



This project is funded by
the European Union
EU Instrument for
Pre-accession Assistance (IPA)
Civil Society Facility (CSF)

B | T | D The Balkan Trust
for Democracy
A PROJECT OF THE GERMAN MARSHALL FUND

Civic
Initiatives

MONITORING MATRIX
ON ENABLING ENVIROMENT
FOR CIVIL SOCIETY DEVELOPMENT

SERBIA REPORT 2013



BALKAN
CIVIL
SOCIETY
DEVELOPMENT
NETWORK



BALKAN CIVIL SOCIETY DEVELOPMENT NETWORK



Balkan Civil Society Acquis
Strengthening the Advocacy and
Monitoring Potential and Capacities of CSOs

MONITORING MATRIX
ON ENABLING ENVIROMENT
FOR CIVIL SOCIETY DEVELOPMENT

- Serbia Report 2013-



Project funded by the European Union

B | T | D The Balkan Trust
for Democracy

A PROJECT OF THE GERMAN MARSHALL FUND

CONTENTS

I EXECUTIVE SUMMARY

1. Civil Society and Civil Society Development in Serbia 3
2. Key Findings 5
3. Key Policy Recommendations 5
4. About the project and the Matrix 6

II INTRODUCTION

1. About the Monitoring Report 7
2. The Monitoring Matrix on Enabling Environment for Civil Society Development 7
3. Civil Society and Civil Society Development (CSDev) in Serbia 8
4. Specific features and challenges in applying the Matrix in Serbia 14
5. Acknowledgements and thanks 14

III METHODOLOGY

1. Overview of the methodological approach 15
2. Participation of the CSO community 15
3. Lessons-learned 15

IV FINDINGS AND RECOMMENDATIONS

- Area 1:* Basic Legal Guarantees of Freedoms 16
- Area 2:* Framework for CSO Financial Viability and Sustainability 19
- Area 3:* Government-CSO Relationship 25

V FINDINGS AND RECOMMENDATIONS (TABULAR)

VI USED RESOURCES AND USEFUL LINKS 50

EXECUTIVE SUMMARY

1. Civil Society and Civil Society Development in Serbia

The legal framework governing CSOs in Serbia is regulated in most of its aspects: both Law on Associations and Law on Endowments and Foundations are considered to be modern laws that provide a framework for not-for-profit organizations. Registration process is voluntary, with clear, simple and decentralized procedure and possibilities for a CSO to register in only few days and on line, while CSOs are free in internal matters regulating by statutes. The Law on Volunteering is still too codifying, treating volunteering as a working relationship rather than a private, voluntary institute, thus making it difficult for CSOs in Serbia to engage volunteers in their work. New Law on accounting, adopted in July 2013 envisaged simplified and adapted procedures

for CSOs, as of 2014, therefore participation of CSOs in the process of adopting accounting by-laws is needed. The distribution of public (governmental) funds is regulated by the Law on associations and the Law on Foundations & Endowments, and specific by-law has been adopted to provide transparency of public funding distribution at all levels. However, public spending still lacks transparency and additional burden is put through the amended Law on the Budget System with requirement for CSOs to open account in the Treasury if receiving public funds.

Associations, foundations and endowments pursuing public interest objectives may engage directly in economic activities; however this possibility is still not largely used by CSOs due to inconsistent interpretations by public authorities. Freedom of assembly, although gen-

erally regulated, is not always implemented, with cases of violations like the Pride Parade prohibition.

Unlike in most of the countries in Europe, tax legislation in Serbia does not stipulate any exemption from property tax on the real estate for associations, foundations and similar CSOs performing activities of public interest. The 2.5% tax on gifts for foundations, endowments and associations for gifts/inheritance received has been abolished since 2010, however, in practice the process of the tax abolishment is an area of ambiguity, subject to the interpretation of the Tax Administration. According to Corporate Profit Tax Law, corporations may have recognized expenditures for health care, cultural, educational, scientific, humanitarian, religious, environmental protection and sport-related purposes, including contributions

to the social security institutions established in compliance with the social security law, up to 5%. This is not in compliance with the concept of public benefit as described in the relevant CSO legislation (Law on Associations and Law on Foundations & Endowments). Individual charitable giving is not recognized by the Law as the ground for tax deduction.

State support to CSOs is regulated by The Law on Associations and Law on Endowments and Foundations that recognize activities performed by CSOs for public benefit, as well as by the „Rules on criteria of financing and co-financing CSOs activities from the State budget“. However, there is no clear definition of the public benefit in the related laws (Law on Games on Chances that is a significant source for public funding, needs to be amended accordingly, as well as several tax laws). Funds are provided only for projects/programs, but not for institutional development for CSOs. There is no unique national body/institution with mandate for distribution of public funds to CSOs, nor are there clear procedures for CSO participation in all phases of the public funding. Line 481 through which state funds are mostly distributed is not diversified, so it is not clear and transparent how much money is targeting CSOs. Modest funds to match EU funded projects are introduced by the Office for cooperation with CSOs.

Non-formal education is promoted through national educational strategy and laws, and it should be also incorporated in future National Strategy for enabling environment for CSOs. Thirteen years since the introduction of civic education in schools, recent analyzes indicate necessity of revision of the teaching methodology and new training for

teachers. According to evaluation report made by Institute for Education Quality and Evaluation (state institution), only 20% of teachers in elementary schools and 50% teachers in high schools are trained correctly for teaching civic education.

Government of Serbia Office for Cooperation with Civil Society is the main institutional mechanism to support the development of a dialogue between the Serbian Government and CSO's. The Office is supporting the governmental institutions to understand and recognize the role of CSOs in decision making processes. However, there is a tendency for it to become a bottle neck, since other institutions are using it as the only channel of communication between two sectors. Interactions between the Government and CSOs have improved in the last few years; however these relations are still fragmented without structured forms of cooperation between the two sectors. A mechanism for a meaningful and timely CSOs involvement in decision making process should be established, as well as strategic document and body (Council) on enabling environment for civil society created. Most CSOs are consulted in the final phase of a draft law/policy shaping without sufficient information well in advance and when any changes are almost impossible. Moreover, even in the cases in which civil society and state cooperated during the drafting of the law/policy/strategy, the draft that appears before the Parliament is changed without taking into consideration CSO comments and proposals, and without CSOs knowing that the Law is formally entering into legislative procedure. The Law on Social Protection (March 2011) introduced CSOs as potential service providers, which is a novelty as compared to the previous Law and might significantly

influence both the work and sustainability of CSOs involved in the area of social protection. The Analysis of the Law on Social Protection Implementation¹ has proven that neither CSOs nor service beneficiaries are familiar to a sufficient extent with all the novelties and possibilities stipulated by the Law (plurality of service providers, new system of service quality, more accentuated role of beneficiaries, decentralization of individual new services and extra institutional protection, increased number of beneficiaries etc), method of implementation of individual legal solutions and expected results for service and beneficiaries. The new Law on Public Procurement stipulates that associations and all other entities are required to participate in the public tender which is announced for the implementation of certain services, which puts CSOs in difficult position as they are obliged to submit financial or bank guarantees for tenders above certain limit. In practice, this is almost "mission impossible" for associations, small companies and social security institutions because they generally do not possess any assets, are financed through projects and do not have other types of bank guarantees. The primary mechanism for the development of local social services foreseen in the Law on Social Protection Such is meaningless by this provision and potential actors who could provide services were discredited in advance. Therefore, introduction of social contracting is needed.

¹<https://docs.google.com/a/gradjanske.org/file/d/0B3GsyncrBBm-Zk1bFYyQUU2bUE/edit>

2. Key Findings

The key finding from the Monitoring Matrix on Enabling Environment for Civil Society Development in Serbia 2013 are summarized in the table below.

NO	TOP 6 FINDINGS FROM THE REPORT. PLEASE INCLUDE HERE TOP 6 FINDINGS	REFERENCE
1	Although freedoms of assembly and expression are guaranteed to everybody, they are not always implemented by public authorities	Area 1 Subarea 1.2
2	Public benefit status is not clearly defined; tax system not favorable for CSOs; tax administration inconsistently implement laws and regulations	Area 2 Subarea 2.1
3	State support is not transparent enough, CSOs are not involved in the prioritizing and programming, line 481 not diversified	Area 2 Subarea 2.2
4	Civic education still not obligatory subject for all pupils in primary and secondary schools. Quality of teaching methodology is on very low level.	Area 2 Subarea 2.3
5	There is a strategic approach to furthering state -CSO cooperation and CSO development; CSOs are included in decision making sporadically, in final phases with no feedback provided on their inputs	Area 3 Subarea 3.1 3.2
6	Service provision allowed for CSOs, however not stimulated for CSOs	Area 3 Subarea 3-3

3. Key Policy Recommendations

The key recommendations for improving Enabling Environment for Civil Society Development in Serbia on which fulfillment Civic Initiatives will advocate in the future are summarized in the table below.

NO	TOP 6 RECOMMENDATIONS FOR REFORM	REFERENCE
1	Advocate public authorities for consistent implementation of the constitutional rights related to the freedom of assembly and expression, i.e. in case of repeated ban of Pride Parade or other similar events and gatherings	Area 1 Subarea 1.2
2	Define Public benefit status and harmonize different laws; improve tax system to be more favorable for CSOs; increase capacity of tax administration to understand specificities of CSOs	Area 2 Subarea 2.1
3	Improve transparency of the State support, introduce better regulations and increase CSO participation in programming, especially on the local level	Area 2 Subarea 2.2
4	Advocate educational authorities for improvement of the quality of Civic education subject in elementary and secondary schools; to make it obligatory; to improve and develop professional competences of CE teachers	Area 2 Subarea 2.3
5	Adopt National strategy for CSO enabling environment, and establish Council for CSOs; Adopt guidelines/regulations for CSO participation in decision making processes, with clear criteria	Area 3 Subarea 3.1 3.2
6	Advocate for introduction of social contracting for CSOs	Area 3 Subarea 3-3

4. About the project and the Matrix

This Monitoring Report is part of the activities of the “Balkan Civil Society Acquis-Strengthening the Advocacy and Monitoring Potential and Capacities of CSOs” project funded by the EU and the Balkan Trust for Democracy (BTD). This Monitoring Report is the first of this kind to be published on a yearly basis for at least the 48-month duration of the project. The monitoring is based on the Monitoring Matrix on Enabling Environment for Civil Society Development (CSDev) developed by BCSDN and ECNL. It is part of a series of country reports covering 8 countries in the Western Balkans and Turkey².

A region Monitoring Report is also available summarizing findings and recommendations for all countries and a web platform offering access to monitoring data per country and sub-area.

The Monitoring Matrix presents the main principles and standards that have been identified as crucial to exist in order for the legal environment to be considered as supportive and enabling for the operations of CSOs. The Matrix is organized around three areas, each divided by sub-areas:

(1) Basic Legal Guarantees of Freedoms; (2) Framework for CSOs’ Financial Viability and Sustainability; (3) Government – CSO Relationship. The principles, standards and indi-

cators have been formulated with consideration of the current state of development of and diversity in the countries of the Western Balkans and Turkey. They rely on the internationally guaranteed freedoms and rights and best regulatory practices at the European Union level and in European countries. The Matrix aims to define an optimum situation desired for civil society to function and develop effectively and at the same time it aims to set a realistic framework which can be followed and implemented by public authorities. Having in mind that the main challenges lies in implementation, the indicators are defined to monitor the situation on level of legal framework and practical application.

² Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, Serbia and Turkey.

