277.108 |
| Other income | 2.178.486.458 | 970.454.329 | 1.208.032.129 |
| Rent earnings | 69.419.792 | 69.419.792 | |
| Total CSO expenditure | 4.916.022.161 | 2.561.770.347 | 2.354.251.814 |
| Expenditure structure | | | |
| Expenditures | 966.564.472 | 713.537.088 | 253.027.385 |
| Expenditure for employees | 761.830.594 | 448.959.578 | 312.871.016 |
| Expenditures towards fulfilling purpose of the foundations | 2.873.008.082 | 1.084.654.669 | 1.788.353.414 |
| Other expenditures | 314.619.012 | 314.619.012 | |
| Expenditure for taxes (VAT + personal income tax + profit) | N/A | | |
| Number of CSO employees | 50.976 | 33.783 | 17.193 |
| Total employees in the country | 25.933.000 ⁷⁷ | | |
| % of CSO employees in total employment | 0,20% | 0,13% | 0,07% |
| Number of volunteers | 1.183.435 | 75.608 | 1.107.827 ⁷⁸ |
| Exchange rate: 1 EUR = 2,87 TL | | | |

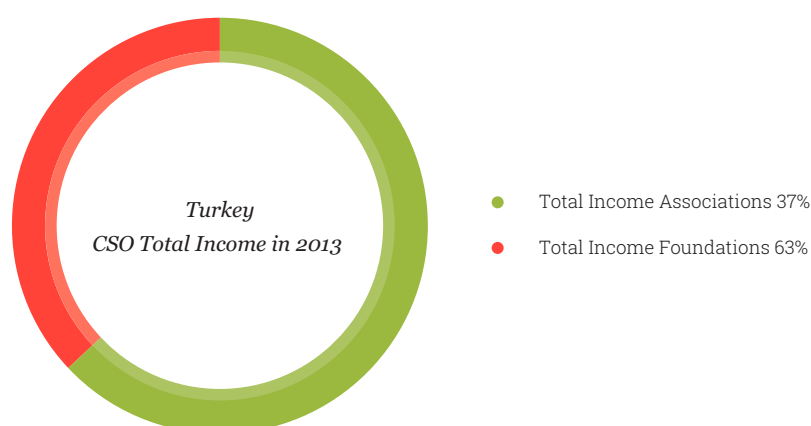
Total number of CSOs in Turkey in 2013 was 102.727, with 97.970 associations (95%) and 4.757 foundations (5%).

The laws on foundations and associations differ slightly, with income structure being differently defined. Therefore, data in this report are provided separately for both types of CSOs, wherever appropriate.

CSO Income Structure, 2013

Foundations and associations are subject to different legislation and regulated by different public agencies. DoA and GDoF are the highest public authorities responsible for associations and foundations in Turkey. Contrary to associations, there is a minimum capital required to establish a foundation.

To establish a foundation, assets should be allocated (all types of immovable and movable property, including cash, securities and bonds, and rights that have an economic value) for the specified purpose of the foundation. GDoF determines the minimum asset value required for the establishment of a foundation on annual basis. Currently, the minimum endowment amount for foundations is 20.000 EUR. For tax-exempt public-benefit status, this is approximately 300.000 EUR. Foundations are not required to maintain the capital, but it is not encouraged for foundations to spend their capital.⁷⁹



Of the total CSO income in 2013, foundations account for 63% and associations for 37%. As explained above, due to the required minimum capital to set up a foundation, the overall foundations' income is much bigger than the associations' income, although the number of associations significantly outweighs the number of foundations.