II INTRODUCTION

1. About the Monitoring Report Summarize the scope of the monitoring report here.

Civic Initiatives (CI) has 18 years of experience promoting civil society, democracy, and civic participation in Serbia. A leading actor in the field of civil society in Serbia, CI mission is to strengthen civil society through monitoring, education and training, promoting democracy, and supporting active citizenship. The organization has particular expertise in the areas of civic participation, human rights, and youth. CI contributed to the civil society development by conducting advocacy campaigns for more favorable CSO-related legislation. Main Civic Initiatives' achievements in the last years could be summarized as follows:

- CI led numerous advocacy campaigns, strengthening the capacity of the sector to influence decision making at all levels, with special focus on youth as key agents of change.
- Initiated and contributed to the establishment of the state and governmental institutions, including Ministry of Youth and Governmental Office for Cooperation with civil society
- Cooperation strengthened

among the government, CSOs and businesses, with institutional mechanisms for cooperation between the government, CSOs and completely new institutions established

- Improved enabling environment for CSOs so that CSOs can effectively advocate for the reform issues

The CI project team coordinated and prepared Serbia Country Monitoring Report. The report estimates the enabling environment for civil society development in Serbia in last 4 years (since 2009, when new Law on Associations was adopted). The report is based on the activities and experiences of the CSOs and provides in depth information on the conditions in legislation and practice for the key areas. Serbia Country Monitoring Report is based on Assessment on the situation in the civil society organizations (CSOs) sector in Serbia 2011, carrying out a comprehensive desk research, organizing focus groups, involving consultations, questionnaires and interviews with CSOs and non-formal groups. The report refers to the civil society

organizations registered in SBRA according the Law on Associations and the Law on Endowments and Foundations, as well as the non-formal groups, which are not formally registered, but there are significant number and importance especially in the small local communities.

2. The Monitoring Matrix on Enabling Environment for Civil Society Development

The overall objective of the project is to strengthen the foundations for monitoring and advocacy on issues related to enabling environment and sustainability of civil society at regional and country level and to strengthen structures for CSO integration and participation in EU policy and accession process on European and country level.

This Monitoring Report is part of the activities of the “Balkan Civil Society Acquis-Strengthening the Advocacy and Monitoring Potential and Capacities of CSOs” project

funded by the EU and the Balkan Trust for Democracy (BTD). This Monitoring Report is the first of this kind to be published on a yearly basis for at least the 48-month duration of the project. The monitoring is based on the Monitoring Matrix on Enabling Environment for Civil

Society Development (CSDev). It is part of a series of country reports covering 8 countries in the Western Balkans and Turkey³. A regional Monitoring Report is also available summarizing findings and recommendations for all countries and a web platform offering access to monitoring data per country and sub-area will be available as of March, 2014.

The Monitoring Matrix presents the main principles and standards that have been identified as crucial to exist in order for the legal environment to be considered as supportive and enabling for the operations of CSOs. It underscores the fact that enabling environment is a complex concept, which includes various areas and depends on several factors and phases of development of the society and the civil society sector.

This Matrix does not aim to embrace all enabling environment issues, Rather it highlights those that the experts have found to be most important for the countries which they operate in. Therefore, the standards and indicators have been formulated with consideration of the current state of development of and diversity in the countries of the Western Balkans and Turkey. They have been drawn from the experiences of the CSOs in the countries in terms of the legal environment as well as the practice and challenges with its implementation. The development of the principles, standards and indicators have been done with consideration of the internationally guaranteed freedoms and rights and best regulatory practices at the European Union level and in European countries.

The Matrix is organized around three areas, each divided by sub-areas:

- 1. Basic Legal Guarantees of Freedoms;*
- 2. Framework for CSOs' Financial Viability and Sustainability;*
- 3. Government - CSO Relationship.*

The areas are defined by key principles which are further elaborated by specific standards. In order to enable local CSOs, donors or other interested parties to review and monitor the legal environment and practices of its application, the standards are further explained through indicators. The full Matrix is available in VI. Findings and Recommendation section.

The development of the Monitoring Matrix on enabling environment for CSDev was part of a collective effort of CSO experts and practitioners from the BCSDN network of members and partners and with expert and strategic support by ECNL. The 11-member expert team spanned a variety of non-profit and CSO specific knowledge and experience, both legal and practical, and included experts from 10 Balkan countries. The work on the Matrix included working meetings and on-line work by experts, which was then scrutinized via stakeholder focus group and public consultations. The work on the development of the Matrix was supported by USAID, Pact, Inc, and ICNL within the Legal Enabling Environment Program (LEEP)/Legal Innovation Grant and Balkan Trust for Democracy (BTD).

3. Civil Society and Civil Society Development (CSDev) in Serbia

According to the Serbian Business Registry Agency (SBRA), in charge of administering of registry for CSOs, there are 21.463 associations and 495 foundations & endowments registered

in Serbia on 25th November 2013. In terms of active CSOs, according to official SBRA report, 15.157 associations and 371 foundations/endowments submitted financial reports for 2012⁴. CSO sector in Serbia is very diversified by the primary area of activity, date of establishment, size, budget and geographic region. These differences affect their organizational level of development, therefore different strategies and approaches should be used to meet those needs. CSO sector is relatively young, with majority of organizations founded after 2000. High level of technical, administrative and managerial competences as well as capacity for advocacy, social campaigning and policy dialogue is present mostly with CSOs established during the 90's and beginning 2000. CI Assessment⁵ on CSO sector in 2011 (graph below), shows that the majority of organizations (46%) are involved in culture, media and recreation, while a somewhat smaller percentage of organizations deal with education and research (42%), social services (40%), environment (28%), etc. The smallest percentage of organizations is involved in the struggle against corruption (6% only). CSOs involved in culture, media and recreation at the same time deal with education and research (44%), as well as international cooperation (30%). Among CSOs dealing with education and research, a large number of CSOs also deals with culture, media and recreation (39%), social services

³Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, Serbia and Turkey.

⁴Report on financial data of the non profit institutions in Serbia, in 2012. Published in 2013.

⁵ ASSESSMENT OF THE SITUATION IN THE CIVIL SOCIETY ORGANIZATIONS (CSOs) SECTOR IN SERBIA, Civic Initiatives in conjunction with the Office for Cooperation with Civil Society of the Government of Serbia. The research has been made possible by the support of the United States Agency for International Development (USAID) under the "Civil Society Advocacy Initiative" programme, implemented by the Institute for Sustainable Communities

and international cooperation (27% each). CSOs dealing with social services often deal with healthcare as well, and vice versa, while CSOs involved in the field of law, advocacy and politics often deal with human and minority rights (75%) or education and research (55%). However, 6000 CSOS were registered in the last two years, almost 30% of the total number, that little is known about, and one can only guess what their capacities, structure, area of interest are.

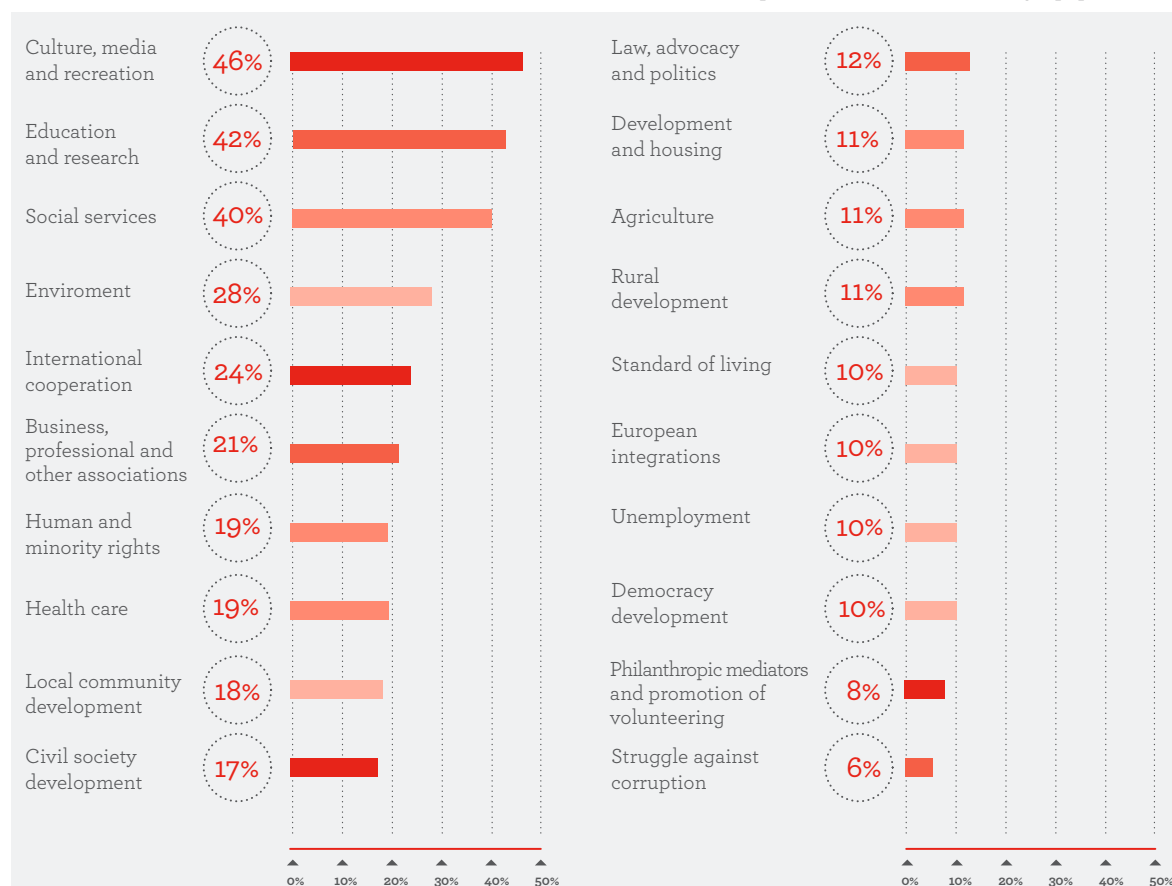
According to SBRA data, there have been 7.304 fully employed persons

in associations in 2012. CI survey data from 2011 show that CSOs had more than 4,500 persons engaged in temporary employment via honoraria, over 150,000 volunteers and hundreds of thousands of members. Although most CSOs claim they understand the importance of long term planning, the practice of programming strategically within the framework of organizational strengths and envisaged opportunities in the working environment is rarely practiced. Monitoring and evaluation is still weak, with majority of CSOs performing internal evaluation of projects and/or organi-

zational work, collecting informally feedback from their beneficiaries. Engaging external evaluators is rare, and usually happens upon request of a funder. Sector-wide analytical capacities necessary for providing the basis for effective advocacy and policy dialogue are improving. It is still the strongest among fully professional organizations in the larger towns that are already positioned and recognized for specific issues. Local CSO capacity has been built through training and small grants, to carry out researches and analysis that should enable policy change. Almost all CSOs in Serbia routinely

Graph 17. WHAT FIELDS DOES YOUR ORGANIZATION WORK IN?

Multiple answers; Base: Total target population



cooperate with other CSOs. Partnerships are a growing practice in the sector, though there is still insufficient communication and exchange of ideas, information and initiatives among CSOs. Networking is more evident, with at least 100 functional networks at either the national or local levels. Small and local CSOs are especially aware that networking improves quality of work and enables access to information and resources. CSOs are also forming cross-sector partnerships, with local self-governments and public institutions with increasing regularity. Such social partnerships are becoming a popular way of applying for and implementing EU funded projects, which are of mutual benefit to the respective partners. Financial stability of CSOs is generally weak. Most Serbian CSOs are constantly facing financial instability and situation did not change in the past couple of years. Continued inadequacy of state funding available for a number of active CSOs and the poor financial framework in which CSOs work have certainly contributed to this situation; in addition, despite slight increase in cooperation with companies, CSOs have done little to adapt to the changing donor environment and the reduced availability of international resources. Therefore, shifting focus towards domestic funding sources is a must.

- The state of the enabling environment for CSDev in Serbia -

Government of Serbia Office for Cooperation with civil society is the main institutional mechanism to support the development of a dialogue between the Serbian Government and CSO's. Office is supporting the governmental institutions to understand and recognize the role of CSOs in decision making processes. In the same time, there is a threat for it to become a bottleneck, meaning that other state institutions use it as

the only channel of communication and cooperation with CSOs, instead of having direct communication with CSOs. The legal framework governing CSOs in Serbia is regulated in the most aspects: both Law on Associations and Law on Endowments and Foundations are considered to be modern laws that provide a framework for not-for-profit organizations. New Law decreased the number of founders from 10 to at least three persons including minors over the age of 14, introduced possibilities for legal entities to be founders. It allowed non formal associations to be established, while if an association wants to obtain a legal entity status, it has to register with the SBRA (Serbian Business Register Agency), and therefore take part in legal transactions. The Law stipulates that the associations can acquire assets from the proceeds of membership fees, donations, financial subsidies etc., as well as from the State budget for the public benefit type of activities. For the first time, it was specifically mentioned that CSOs can conduct also business activities in order to achieve their goals. Law also introduced the possibility for foreign associations to register. As per Law on Foundations and Endowments, it stipulates for the endowment to be also established for the charitable private interest/goal (which is not forbidden by the Constitution or Law). Furthermore, new Law prescribes that there is no approval needed by the relevant authority for the establishment of the foundation/endowment, but they are free to decide about their goals, to regulate their internal affairs according to their statutes. They are obliged to register to SBRA and to have legal entity, but this is not the approval process. New Law on accounting, adopted in July 2013 envisaged simplified and adapted procedures for CSOs, as of 2014, therefore participation of CSOs in the process of adopting

accounting by-laws is needed. The registration process for associations is simple and decentralized with possibilities for a CSO to register in only few days and on line. The distribution of public (governmental) funds is regulated by the Law on associations and Law on foundations & Endowments, stipulating that the Government should finance programmes of public interest as defined by these laws. Specific by-law has been adopted to provide transparency of public funding distribution at all levels. However, authorities still do not comply fully with these provisions and in spite of positive trends in the last couple of years, governmental funding to CSOs (more than 27 million euro in 2011 and 70 million euro in 2012⁶), lacks transparency, especially on the local level.

There is still work to be done in the area of legal and regulatory environment: first, existing legislation is not adapted as to recognize changes that occurred due to the adoption of the Law on Associations and Law on Endowments and Foundations, i.e Games on Chances Law needs to be amended accordingly). The Law on Associations (Article No.38) define programs of public benefit as programs in the field of social protection, veterans protection, protection of persons with disabilities, child welfare, protection of internally displaced persons from Kosovo and refugees, encouraging fertility, help the elderly, health care, protection and promotion of human and minority rights, education, science, culture, information, environmental protection, sustainable development, animal welfare, consumer protection, the fight against corruption, as well as humanitarian programs and other programs in

⁶Report "Annual consolidated report on budget expenditures provided to the associations and other civil society organizations from the budget of the Republic of Serbia" in 2011 and 2012, Office for Cooperation with Civil Society

which the association exclusively and immediately following public purposes. According to the Law on Endowments and Foundations (Article No.5) The achievement public interest, includes activities aimed at the promotion and protection of human, civil and minority rights, the promotion of democratic values, European integration and international understanding, sustainable development, regional development, equality of the sexes, the improvement of social and health services, promoting and the promotion of culture and media, promotion and popularization of science, education, arts and amateur sports, improving the situation of persons with disabilities, care of children and young people, helping the elderly, environmental protection, the fight against corruption, consumer protection, animal welfare, charity and other activities for endowments and foundations achieve multiple-use goals and interests. The Games on Chances Law⁷ (Article No.7) stipulates that the public interest in the area of organizing games of chance is carried out especially by providing funds for the purposes of Article No.5 of this Law: part of the funds which are the budget revenue of the Republic of Serbia in the amount of 40% (hereinafter: earmarked budget revenue), is used for financing the Red Cross of Serbia, organizations of persons with disabilities and other associations whose aim is to improve the social and economic position of the persons with disabilities and other persons with social needs, social security institutions, sports and youth institutions, local self-government and institutions for treating rare diseases. The manner and criteria for distributing funds designed for financing subjects and purposes are established by relevant Ministers. It was proposed to increase the allocated percentage to 50% and to include culture as well as associations con-

tributing to the development of the civil society in the range of purposes stipulated by Articles 5 and 18 of this Law.

Associations, foundations and endowments pursuing public interest objectives may engage directly in economic activities; however this possibility is still not largely used by CSOs due to different interpretations. The Law on Volunteering is still too codifying treating volunteering as a working relationship rather than a private, voluntary institute, thus making it difficult for CSOs in Serbia to engage volunteers in their work. It puts high administrative costs and burden to the organizers of volunteering, and in the same time some of its articles are against the Constitutional and European Convention on human rights as it requires for CSOs that are already registered to register again as organizers at the Ministry of labour and social affairs. Furthermore, there are indications that the Law is being misused by employers who engage young, educated people looking for work. Speaking about Property Tax, Serbian legislation (Property Tax Law) does not stipulate any exemption from property tax on the real estate for associations, foundations and similar CSOs performing activities of public interest. CSOs are payers of property tax on real estate – to the greatest extent of immovable property in the Republic of Serbia within their ownership, which includes mainly business premises for performing activities. It is necessary to amend the Profit Tax Law in such a way as to expand exemptions from property tax on real estate owned by associations, foundations and endowments if they are intended and used exclusively for performing activities of general/public interest because of which those associations, foundations and endowments were established.

The 2.5% tax on gifts for foundations, endowments and associations for

gifts/inheritance received has been abolished since 2010, providing certain criteria are met, however, in practice the process of the tax abolishment is an area of ambiguity, subject to the interpretation of the Tax Administration. According to Corporate profit Tax Law corporations may have recognized expenditures for health care, cultural, educational, scientific, humanitarian, religious, environmental protection and sport-related purposes, including contributions to the social security institutions established in compliance with the social security law, up to 5%. This is not in compliance with the concept of public benefit as described in the relevant CSO legislation.

Funding situation of CSO sector in Serbia is difficult, therefore strategic thinking on the future of CSO funding in Serbia with special focus on domestic sources, in the context of EU integrations is needed. The total amount of financial support for civil society from the business sector is difficult to assess as there is still no systematic monitoring of corporate support. Interactions between the Government and CSOs have improved. Over the last two years, the state appears to be more ready to engage with civil society, especially with the negotiation process and related to topics of interest to public administration. SECO mechanism is established since 2011, and it enables CSO participation in IPA programming. In terms of quality, it is still more formal and less substantial, and unevenly implemented by different national bodies. In 2013, Government has changed its Rules of Procedures related to public hearing/debate, adding cases where it is obligatory. Guidelines for participation of interested public in the decision making processes has been drafted.

⁷The Games on Chances Law, Official Gazette No. 88/2011, 93/2012

Although, there is a relatively high number of CSOs that cooperate with the local governments, the practice is uneven and very often is either related to political party connections or imposed by outside stakeholders (foreign funders), which also results in a different level of satisfaction with cooperation. Social protection area is still the most dominant field of cooperation.

- The factors that support or impede CSO development (image, public receptiveness, political situation, culture) -

Civil society's public image in Serbia is improving, although it is still in many ways negative. This is a result of many factors, including fundamental lack of understanding amongst the public as to what the term "non-governmental organization" means, legacy of the nineties, lack of public recognition for the diversity of civil society organizations and activity, including also the lack of the government's recognition for CSOs' contribution to the changes in the Serbian society and poor media coverage. CSOs failed to increase direct contact with citizens; furthermore, civil society poor PR skills contribute to the overall bad image of the sector. In the last few years, the public no longer equates CSOs with national CSO leaders. In addition, in 2012, new CSO leaders rose to prominence through their participation in nationally televised debates and as commentators on leading websites. The public now has a wider understanding of CSOs' work in Serbia. Previously, the public primarily associated CSOs with war crimes issues, a controversial topic that continues to divide Serbian society today. Now, the public recognizes a variety of local actions, humanitarian activities, economic development initiatives, and other efforts as CSO activities, which positively impacts the image

of the entire sector. Government and business representatives, on the other hand, are more likely to recognize individual CSO leaders than CSOs. Their perception of a CSO leader's credibility is the key determinant of whether a government or company will work with a particular CSO. As a result, some of the smaller and younger organizations feel excluded from communication with government authorities and businessmen. CSOs and the media alike recognize the need to build the sector's public relations capacities. Local/regional media coverage significantly differs from the national one. CSOs outside the capital definitely experience difficulties in cooperation with the national media and the contents of their reporting (if any) are unsatisfactory. Public service reports on work of CSOs are unconvincing and the position of CSOs in public service broadcasting is not more favorable than in private media⁸.

Public recognition for the diversity of civil society organizations and activity is promoted by the Government Office for Cooperation with Civil Society, while on the local level there is a trend of establishing CSOs by political parties, which changes the perception of the CSO sector. CSOs still need to work with their constituencies. The 2011 survey on the status of the sector shows that CSOs are not fully aware of the need for change in this area: in assessing key problems for their sustainability, cooperation with the media is perceived as not a very problematic issue (57%) and negative perception by citizens is perceived as the least problematic (55%)⁹.

- Historical digressions about the state of CSDev in the country (insofar as they are necessary for the reader to understand the findings or current situation described). -

The results of the CI research presented here show that the CSO sector is relatively young, because the majority of organizations were founded after 2000, while only one fourth of organizations were founded before 1990. The majority of CSOs are based in Vojvodina, followed by Belgrade, while others are spread evenly by regions. CSOs established before 1990 encompass organizations not usually perceived as CSOs (by the public, themselves, or the other part of the sector); such as the Red Cross, Hunter associations, Voluntary Fire-brigades, Auto-moto clubs, professional associations, pensioners' associations, cultural and sports clubs and hobby groups. Most often, these CSOs are conservative and often socially and politically passive. However, they usually have strong membership-base, few employees but a large network of volunteers and sufficient capacity to organize activities in the community; Their funding comes from membership fees, governmental support and in some cases from "delegated authority" to provide services to their members (I.e. Auto-Moto Club). Many of the CSOs established before the 1990s are so-called "self help" organizations for persons with disabilities, which are organized within nationwide unions or federations, according to structures inherited from communist times. These organizations are spread out all over Serbia, and they have branch offices in almost every town and municipality. Typically, these groups are included in national and international sector based alliances and networks with like

⁸USAID CSO Sustainability Index 2013

⁹ASSESSMENT OF THE SITUATION IN THE CIVIL SOCIETY ORGANIZATIONS (CSOs) SECTOR IN SERBIA, Civic Initiatives in conjunction with the Office for Cooperation with Civil Society of the Government of Serbia. The research has been made possible by the support of the United States Agency for International Development (USAID) under the "Civil Society Advocacy Initiative" programme, implemented by the Institute for Sustainable Communities

minded regional associations and international CSOs specializing in their field (youth, women, disability, professional associations, etc.), and 'old' associations of persons with disabilities. More than 50% of the sector is actually comprised of the organizations established during the 90's and later. Many of them developed into professional, modern CSOs that are engaged in advocacy and capacity building in a number of areas of social policy, good governance, human rights and economic development. Usually, they are socially progressive and well-versed in international influences and socio-political agendas, both within the region and in the context of European integration.. The other 'subgroup' emerged as a new wave after political and social changes in October 2000, joining the previous group. The number of such organizations is also smaller, community-based initiatives and organizations that focus on variety of issues in the community - social, environmental, economic, etc. Special case are recently registered CSOs (as already mentioned, 6000 in the last few years that little is known about, and one can only guess what their capacities, structure, area of interest are.