75 Source: Department of Associations and Directorate of Foundations

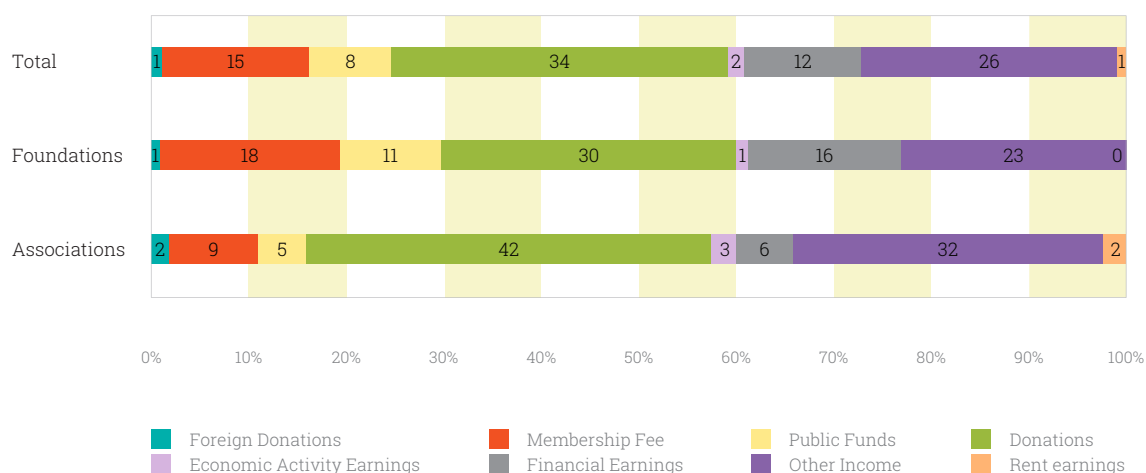
76 <http://countryeconomy.com/gdp/turkey>

77 <http://www.turkstat.gov.tr/UstMenu.do?metod=temelist>

78 <http://www.turkstat.gov.tr/UstMenu.do?metod=temelist>

79 EFC report: http://www.tusev.org.tr/usrfiles/files/Comparative_Highlights_of_Foundation_Laws.pdf

CSO Income Structure, 2013, in %



In terms of the total income structure, a bit more than one in three (34%) refers to donations, followed by other income⁸⁰ (26%), membership fees (15%), financial earnings (12%) and public funds (8%). Very limited funds come from economic activity (2%), foreign donations (1%) and rent earnings (1%).

The difference in the income structure between foundations and associations is quite visible. The biggest portion of the associations' income comes from donations (42% domestic and 2% foreign donations). Foundations' biggest portion of income also comes from donations (donations 30% and 1% foreign donations), but it is less than one third of the total foundation's income. One third of the income from associations comes from "other income" (32%), while other income accounts for 23% of foundations' income. It is interesting that 18% of foundations' income comes from membership fees while only 9% of the associations' income comes from these sources.

The average income of associations is 31.058 EUR, while the average income of foundations is 1.101.400 EUR.

Total income of CSOs represented 1,34% of the GDP⁸¹ in Turkey for 2013, which is the highest among countries covered in this report.

80 There is no information what makes "other income".

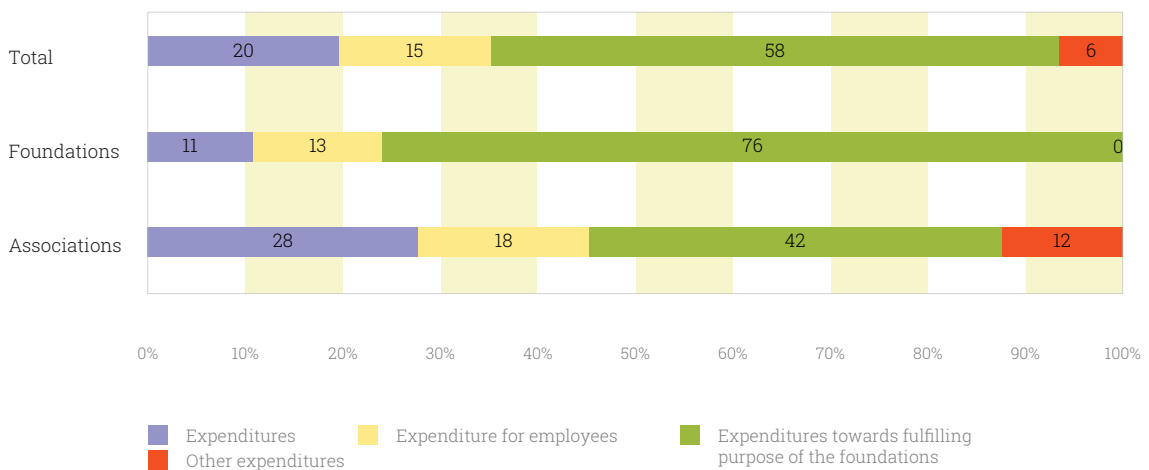
81 <http://countryeconomy.com/gdp/turkey>