- Any other significant features worth noting -

The Office has established excellent cooperation with CSO sector. However, there is a challenge for the

Office to become a "bottle neck", to be perceived by the public administration (funders and CSOs, too), as the only channel of communication among two sectors. It also may be perceived as the "business finished", i.e. that there is no need to deal with CSDev on behalf of CSOs, since there is an institution taking care of it. Therefore, additional efforts need to be taken to avoid such developments.

The state institutions and civil society representatives should have a common goal of improving the life standards of all citizens. This goal can be achieved only if there are clear and direct procedures/ mechanism for constructive and productive dialogue and continuous exchange of information. EU negotiation process and participation of CSOs in opening certain negotiation chapters can strongly push forward the reforming process. It can be achieved through development of concrete mechanisms in cooperation with the pilot Ministries (Ministries more directly involved in/connected with CSOs' work)

4. Specific features and challenges in applying the Matrix in Serbia

Matrix is a complex tool that requires different expertise and engagement of variety of actors. With limited funds provided, it was impossible to organize a wide

consultation process that will reflect the opinion of the whole sector. Therefore, we used existing data from the CI Assessment of the situation in the civil society organizations (CSOs) sector in Serbia carried out in 2011, other reports and surveys, through preparation of data for the Document "National Priorities for International Assistance 2014-2017, with projections until 2020" (NAD) (adopted in November 2013), and "OPINION of the European Economic and Social Committee on The role of civil society in EU-Serbia relations", SBRA data. In the same time, this process was used as a resource for two other initiatives: 2013 TACSO Needs Assessment Report and 2013 USAID CSO Sustainability Index.

5. Acknowledgements and thanks

We are very grateful to the Office for Cooperation with Civil Society, the Serbian Business Registers Agency, the Ombudsman, the Commissioner for Free Access to Information of Public Importance and Personal Data Protection, the Commissioner for Protection of Equality, Association of Independent Electronic Media, TACSO Project - Office in Republic of Serbia, ISC/USAID Serbia whose reports and analyses we used for the monitoring process' purpose. We are also grateful to all CSO representatives and experts who contributed to this report with their inputs.

III METHODOLOGY

1. Overview of the methodological approach

The process of the development of the Monitoring Report was based on the analysis of existing legal and strategic documents regulating CSOs work, on one side, and analysis of numerous CSOs or independent institutions' surveys and reports, as well as questionnaires and interviews, on the other. Relevant documents (laws, sub-laws, strategies, action plans, reports – TACSO NA 2011 and CSO Sustainability Index 2012, surveys etc) were collected through desktop research; all were available on the state institutions', independent institutions', numerous CSOs' web sites and on-line legal data base Paragraf Lex (www.paragrafs.rs). Likewise, the process of Matrix development was in the same time source of information for other documents ("National Priorities for International Assistance 2014-2017, with projections until 2020" (NAD), and "OPINION of the European Economic and Social Committee on The role of civil society in EU-Serbia relations", TACSO NA 2013 Report).. Questionnaires were created and expert events conducted for the purpose of collecting experienc-

es and examples on practice in implementation existing legislation, including also inputs provided on panels organized by ISC/USAID (CSO Sustainability Index for 2013) on August 2013, TACSO Needs Assessment workshop on November 2013, and CI panel organized. During the process, being a resource type of organization for CSDev, we were in daily communication with different stakeholders, representatives of the Public Administration, donor's community, independent experts and consultants, CSOs who approached us with questions.

2. Participation of the CSO community

Once the Monitoring Matrix on Enabling Environment for Civil Society Development in Serbia has been presented and published on Civic Initiatives' web site, the opportunity for CSOs participation and commenting was opened. They were invited to send us their comments, findings and recommendations. Questionnaires were sent to CSO community with aim to collect different experiences regarding laws' implementation and cooperation

with Government. Interview with group of 10 experts who deal with support to CSOs on daily basis was organized so that concrete practices and examples are shared and included in report. As mentioned above, being a resource type of organization for CSDev, we were in daily communication with different CSOs who approached us with questions and their experiences on different issues.

3. Lessons-learnt

- Matrix as a tool is a comprehensive tool that will establish a baseline of the CSDev in Serbia, using well developed indicators, which would also provide comparison from year to year, monitoring of CSDev progress and role of different actors in that process. Regional approach and exchange of information among peers was very useful in this process.

- Stronger inter-sector cooperation for analysis of environment for CSDev and advocacy for improvement is needed to introduce a diverse expertise (by legal, tax and constitutional law experts, economists, etc.)

IV FINDINGS AND RECOMMENDATIONS

Area 1: Basic Legal Guarantees of Freedoms

Sub-area 1.1. Freedom of association

Freedom of association is guaranteed by the supreme state law - Constitution of Serbia (2006), but the Law on Associations (2009) and the Law on Endowments and Foundations (2010) define those three forms of association, regulate their establishment and legal status, registration and removal from the register, membership and organs, status changes, termination, the status and activities of foreign associations / endowments and foundations, as well as other issues relevant to their work.

The **Law on Associations** is considered to be one of the best laws in the region; however its implementation has shown some of its weaknesses: one of the articles (Article No.10) allows for “any legal entity to found a non-governmental organization”. In practice, this creates a situation of potential non-disclosed conflict of interest in cases when CSO is founded by a political party, since all CSOs can apply for funding from national or local budgets and decisions on those funds are made by people from the same parties. In addition to adopting a Regulation on

Public funding, there is still a need for an efficient mechanism that will ensure full transparency in the distribution of funding from the state. Other issues that create obstacles in the Law implementation include articles about business activities of CSOs (Article No.37) which is vague and could be interpreted differently and taxes related to it, as well as public benefit status.

Definition of public benefit status needs to be adjusted in all relevant laws accordingly to the definition in Law on Associations (Article No.38) & Law on foundations and endowments (Article No.3). These articles are not clearly defined and need further clarification/changes. The registration process for associations is simple and decentralized with possibilities for a CSO to register in only few days and on line. Rules are clearly prescribed by the Law on the Procedure of Registration of Business Registers Agency.

Law on Endowments and Foundations (2010) provides for two categories of non-membership, organizations: a “foundation,” which is defined as a “not-for-profit, non-membership and non-governmental legal entity pursuing public interest objectives,”

and an “endowment,” which is defined as a “not-for-profit, non-membership and non-governmental legal entity whose founder designated specific property to support its public or private interest objectives” (Article 2, Law on Foundations). The categories are based not only on the nature of the entity’s goals, but also on the capital requirement. The Law regulates founding, internal acts, governance, transparency of work as well as a way of registering foreign foundations and endowments. Foundations and endowments had to complete the process of “re-registration” by March 2012. There were certain problems in the beginning of re-registration process of Endowments and Foundations, especially at local level and local register agencies still struggle with some aspects of registering foundations, for example, how such entities should formulate their establishing acts and define relations between co-founders. The most important regulations within the new Law are certainly those that define two entities. A foundation and an endowment can be established by legal or natural persons; for the first time, Serbian legislation recognizes the possibility of an endowment to be

founded as to pursue private interest objectives. While there is no capital requirement for establishing a foundation, establishing an endowment requires a minimum capital of 30,000 EURO.

Networking among organizations in the country and abroad is allowed and clearly prescribed by the Law on Association. There are more than 100 formal and informal CSOs networks in Serbia according to survey presented in Overview of the CSOs networks in Serbia¹⁰.

Relevant laws and Statutes prescribe that association / endowments and foundations are free to organize in **internal goals achieving and internal issues regulating**. However, there are cases of state interference in internal matters of non-profit entities - Law on Amendments to the Law on the Budget System prescribes for mandatory registration of public funds beneficiaries and the registration in the Register of Public Funds in the Treasury, and the opening of a special purpose account for the special users of public funds (like associations and other civil society organizations receiving funds from the state budget). Tax authorities differ in interpretation of the laws regarding use of public funds for staff salaries and honoraria in CSO, regarding on public benefit only as some kind of direct humanitarian assistance to beneficiaries. The legal framework in Serbia do not provide possibility to receive anonymous individual donations from abroad which hampers development of individual philanthropy as further sustainability building.

Associations/endowments/foundations are required to evidence business books, preparing financial statements and the Authority for the Audit of Financial Statements. Until the adoption of the new **Law on**

Accounting there were no exceptions and the possibility of exempting from business accounting and submitting the final statement, whereas the main objections of the organizations from the non-profit and non-government sectors were the complete equation with business subjects and other non-commercial forms of business engagement. A large number of these problems was solved by the adoption of the new Law on Accounting in July 2013 whereby those amendments will come into force starting from drafting and submitting financial statements for 2014. Those will be drafted on the basis of registered business changes in the chart of accounts for other legal entities (differing from the chart of accounts for business subjects and being adjusted to specific features of the non-government sector) and of the new forms for other legal entities. Moreover, the way of evidencing in business books should be simpler for CSOs as of 2014. Most CSOs meet the criteria for micro legal entities by implying that they are not obliged to draft financial statements according to the International Accounting Standards / the International Financial Reporting Standards (IAS/IFRS) and are not subject to the audit of financial statements and submitting the audit statement about the final account. As other legal entities, starting from 2014 CSOs will regardless of their size, draft their business books and financial statements according to the special act for recognizing, evaluation, presentation and making public positions in the financial statements in compliance with Article 22 of the Law on Accounting. Regardless of their size, CSOs will be able to decide whether to apply IFRS for small and medium legal entities with the condition of permanent application of these standards, or not to change the basis for drafting financial statements, although it is not realistic to expect that CSOs will opt for these standards.

Sanctions for breaching legal requirements, as well as restrictions and the rules for dissolution and termination of CSOs, are prescribed by the laws and based on objective criteria which restrict arbitrary decision making. Associations, foundations and endowments pursuing public interest objectives may engage directly in economic activities insofar as the following conditions are met: 1) those activities are related to the organization's statutory goals; 2) they are envisaged in the statute of an organization; 3) they are incidental in terms of their volume, or are carried out in volume which is deemed necessary to advance the statutory goals of an association. In addition, a CSO must register one economic activity - the so-called major economic activity it seeks to directly engage in - with the Registry of the Agency for Commercial Registry, but may directly engage in other **economic activities** insofar as they are envisaged in its statute. This rule has been inconsistently applied, as the supervising state authority occasionally has taken a position that a CSO may only directly engage in the economic activity which is registered with the Agency. Fines are levied on CSOs that do not meet the foregoing criteria. Furthermore, it is expected that new Law on Public Procurement will impose additional obstacles to CSOs in performing their economic activities. Assessment of the situation in the CSOs sector in Serbia showed that almost one quarter of CSOs registered business activities (24%)¹¹. Among them, the most were CSOs involved in environmental issues (29%), while the fewest were those involved in healthcare (14%). Issue of receiving funds from individuals, corporations

¹⁰ Publication "Summary of CSO networks in Serbia", TASCO Office Serbia, June 2012

¹¹ ASSESSMENT OF THE SITUATION IN THE CIVIL SOCIETY ORGANIZATIONS (CSOs) SECTOR IN SERBIA in 2011, Civic Initiatives in conjunction with the Office for Cooperation with Civil Society of the Government of Serbia"

and other sources is regulated by relevant laws and statutes of associations/ endowments/foundations.

Sub-area 1.2. Related-freedoms

Freedom of assembly is guaranteed by the Constitution of the Republic of Serbia. Registration or permission competent state authorities for organizing gatherings indoors is not require, but the gatherings in the open, public meetings and protests **must be reported**. Restrictions and limitations on freedom of assembly are possible only if necessary to protect the public health, morals, safety, or rights of the Republic of Serbia. **The Law on Public Assembly** (2005) defines public assembly as convening and holding a meeting or other gathering - public meeting - at an appropriate place. Spontaneous gatherings are not allowed, since the application must be submitted. It is not allowed to public meeting take place in the vicinity of the National Assembly of the Republic of Serbia immediately before and during the sessions. The law does not recognize/define the simultaneous and counter-assemblies. The competent authority has the right to temporarily prohibit public assembly which is aimed at the violent overthrow of the constitutional order, violation of territorial integrity and independence of the Republic of Serbia, violation of constitutionally guaranteed rights and freedoms of man and citizen, inciting national, racial and religious hatred and intolerance. The best known example of encroachment of the freedom of assembly is the Pride Parade prohibition, which was banned on September 28th 2013 (as well as in 2011 and 2012). The Ministry of Interior banned Pride Parade, citing possible "obstruction of public transport, endangering health, public moral or safety of individuals and properties," in a statement from the Belgrade Police Department. Earlier, the Constitutional Court issued decisions granting Association's "Belgrade Pride Parade"

appeal on the same decisions in previous years and determined that the constitutional complaint's right to judicial protection and the right to freedom of assembly were violated. The Ministry did not respect the decision of the Constitutional Court and used the same reasoning for banning the Parade in 2013. There were no listed specific cases in which the media was forbidden to attend assemblies.

Constitution of the Republic of Serbia guarantees **freedom of opinion and expression**, and freedom to speech, writing, painting, or otherwise seek, receive and impart information and ideas. Freedom of expression may be restricted by law, if necessary to protect the rights and reputations of others, to uphold the authority and impartiality of the judiciary and the protection of public health or morals of a democratic society and national security of the Republic of Serbia. According to the **Anti-discrimination Law** it is forbidden to express ideas, information and opinions that incite discrimination, hatred or violence against a person or group of persons because of their personal characteristics, in the media and other publications, papers and places accessible to the public, by printing and displaying messages or symbols, or otherwise. Data from AIEM (Association of Independent Electronic Media) reports show that in the period from November 2012 to August 2013 CSOs and human rights defenders were threatened freedom of expression and critical work. The list of CSO entitled "Black List of non-governmental organizations" (meaning financed by foreign governments and mafia, working against Serbia national interests) and the similar list of media made by Association of Citizens Serbian National Movement "Our" is one of the recent examples. The responses/ reaction of relevant state institutions, except the independent bodies - the Office

for Cooperation with Civil Society, Equality Protection Commissioner and the Ombudsman - on making the lists of unsuitable CSOs and media is missing. Cases of encroachment of the right to freedom of expression for all are known: Chairman of the Executive Board of the Independent Journalists' Association of Vojvodina Nedim Sejdinović at the internet portal "Roots" was called "Duke Muslim." Although this presented a violation of the Constitution, the Anti-discrimination Law, Law on Public Information there was no reaction of state institutions. The AIEM regularly publishes the cases of hate speech.¹² Libel was abolished as an offense by Amendments to the Criminal Law from 2012.

Legal framework guaranties right to information - everyone has the right to truthfully and timely informed about matters of public interest and public information are obliged to respect this right. Everyone has the right to access information held by public authorities and organizations exercising public authority, in accordance with the law. The Law on Free Access to Information of Public Importance provides access to information of public importance, gives the definition of public information and defines the content of the right. The Electronic Communications Law guarantees the confidentiality of electronic communications. However, SIA¹³ refused to provide information on number of citizens whose phones were surveilled that was submitted by local CSO Youth Initiative for Human Rights in 2005, and had to provide it upon decision of the Court in Strasbourg in 2013. The Ombudsman initiated assessing the constitutionality of provisions of the police interfere with the secrecy of communication channels and gave the Opinion on the Draft Regulation

¹² http://www.mc.rs/upload/documents/projekti/Govor-mrznje/10-2013-Medija-centar-Govor_mrznje_na_internetu.pdf

¹³ SIA - Security Information Agency (BIA in Serbian)

on Detailed Criteria for Determining the Degree of Confidentiality of Classified information in the public administration. Speaking on internet accessibility and affordability, Civic Initiative's survey from 2011 showed that one third of CSOs has no access to Internet, which corresponds to the finding that one third of CSOs do not have a computer/laptop in their organization. CSOs involved in the field of law, advocacy and politics have the highest access to Internet (87%), while those dealing with the environment have the lowest access (53%)¹⁴. As expected, the access to Internet grows proportionally with the age of the organization, its size and budget. The oldest CSOs have access to Internet in 54% of cases, while the newest ones have it in 74% of cases, while some 61% of the smallest and 85% of the biggest CSOs have such an access, along with 66% of those without a budget and 90% of those with a budget over €100,000. With reference to regions, the largest number of CSOs having access to Internet is in Belgrade (83%), and the smallest in Central Serbia (46%).

Area 2: Framework for CSO Financial Viability and Sustainability

Sub-area 2.1. Tax/fiscal treatment for CSOs and their donors

Key findings from BCIF's /Trag's research on philanthropy¹⁵ showed that citizens of Serbia primarily perceive philanthropy as charitable aid, helping socially vulnerable groups and individuals, primarily the poor and the sick. Attitudes of company representatives coincide with those of citizens, that the primary importance of giving for public good is

in helping vulnerable people, but, in comparison with citizens, they attach more importance to the general development of the community. According to citizens, tradition of giving for public good is developed in Serbia, as well as readiness of individuals to donate for public good. On the other hand, citizens think that this area is not given sufficient importance and encouragement, which is why philanthropic activities in Serbia are on a very low level. As much as 73% of citizens think that donations for public good are too scarce in Serbia. Even a higher percentage of citizens (90%) think that giving for public good is not encouraged enough. Citizens mainly indicate poor economic situation in society (56%) as the main reason for such general situation in the area of philanthropy, but a considerable percentage of citizens also mention lack of awareness about public good and lack of interest in the problems of others (22%). Companies agree with citizens that the business sector is insufficiently included in giving for public good. Companies mention, as the main reason for insufficient inclusion of companies in philanthropic activities, the general climate of indifference in society, 65%, but, they blame considerably more than the citizens the bad financial situation of companies (57%), and unfavorable legal regulations (56%). Bad financial situation of companies is particularly accentuated by companies without giving practice.

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

Having in mind comparative legal solutions, it should be necessary to amend the **Profit Tax Law** in such a way as to expand exemptions from property tax on real estate owned by associations, foundations and

endowments if they are intended and used exclusively for performing activities of general interest (tax exemption would not refer to the real estate use for CSO commercial purposes).

Bill Amending and Modifying the **Property Tax Law** from 2010 has abolished the 2.5% tax on gifts for foundations, endowments and associations for gifts/inheritance received and intended exclusively for achieving the public benefit objectives. As of May 2013, the non-taxable amount up to which received funds are not subject to gift tax at all was raised to 100.000 dinars (877EUR) and CSOs do not have to file tax returns and ask for tax exemption since this is not subject to taxation. Distinguishing between donations and gifts as well as the process of the tax abolishment is an area of ambiguity, subject to the interpretation of the Tax Administration. Property tax is not levied on non-monetary gifts as long as the transfer of those gifts is subject to VAT.

The **Corporate Profit Tax Law** generally exempts CSOs from taxation on grants, donations, membership dues, and non-economic sources of income (later, providing the following conditions are met: the Corporate Profit Tax Law, profit generated by an CSO is exempt from income tax, provided that: a) income from economic activities did not exceed a given threshold of 400,000 dinars (or EUR 3,500); b) earnings were not distributed to the founders, employees, members of the management board, or any affiliated person thereof; c) salaries for the members of the management board and employees do not exceed double the average salary paid by organizations engaged in the same activities in the commercial sector; d) all earned profit was used to further the objectives for which the organization was created; and e) the NGO's economic activities do not give rise to unfair competition with the private business sector, as defined by the antitrust law. It should

¹⁴ ASSESSMENT OF THE SITUATION IN THE CIVIL SOCIETY ORGANIZATIONS (CSOs) SECTOR IN SERBIA in 2011, Civic Initiatives in conjunction with the Office for Cooperation with Civil Society of the Government of Serbia

¹⁵ Individual and Corporate Philanthropy in Serbia, Practice and attitudes of citizens and company representatives, Balkan Community Initiatives Fund (BCIF), 2012

be emphasized that non-profit organizations are entitled to tax exemption only pursuant to Article 44 of this Law, but they are not entitled to tax relief or tax loan on the basis of investment in basic funds, which is explicitly stipulated by the latest amendment of this Law. The Corporate Profit Tax Law prescribes that expenditures of enterprises and companies for health care, cultural, educational, scientific, humanitarian, religious, environmental protection and sport-related purposes, including contributions to the social security institutions established in compliance with the social security law, shall be recognized as expenditure amounting to not more than 5% of the total revenue. The mentioned expenditures shall be recognized as expenditures only if they were made to the persons registered for above mentioned purposes by special provisions according to which the mentioned contributions should be used exclusively for performing those duties.

CSO sector and relevant legal and tax experts recommend that the list of expenditures with humanitarian purposes (public benefit) should be expanded. Namely, the advantage of the existing legal solution is a substantial tax-recognized percent, the fact that the basis for the total revenues are the basis for the recognized expenditures and not profits, as well as that the focus is on the sort of activities performed and not on institutionalized forms (associations, public institutions) performing those activities. Another advantage is that all forms of giving are recognized (in money, goods, services and rights). On the other hand, companies do not perceive it as a tax break achieved through philanthropic giving, but rather as any type of costs. The disadvantage is the narrow scope of activities of public interest and its consequence is that the activities not listed in Article 15, Paragraph 1 of this Law are not recognized as tax expenditures – for example,

contributions for protection of human rights, building a legal state, anti-corruption campaign, animal protection or sustainable development will not be recognized as expenditures in tax statements of legal entities giving them, which may have a discouraging effect (as recognized by the law on Associations and law on foundations and Endowments). Furthermore, the associations which have the license and accreditation for offering social protection services are at a disadvantage as far as taxation is concerned in comparison to the social protection institutions because tax statements of the business companies as providers of material assistance will recognize only the expenditures to social protection institutions and that is why the inclusion of associations as other subjects of social protection is necessary. Capacity building for public and tax administration is needed in this area.