CSO Expenditure Structure, 2013



Foundations account for 48% of total expenditures, while associations account for 52%. In 2013, associations spent 84% of their total income, while foundations spent 45% of their total income. This is probably due to the fact that there is minimum capital required to establish a foundation. Although there is no requirement to maintain this capital, it is not encouraged to spend it either.

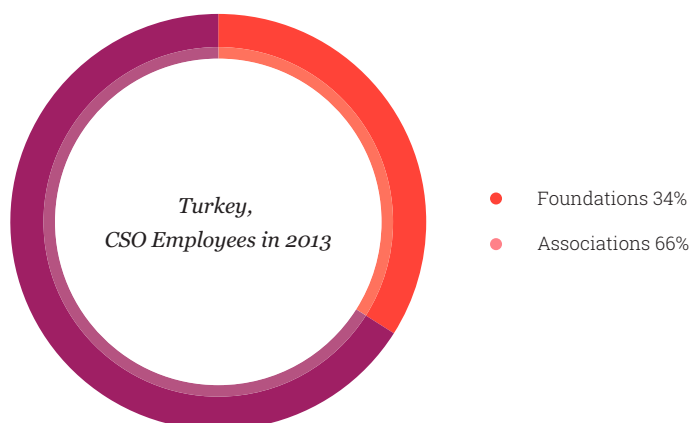
CSO Expenditure Structure, 2013, in %



On the level of total CSO expenditures, the majority (58%) goes to expenditures towards fulfilling the purpose of the organization. One fifth (20%) refers to “expenditures”⁸², while 15% goes to expenditures for employees and 6% to other expenditures. Again, there is a visible difference in the structure of expenditures between foundations and associations. More than three fourths (76%) of the foundations’ expenditures go towards fulfilling their purpose; 13% goes to expenditures for employees while 11% goes to “expenditures”. At the same time, most of the associations’ expenditures go for fulfilling the

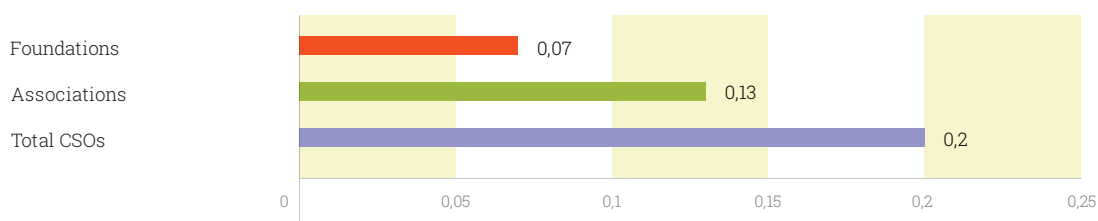
82 There is no information what makes “expenditure”.

purpose, although less than half of the total expenditures (42%), followed by “expenditures” (28%), then expenditures for employees (18%) and 12% to “other expenditures”. When this figure is combined with the information on the average number of employees per type of CSO (see data below the following graphs), it reveals the issue of lack of human resources in associations.



Despite the fact that total income and average expenditures for employees are much bigger in foundations, the total number of employees is twice as large in associations. Two thirds (66%) of employees work in associations and one third (34%) in foundations. However, since there is a significant difference in the number of associations and foundations, it is important to stress that the average number of employees in an association is 0,34 while the average number of employees in a foundation is 3,61.