Taxation of all types of incomes paid by CSOs (salaries, copyrights, rights related to copyrights and industrial property rights, income from real estate and other types of incomes) is made with no exceptions and differences and in the same way as in the profit sector. However, as of 1st January 2014 the new individual tax return will be introduced for withholding taxes and contributions calculated on income, which will contain the unified data about calculated taxes and contributions about the payer of incomes, as well as the data about the payee of incomes. Article 9 of the Personal Income Tax Law lists all the incomes exempted from the taxable incomes and for which no taxes and contributions are paid. No tax is paid on the incomes of citizens or social security contributions on the incomes realized on the following grounds: organized social and humanitarian aid; compensation for foster families and compensation for keeping users in foster families; compensation for volunteering costs

made by a volunteer in with the law regulating volunteering work; monetary assistance to physical persons for medical treatment in the country or abroad in the amount of actual treatment expenses documented by receipts of the health institution conducting the treatment. Individual charitable giving is not recognized by the Law as the ground for tax deduction.

The largest number of CSOs is not payers of VAT because they do not perform the commercial activity of turnover of goods and services with compensation or because they perform a commercial activity making profit, but the total turnover of goods and services with commercial compensation is below the limit for mandatory evidencing in VAT, amounting to 8.000.000 dinars (70.000EUR). In practice, this means that CSOs have the same status as the final user - when buying all goods and services in the market, a CSO bears VAT as the expenditure of business operations. VAT is not paid on funds provided through contracts based on agreements about donations closed with the Republic of Serbia (for example EU funds, USAID, OSCE, other international and bilateral donors). This tax exemption is important for CSOs which in this chain of participants act as users of donation and suppliers conducting the turnover of goods and services to CSOs, as well as the implementation and sub-implementation partner and on the basis of the tax exemption certificate no VAT is calculated, which stimulates the activities of CSOs. Tax exemption according to international agreements about donations can be achieved only by the payer of VAT who directly delivers goods or services to these persons. In practice, however, there are still problems in deducting VAT, especially for sub-implementers. Foreign grants and donations are not subject to VAT, however if a donation or hu-

manitarian aid are given in goods or services (for which no tax exemptions are stipulated), the turnover of goods and services is subject to VAT.

Use of passive investments by CSOs is not regulated by the law, but may be regulated by a contract with the donor. There is no wide practice of using funds from passive investments among CSOs; mostly of them stated they are not informed on that possibility at all¹⁶. State policies regarding corporate social responsibility don't consider the needs of CSOs and don't include them in their programs, neither encourages companies to actively involve in it. Cases of direct or indirect (hidden) tax on grants are reported occasionally by local CSOs, related to 2,5% tax on gifts.

Sub-area 2.2. State support

The Law on Associations stipulates that **the government or line ministries should finance programmes of public interest**, defined by the law and implemented by associations, based on public competition. This obligation appropriately refers to programmes financed from the budget of the autonomous province and local self-governments. The Law on Endowments and Foundations stipulates that rules referring to budget financing of programmes of public interest, defined by the Law on Associations, should be appropriately applied if implementers of these programmes are endowments and foundations. By-law/regulation on criteria of financing and co-financing CSOs activities from the State budget, adopted on 27th January 2012 defines criteria, conditions, scope, method, process allocation, and the manner and process of returning funds for support programs or missing part of the funds to finance programs implemented by the association, which are of public interest. In October 2013, the Government has adopted changes of the By-law. Based on the request by more than 100 organizations, and in cooperation with the Office for Coop-

eration with Civil Society, amount of paper work is reduced and required documents for application for public funds will not be asked from the associations, but will be provided by relevant institutions and public bodies. However, there is no clear regulation that refers to institutional support for CSOs, but only to programs/projects.

Law on Games of Chance (latest changes in 2012) stipulates that part of the funds which are the budget revenue of the Republic of Serbia in the amount of 40% (hereinafter: earmarked budget revenue), is used for financing the Red Cross of Serbia, organizations of persons with disabilities and other associations whose aim is to improve the social and economic position of the persons with disabilities and other persons with social needs, social protection institutions, sports and youth institutions, local self-government and institutions for treating rare diseases¹⁷. The requests from the CSO community to fundamentally change articles in the Law to adjust it with the laws on associations and on endowments and foundations were not accepted, so there is a need for further advocacy.

There is no national level mechanism for distribution of public funds to CSOs. The By-law prescribes that allocation of funds for support programs or lack of the funding for the program is based on public competition announced by the competent authority and announced on the official website of the competent authorities - line ministries, state agencies and offices, local governments and independent institutions. Public funds for CSOs are not clearly planned within the state budget. Funds from line 481 (grants for CSOs - around 27 million euro in 2011 and around 70 million euro in 2012) and line 472 (financing of social protection services - around 970.000 euro in 2011, 8,8 million euro in 2012) from state budget¹⁸ are intended to CSOs' financing. However, sport clubs,

churches, public institutions, Red Cross that already has its own line defined within the budget; even individuals were financed from the same line (<http://www.crnpis.org.rs/2010/najvise-iz-budzeta-dobija-srpska-pravoslavna-crkva>).

Authorities still do not comply fully with these provisions. In spite of positive trends in the last couple of years, governmental funding to CSOs, still lacks transparency, especially on the local level (most of the funding for entities regulated by special laws - political parties, churches, religious communities and sport associations) are still distributed based on the decisions made by relevant local authorities (as prescribed by the Law), and not through the public calls.

According to the Annual Consolidated Report on Public Spending for CSOs in 2012 (first draft¹⁹), total funds distributed through line 481 was 70 million euro. Out of that amount 40% was allocated for churches, religious communities and political parties, while 60% was targeting CSOs (around 39 million EUR). The Ministry of Youth and Sports with 47.04%, the Ministry of Finance and Economy approved 40% of the total funds at the level of the Republic followed by the Ministry of Labor, Employment and Social Policy 5.62% of the total funds. Having in mind that line 481 is still not diversified it means that out of 39 million EUR, larger proportion is allocated to sports clubs and associations. In addition to the Annual consolidated report on public funding, more transparency could be provided by providing information on public

¹⁶CSOs representatives' statements from Questionnaires and focus groups

¹⁷Law on Games of Chance, the Official Gazette of the Republic of Serbia, No. 88/2011 and 93/2012

¹⁸Report "Annual consolidated report on budget expenditures provided to the associations and other civil society organizations from the budget of the Republic of Serbia in 2011", Office for Cooperation with Civil Society

¹⁹Draft data shared by Ms. Milena Banovic, Office for cooperation with civil society - Head of Department for Planning an enabling environment for civil society development, at BCSDN workshop held in November 2013 in Novi Sad

funding in obligatory bulletins. Major improvement is introduction of matching funds for CSOs for EU projects by the Office for Cooperation with Civil Society since 2012. According to the Office Annual Consolidated Report, five agencies of the Autonomous Province of Vojvodina disbursed 430.000 € under budget line 481 (donations to CSOs). However, further research is needed as to determine what percentage of this amount actually went to CSOs (in difference to religious organizations and political parties). According to CI survey, 20% of the CSO budget comes from the local governments. The Office's Annual Consolidated Report shows that 71 local government units disbursed 11mil €, and that City Administrations of Belgrade, Novi Sad and Niš disbursed 13,5 mil €.

There are no clear procedures for CSOs participation in all phases of the funding cycle - there is still no requirement/obligation that the government has to consult CSOs on the priorities, or that CSOs participate in the selection, monitoring, and evaluation of projects. The procedure prescribed by the By-law for distribution of public funds is public call, but some ministries used different procedures, such as internal procedures and by-laws, decisions of the heads of the institution, organizational units, or other legal entity, approval of support based on commitments to the provision of specialized services, as well as the Budget Law, the Government's Conclusion and the Protocol/ Memorandum on Cooperation. The decision of the selected CSOs/projects has to be public, the call specifies deadlines - applications are submitted within a period not shorter than 15 days after the call was announced. The By-law defines clear criteria for public funds' allocation - criteria regarding program's reference, objectives, other sources of funding, legitimacy and efficiency funds' use and the past programs' sustainability. But, interviewed CSOs believe

that decisions on tenders for CSO funding from government sources are not fair and are often made on the basis of supporting / belonging to a particular political option. For example, Ministry of Youth has conditioned partnership with the local Offices for youth to apply for funds; or decision about grants to local CSOs is made by people from the local self government who are in the same time founders of the CSO grant recipient. It is also defined that the competent authority monitors and controls the implementation of programs. CSOs, as the beneficiaries or the program's implementers, have the obligation, at any time, to enable control of the program and access to all necessary documents by competent authority, they are required to submit project implementation reports to competent authority. Sanctions are prescribed by the By-law: in case of misuse of public funds, the competent authority shall terminate the contract and seek restitution of the funds transferred, or will activate the security instrument, and the association is obligated to return the funds with statutory interest. However, there are no reports in practice that this has happened. Constitution of Serbia, the Law on public property, the Law on local self-government, the Law on local self-government financing, towns' / municipalities' decisions on the use of state-owned property are the legal base for non-financial support to CSOs in Serbia. However, they are treated in same manner as other legal entities. The Regulation on conditions for obtaining and alienation of immovable property by direct negotiation, public property lease, public bidding procedures and collection of written bids defines procedures for providing property for CSOs (space for their functioning in mostly cases). The National Youth Strategy as well as the Regulation on the Office for Cooperation with Civil Society establishment prescribe organization of trainings and seminars for CSOs'

and informal groups' capacity building. In addition, state institutions are publishing different publication/guidelines for cooperation between state/ local institutions and CSOs improvement.

Sub-area 2.3. Human resources

CSOs are treated in an equal manner to other employers by law and policies. There are no additional requirements when employing people in CSOs. The Labour Law in the same way treats CSOs and other employers - domestic and foreign legal entities on the territory of Serbia. According to SBRA data, there have been 7,304 fully employed persons in associations in 2012, which is an increase of 10% when compared to 2011. Possible explanations may be that there are incentives provided by National Employment Office, or small entrepreneurs are closing their business and moving towards CSO sector, so that the absolute increase in number of CSOs led to the increase of fully employed, however this needs to be further investigated. CSOs use state incentive programs for employment: start up programs, the first chance programs, young people to 30 years old employment, professional development programs.

Law on Volunteering (2010) defines volunteer work as organized voluntary provision of services and conduct of other activities of general interest, for common benefit or for the benefit of other people, without monetary compensation or other economic gain, unless otherwise stipulated by this Law. This Law regulates basic terms related to volunteering, principles of volunteering, contract on volunteering, rights and obligations of volunteers and organizers of volunteering and oversight on the application of this Law. Unfortunately, the Law is too codifying and makes it difficult for CSOs in Serbia to engage volunteers in their work; for example the Law prescribes obligatory agreements between a volunteer and an organization that engages him/her. On certain other points, the Law remains unclear.

.....

For example, it introduces the division into long-term, short-term and ad hoc volunteering, but without a clear distinction between them (or clear obligations that would arise from the selection of a given form of voluntary engagement). The Law is putting additional administrative burden to CSOs so that CSOs are trying to avoid these demands by creative implementation.

.....

There is a general agreement within CSO sector that the Law needs to be changed. In practice, there are indications that the Law is being misused by employers, who are using its unclear regulations to engage young, educated people as volunteers instead of employing them. Unfortunately, public institutions (including courts/judicial institutions), are also among those who use lack of clarity in the Law in this way. In the same time, there are initiatives to promote volunteering among corporations (such as a Serbian Business Leaders Forum in cooperation with SMART Collective, TRAG foundation, others).

Non-formal education is promoted through national strategy and laws. The Adult Education Law defines non-formal education and points out that adult education, in addition to formal learning and in-formal education, is achieved as non-formal education. It defines detail the programs of non-formal education. The Law on the Fundamentals of the Education System stipulates that the Agency for education approved by another organization acquiring the status of publicly recognized organizers of activities in non-formal adult education. Civic education as a compulsory optional subject, is being included in the curriculum of elementary and secondary schools as determined by Institute for the Advancement of Education, but pupils still choose between Civic and Religious education, Topics

related to the freedom of assembly and expression, antidiscrimination, as well as CSOs role and work are addressed within Civic education as subject. The Adult Education Law stipulates that the programs of adult education, among other things, intended for education and acceptance of democracy and civil society.

.....

Thirteen years since the introduction of civic education in schools, recent analyzes indicate necessity of revision of the teaching methodology and new training for teachers. According to evaluation report made by Institute for Education Quality and Evaluation (state institution), only 20% of teachers in elementary schools and 50% teachers in high schools are trained correctly for teaching civic education. Others start to teach only after short trainings accredited for the purpose of professional development of employed in the education system. There are not official textbooks, teachers use only handbook approved by Ministry of education.

.....

Area 3: Government-CSO Relationship

Sub-area 3.1. Framework and practices for cooperation

Although there is still no national document on rules and practices for Government-CSO cooperation, CSOs actively participated in preparation of national legal and strategic documents (numerous laws, Poverty Reduction Strategy, National Youth Strategy, local development strategies of different municipalities). Interactions between the Government and CSOs have improved. The state appears to be more ready to engage with civil society: the Parliament, ministries and government institutions are sending an increasing number of invitations to civil society representatives to participate in working groups, to submit their own reports on certain issues, or reflections and suggestions on certain laws, to participate in public discussions, etc (only through the

Office for Cooperation with CSOs were sent/forwarded 23 invitations for participation in different events in the 2013).

It is especially visible recently, with the beginning of the EU negotiation process and increased role for CSOs in it, related to topics of interest for public administration (regular invitations CSOs to the bilateral and explanatory screenings on relevant Chapters for EU integration process, CSOs participation in creation of Resolution on the Association to the EU). SECO mechanism²⁰ was established in 2011 that enables CSO participation in IPA programming and other important documents (Needs of the Republic of Serbia for International Assistance / National priority for international assistance document - NAD). In terms of quality, it is still more formal and less substantial, and unevenly implemented by different national bodies.

The Office for Cooperation with Civil Society was established in 2010 as national level institution with a mandate to facilitate cooperation with civil society organizations. Office has become fully operational, supporting the governmental institutions to understand and recognize the role of CSOs in decision making processes. At the same time, the Office successfully facilitates communication between two sectors in the process of defining and implementing legislative procedures and public policies. However, the existence of only one body narrows the communication and exchange of information, therefore, direct mechanisms between the CSOs and other governmental bodies should be established. SECO mechanism is used to involve CSOs in the IPA programming process.

SIPRU (earlier PRSP team) as a governmental agency with in-depth understanding of civil society, has continued to facilitate exchange of information with CSOs in the area

of social inclusion in the context of EU integrations.

A certain level of cooperation has also been established with the Serbian Parliament and there are examples of CSOs' access to plenary and committee sessions and parliamentary hearings. There is no institutional mechanism from the Parliament as to engage civil society in Serbia, however there have been recently invitation by the Parliament to engage CSOs in the negotiation process. The development of the strategy for cooperation is underway, i.e. there is consultation process going on to define ways of engaging CSOs in this process. Individual ministries are more and more inviting CSOs to participate in the working groups, in consultative processes or to give/provide comments.

Rules of Procedures of the Assembly of the Autonomous Province of Vojvodina, envision transparency of its work, with provisions allowing for citizens to attend Assembly sessions, and to visit the Assembly. The Government of the AP of Vojvodina has 12 Secretariats and most of them declare "cooperation with non-governmental organizations" as part of their regular activities. There is no detailed information about types of cooperation, however typically what could be found are open calls for proposals for funding of Vojvodina based CSOs and examples of joint projects. The CI survey on CSOs²¹ shows that 63% of CSOs from Vojvodina had some kind of cooperation with the Provincial authorities, followed by 38% of CSOs from

Belgrade. It also shows that 81% of CSOs had some kind of cooperation with the local government. There are examples of CSOs participating on advisory bodies and commissions, joint organization of various events and activities, partnership in the realization of forms of citizen consultation, or the engagement of CSOs to provide specific, individual services to the local community. Out of this number, 50% were satisfied with the cooperation, while almost 20% were not satisfied. Those that are satisfied estimate that cooperation is excellent, local authorities provide support, good will to help, provide financial support, show respect for CSOs and similar. Those that are not satisfied estimate that local government officials are not interested in cooperation; they ignore and undermine the importance of CSOs, do not understand the concept of civil society, and do not provide financial support. Furthermore, those who are unsatisfied stress the control of political parties over the work of local self-governments and the low level of expertise among officials. Although, there is a relatively high number of CSOs that cooperate with the local governments, the practice is uneven and very often is either related to political party connections or imposed by outside stakeholders (foreign funders), which also results in a different level of satisfaction with cooperation. Social protection area is still the most dominant field of cooperation.

Sub-area 3.2: Involvement in policy- and decision-making process

There are several issues that still present an obstacle for a more meaningful engagement of civil society in decision making process.

First is the lack of clear mechanisms for consultations. Similar to the lack of mechanisms for cooperation between the two sectors, there is lack of mechanisms that would ensure that civil society (or for that matter, citizens) are properly consulted in the process of drafting and adopting legislation or policies. Furthermore, while the state increasingly invites civil society representatives to take part in the discussions (as noted above), this change is often superficial and donor-driven, which is taken to demonstrate to donors that civil society is being included. Most CSOs are consulted in the final phase of a draft law/policy shaping without sufficient information well in advance and when any changes are almost impossible. Often, the 'participation' boils down to one-day conferences which are considered to be "public hearings" although time was devoted for proposes to explain their intentions rather than for the audience to give comments. Moreover, even in the cases in which civil society and state cooperated during the drafting of the law/policy/strategy, the draft that appears before the Parliament is changed without taking into consideration CSO comments and proposals, and without CSOs knowing that the Law is formally entering into legislative procedure.

In 2013, Government has changed its Rules of Procedures related to public hearing/debate, introducing additional cases where it is obligatory, which should improve CSO engagement in decision making processes. However, there is also no procedure for appointing representatives of the public into consultative and working groups at the national and local level. Recognizing that the relations between the Government and CSOs are still fragmented without structured forms of cooperation between the two sectors, in October 2013 the

²⁰Sectorial Civic Society Organisations (SECO) Mechanism: considers a consortium of CSOs of maximum three partners where one is clearly stated in the application as a lead partner. Other CSOs are members of the mechanism. Each SECO represent one sector. The definition of a sector corresponds to the Needs Assessment Document 2011-2013. SECO for the sector Civil society, media and cultural rights SECO for the sector Civil society, media and cultural rights comprising Civic Initiatives, Independent Association of Journalists of Serbia and Center for Cultural Decontamination, but CI are leading partner, too.

²¹ASSESSMENT OF THE SITUATION IN THE CIVIL SOCIETY ORGANIZATIONS (CSOs) SECTOR IN SERBIA in 2011, Civic Initiatives in conjunction with the Office for Cooperation with Civil Society of the Government of Serbia

Office has drafted Guidelines for participation of interested public in the decision making processes, which is to be adopted by the Government. Guidelines are one of the key documents for public participation that will introduce new practice as described in the EU and Council of Europe documents, once they are adopted. The consultative process was organized in order to develop the document that will improve and facilitate the development of direct citizen participation, establish a mechanisms for consultations that would ensure that civil society (or for that matter, citizens) are properly consulted in the process of drafting and adopting legislation or policies.

On the other side, there is an issue of capacity of CSOs to engage. Even though a smaller number of well-developed CSOs take an active part in discussing certain parts of legislation or policies, a majority of CSOs need to increase their knowledge both on legislative processes as well as the issues (including EU strategies and policies) that are being discussed, if they are to provide relevant input. Cooperation between CSOs and independent bodies (such as the Ombudsman, The Commissioner for Information of Public Importance and Personal Data Protection and Commissioner for Protection of Equality - CPE) is still very important, dynamic and indirect ways of influencing the Government. Very good and practical forms of cooperation and mechanisms of mutual support that have been developed between these institutions and CSO resulted in joint actions (support to the CSOs Amendments to the draft law on Accounting and Budget law, joint Commissioner for Protection of Equality and House of Human Rights and Democracy project on promoting mechanism for advancing CPE response to discrimination against marginalized groups and individuals in Serbia, Lawyer's Committee for Human

Rights - YUCOM and Belgrade Centre for Human Rights, joint project aimed to determine the effect of the recommendations coming from the Ombudsman of the Republic of Serbia and to investigate the influence of the authority of this institution in relation to public bodies for which the Ombudsman's office found a violation of the principles of good governance).

A Department for Human Resource Management was established by Government in December 2005 in accordance with the Law on Civil Servants, with goal to provide continuous support to the reform of public administration in accordance with the principles of professionalism, de-politization, rationalization and modernization set out by the Public Administration Reform Strategy. Office for Cooperation with Civil Society of the Republic of Serbia Government developed in 2012 a one day training course for the civil servants to familiarize them with the legislative, institutional and financial framework as well as with national and international legal standards of the involvement of civil society organizations in the process of public policy development and implementation. However, this is not sufficient to cover all the needs of public administration in relation to CSDev. Existing legislation obliges public institutions to make all draft and adopted laws and policies public: the National Assembly's Rules of procedures defines which documents have to be published on the National Assembly website; the Government's Rules of procedures prescribes its work is public. Releases of the Government ensures the press conference presenting the government and state administration on the Internet, press releases and other information and telecommunications facilities. There are several website/portals publishing legal, strategic documents and public calls (e-uprava/e-government, paragraf.rs, etc).

CSOs are not aware of individuals and/or departments in all govern-

mental bodies, which are in charge of CSOs. However, there are examples of individual good relationships (in addition to Office, SEIO, and Ministry of youth and Sports, SIPRU).

Law on Free Access to Information of Public Importance defines clear procedures for access to public information, conditions, exception and deadlines have to be met, as well as sanctions for civil servants for breaching the legal requirements on access to public information. The Commissioner for Information of Public Importance and Personal Data Protection publishes an annual report on the implementation of the Law on Free Access to Information of Public Importance and the Law on Protection of Personal Data. Data from 2012 shows that citizens most often complained about the so-called "administrative silence". Such a situation happened in 91.3% of cases. The number of cases in which the Commissioner had to make decision and ordered that the request to act and provide access to the requested information was increased for about 6%. Commissioner stated 2,330 complaints of violations of the right to free access to information of public importance. Complainants to the Commissioner were mostly submitted by individuals/citizens (74, 7%), CSOs and other civil society groups (15.9%) and journalists and the media (2.5%).

Sub-area 3.3.: Collaboration in social provision

Existing legislation allows CSOs to provide services in various areas (education, healthcare, social services).

The Law on Social Protection (March 2011) introduced CSOs as potential service providers, which is a novelty as compared to the previous Law and might significantly influence both the work and sustainability of CSOs involved in the area of social protection. It introduced the possibility for CSOs

to be service providers, however through adoption of number of by-laws dealing with the standardization and licensing, this opportunity is becoming quite a difficult to meet. CSOs dealing with service providing stated that they are not included in all phases of the development and provision of services, having in mind that only state institutions – Centers for Social Work- are authorized to estimate if there is need for social services and which for; CSOs are recognized as offers and providers of some services.