Participation in Total Employment (%), 2013



The share of total employment is only 0,20%, which is the lowest among the countries covered, although the percentage of total CSO income in Turkey GDP is the highest when compared to other countries. Employees working in associations account for 0,13% and those working in foundations for 0,07% of the total employment in Turkey in 2013.

Turkey is the only country (among those covered by this report) that collects data on volunteers in a more systematic way. Out of the total number, 94% of volunteers are engaged in foundations and only

6% in associations. However, as already explained, the data are not fully reliable, since there is no official definition of volunteering, and some foundations, for example, declare their funders as volunteers.

Recommendations for Turkey

- Greater integration of CSO statistics in the official statistical programme kept by the Turkish Statistical Institute is needed. This also includes data provided by DoA and the GDoF that should be incorporated into the national statistics system, thus increasing the quantity and quality of CSO-related data available for public and avoiding duplication;
- Public institutions should prepare manuals to guide CSOs in the reporting process, in order to obtain high quality data from CSOs;
- Regular publishing of the basic economic data on the non-profit sector, since these data are already being collected by relevant bodies (total income with detailed structure, total expenditures with detailed structure, disaggregated data on employment in the sector: number of employees total and by type of contract, average salaries, etc.);
- Special and user-friendly accounting standards should be prepared for CSOs;
- Provided data should be in a format that is easily accessible and readable (data provided by public institutions are mostly in PDF format that is not easily translatable into research);
- Better implementation of the Law on the Right to Information, including adoption of specific measures for governmental agencies and standard website applications of public institutions to simplify the process. Specific recommendations developed by the Focus Group Meeting on Practices Related to the Right to Information (held in January 2014) should be followed further;
- The content of all websites of relevant public institutions should be standardized in order to provide comprehensive and up-to-date information;
- Establish definition of volunteering, which will eliminate confusion in already existing systematic data gathering. Development of methodology to calculate the monetary value of the voluntary work and its contribution to GDP is needed.

Annexes

Annex 1. Statistical Data - Economic Value of the Non-Profit Sector - First Draft

Country: _____

| No. | Data on Economic Performances | Existing (Yes/No) | If YES (data existing), who collects data ⁸³ | If YES, data are published/available | | Timing of publication |
|-----|---|-------------------|---|--------------------------------------|--------------|-----------------------|
| | | | | automatically | Upon request | |
| 1 | Total income | | | | | |
| 2 | Contribution to GDP | | | | | |
| 3 | Income structure | | | | | |
| 4 | Range of CSOs by size of income | | | | | |
| 5 | Top 10 by Income | | | | | |
| 6 | Total expenditure | | | | | |
| 7 | Expenditure structure | | | | | |
| 8 | Expenditure for employees | | | | | |
| 9 | Expenditure for contracted persons (honoraria) | | | | | |
| 10 | Expenditure for VAT | | | | | |
| 11 | Expenditure for taxes | | | | | |
| 12 | Number of employes | | | | | |
| 13 | Top 10 by number of employees | | | | | |
| 14 | Participation in total employment (%) ⁸⁴ | | | | | |
| 15 | Average salary (net/gross) | | | | | |
| 16 | Number of volunteers | | | | | |
| 17 | Number of volunteer hours | | | | | |
| 18 | Value of voluntary work | | | | | |
| 19 | Registered economic activity | | | | | |

83 E.g. Statistical office, Register office, Court, Ministry, Tax office

84 Could be combined with the unpaid work (value of volunteering)

Annex 2. Statistical Data - Economic Value of the Non-Profit Sector - Final

| No. | Data on Economic Performances | Name of country (year of data presented/obtained) |
|-----|---|---|
| 1. | Total income | |
| 2. | Income structure | |
| 3. | Total expenditure | |
| 4. | Expenditure structure | |
| 5. | Expenditure for taxes (VAT+personal income tax + profit) | |
| 6. | Number of employees | |
| 7. | Number of volunteers | |



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DEVELOPMENT
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IPA Balkan CS Acquis, Strengthening the Advocacy and Monitoring Potential and Capacities of CSOs.

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