In addition, especially important are issues of CSO identity, i.e. in what way these novelties affect the new CSO position, especially having in mind that 25% of CSOs in Serbia work primarily in the area of social services²². Adjustment to the new social welfare system will take some doing, for institutions and for CSOs – due to both system rigidity and lack of interdepartmental and inter-sectoral cooperation. The Law stipulates that social welfare services, besides providing services of assessment and planning that State, Province or local institutions of social welfare cannot provide to the extent needed, shall be provided by a service provider licensed through the public procurement procedure for social welfare services²³. CSOs representatives' statements during the regular meetings with representatives of Ministry of Labour and Social Policy and research carried within the SPMI project²⁴ showed that licensing will be unavailable for most small CSOs, in particular those in the smaller cities in Serbia. The licensing process of CSOs as service providers in the social welfare system is defined so that CSOs must meet the functional standards (regarding the space where services will be provided) for what she needs the support of local government. CSOs pointed out that the funds from state sources are insufficient to cover the basic

costs of the services and the terms of payment are not respected means that there are frequent and long delays. They also estimate that the involvement of service providers in a number of cases of non-transparent and there is a conflict of interest. It was pointed out that tenders/calls for service providing are often announced only to meet the legal form, or request of donors (EU, World Bank, etc), as well as in service providing sometimes requires excessive and unnecessary amount of supporting documentation which had to be submitted by CSOs.

The process of acquirement and providing a service is regulated by other laws and secondary regulations - the new Public Procurement Law, secondary regulations to the Labour Law and transfer of funds of the local self-government unit - whose solutions are not harmonized to a sufficient extent with the service providers' plurality principle. The Law on Public Procurement (2012) requires for transparent tender procedure in case of bidding for funding services from public sources, with criteria that not many CSOs can meet (bank guarantees, for example). This is especially case when CSOs are competing with public institutions (as service providers), who have all basic criteria already either met or provided by the State. On the other hand, by accepting the service provider status, a CSO becomes a part of the State system and when providing services all secondary regulations applicable to all social welfare organizations refer to it as well. According to this Law (Article No.61), The Purchaser may in tender documents specify the type of financial securities which providers ensure fulfillment of their obligations in the procurement process, as well as the fulfillment of their contractual obligations, or refund of advance payments (various forms of pledging of securities or other movable property, mortgages,

bills of exchange, collateral other legal entity with appropriate solvency, bank guarantees, insurance, etc.). However, there is no clear and transparent criteria on the basis of which it should be requested. Additional novelty is that they are obliged to submit financial or bank guarantees for tenders above 250 million dinars (bit a amore 2 million euros) for goods and services and 500 million dinars (bit a more 4,3 million euros). In practice, this is almost "mission impossible" for associations, small companies and social security institutions because they generally do not possess any assets, are financed through projects and do not have other types of bank guarantees. The primary mechanism for the development of local social services foreseen in the Law on Social Protection Such is meaningless by this provision and potential actors who could provide services were discredited in advance.

In 137 communities, a total of 445 local social services are organized differing by type, by target group and by provider.²⁵ The Report mapping Social Protection Service under the Competence of the Local-self Government records a total of 126 services provided by CSOs. CSOs mostly deal with the provision of services for disabled persons and for children and young persons with development disabilities. The importance of CSOs as service provider is still great with service like daily accommodation for elderly people, children with conflict with the law and home help for children. In these areas, almost one third of the services are performed in the CSO sector. The CSO sector is the least active in the provision of service like shelters, counseling centers, etc.

²² Assessment of the situation in the civil society organizations (CSOs) sector in Serbia, September, 2011. Conducted by Civic Initiatives in conjunction with the Office for Cooperation with Civil Society of the Government of Serbia

²³ <http://www.minrzs.gov.rs/doc/porodica/Zakon%20o%20socijalnoj%20zastiti.pdf>

V FINDINGS AND RECOMMENDATIONS (TABULAR)

Area 1: BASIC LEGAL GUARANTEES OF FREEDOMS

Sub-area 1.1.: Freedom of association

Principle: Freedom of association is guaranteed and exercised freely by everybody

Standard 1	Indicators	Findings	Recommendations for the standard
1) All individuals and legal entities can freely establish and participate in informal and/or registered organizations offline and online	<p>Legislation:</p> <ol style="list-style-type: none"> 1) There is a legal framework according to which any person can establish associations, foundations and other types of non-profit, non-governmental entities (eg, non-profit company) for any purpose. 2) The legal framework allows both individual and legal persons to exercise this right without discrimination (age, nationality, legal capacity, gender etc). 3) Registration is not mandatory, and in cases when organizations decide to register, the registration rules are clearly prescribed and allow for easy, timely and inexpensive registration and appeal process. 4) The law allows for networking among organizations in the countries and abroad without prior notification. <p>Practice:</p> <ol style="list-style-type: none"> 1) Every individual or legal entity in practice can form associations, foundations or other non-profit, non-governmental organizations offline or online. 2) Individuals and legal entities are not sanctioned for not-registering their organizations. 3) Registration is truly accessible within the legally prescribed deadlines; authorities decide on cases in non-subjective and apolitical manner. 4) Individuals and CSOs can form and participate in networks and coalitions, within and outside their home countries. 	<p>Legislation:</p> <ol style="list-style-type: none"> 1) The Law on Associations and The Law on Endowments and Foundations implemented with no difficulties, considered to be modern laws that provide a framework for CSOs work 2) Registration process is voluntary, with clear and simple and decentralized procedure and possibilities for a CSO to register in only few days and on line. 3) Networking is allowed by the Law and supported through a variety of policies and programs <p>Practice:</p> <ol style="list-style-type: none"> 1) Number of 21.491 registered association, 49 foreign associations, 496 endowments and foundations, 15 foreign endowments and foundations branches is evidence of a widespread practice of association 2) Numerous informal groups are very active and recognized by society 3) Local register agencies still struggle with some aspects of registering foundations, for example, how such entities should formulate their establishing acts and define relations between co-founders 4) There is at least 100 functional networks at either the national or local levels; in survey from 2011 CSOs specified more than 230 international networks of which they are members; however, domestic networks and domestic individual organizations appear among them as well. 	<p>Legislation:</p> <p>No recommendations</p> <p>Practice:</p> <p>Improve capacity of SBRA for registering foundations and endowmentss</p>

Standard 2	Indicators	Findings	Recommendations for the standard
<p>2) CSOs operate freely without unwarranted state interference in their internal governance and activities</p>	<p>Legislation:</p> <ol style="list-style-type: none"> 1) The legal framework provides guarantees against state interference in internal matters of associations, foundations and other types of non-profit entities. 2) The state provides protection from interference by third parties. 3) Financial reporting (including money laundering regulations) and accounting rules take into account the specific nature of the CSOs and are proportionate to the size of the organization and its type/scope of activities. 4) Sanctions for breaching legal requirements should be based on applicable legislation and follow the principle of proportionality. 5) The restrictions and the rules for dissolution and termination meet the standards of international law and are based on objective criteria which restrict arbitrary decision making. <p>Practice:</p> <ol style="list-style-type: none"> 1) There are no cases of state interference in internal matters of associations, foundations and other types of non-profit entities. 2) There are no practices of invasive oversight to which impose burdensome reporting requirements. 3) Sanctions are applied in rare/extreme cases, they are proportional and are subject to a judicial review 	<p>Legislation:</p> <ul style="list-style-type: none"> • The Law on Associations and The Law on Endowments and Foundations stipulate that they are free in internal matters regulating by Statutes • Law on Amendments to the Law on the Budget System prescribes for mandatory registration of public funds beneficiaries and the registration in the Register of public funds in the Treasury, and the opening of a special purpose account for the special users of public funds or associations and other civil society organizations (CSOs) • New Law on Accounting defines CSOs as other legal entities applying the accounting regulations, while specific characteristics are reflected in the simplified evidencing rules (they do not have to apply the International Accounting Standards), the special chart of accounts (obligatory three-digit accounts where categorization and accounting of business changes are registered) and special forms of financial statements. • Most CSOs are categorized as small legal entities and according to the new criteria of categorization they will be categorized as micro legal entities and thus are not subject to the statutory audit of financial statements, as stipulated by the new Law on Auditing adopted in July 2013 • The restrictions and the rules for dissolution and termination are clearly prescribed by the law and Statute <p>Practice:</p> <ul style="list-style-type: none"> • Opening obligatory account in Treasury imposes additional burden & costs to CSOs, which have to open new accounts. Furthermore, when open this account, CSO has to pay higher bank fees than in the commercial bank; cash not allowed; e-banking not possible. • A case was reported that a representative of the municipality council requested to be elected as board member of the local CSO that is receiving funds from the municipality budget 	<p>Legislation:</p> <ul style="list-style-type: none"> • Amend Law on Budget System in relation to treating CSOs and opening separate accounts in the Treasury • Participation of CSOs needed in the process of adopting accounting by-laws <p>Practice:</p> <ul style="list-style-type: none"> • Change of practice will follow change of the Law • Raise awareness on the issue of conflict of interest

Standard/ Benchmarks	Indicators	Findings	Recommendations for the standard
<p>3) CSOs can freely seek and secure financial resources from various domestic and foreign sources to support their activities</p>	<p>Legislation:</p> <ol style="list-style-type: none"> 1) Legislation allows CSOs to engage in economic activities. 2) CSOs are allowed to receive foreign funding. 3) CSO are allowed to receive funding from individuals, corporations and other sources. <p>Practice:</p> <ol style="list-style-type: none"> 1) Legislation on CSOs engaging in economic activities is implemented and is not burdensome for CSOs. 2) There are no restrictions (e.g. administrative or financial burden, preapprovals, or channeling such funds via specific bodies) on CSOs to receive foreign funding. 3) Receipt of funding from individuals, corporations and other sources is easy, effective and without any unnecessary cost or administrative burden. 	<p>Legislation:</p> <ul style="list-style-type: none"> • Associations, foundations and endowments pursuing public interest objectives may engage directly in economic activities insofar as the prescribed condition are met • CSO must register one economic activity - the so-called major economic activity it seeks to directly engage in - with the Registry of the Agency for Commercial Registry, but may directly engage in other economic activities insofar as they are envisaged in its statute. <p>Practice:</p> <ul style="list-style-type: none"> • Inconsistently implementation of the article on economic activity, as the supervising state authority occasionally has taken a position that a CSO may only directly engage in the economic activity which is registered with the Agency. Almost one quarter of CSOs registered business activities (24%). Among them, the most were CSOs involved in environmental issues (29%), while the fewest were those involved in healthcare (14%). • No restrictions • Bank transaction fees which are not allowed as budget costs are identified by CSOs as financial burden to receive foreign funding. Receiving funds from anonymous individuals through account is not possible as banks require legal base for the payment/income. 	<p>Legislation:</p> <ul style="list-style-type: none"> • Change needed in relevant tax laws <p>Practice:</p> <ul style="list-style-type: none"> • Build capacity of relevant state administration on the topic, as well as CSOs who should be more aware of this opportunity • Change bank rules

Standard/ Benchmarks	Indicators	Findings	Recommendations for the standard
<p>2) CSO representatives, individually or through their organizations enjoy freedom of expression</p>	<p>Legislation:</p> <ol style="list-style-type: none"> 1) The legal framework provides freedom of expression for all. 2) Restrictions, such as limitation of hate speech, imposed by legislation are clearly prescribed and in line with international law and standards. 3) Libel is a misdemeanor rather than part of the penal code. <p>Practice:</p> <ol style="list-style-type: none"> 1) CSO representatives, especially those from human rights and watch dog organizations enjoy the right to freedom of expression on matters they support and they are critical of 2) There are no cases of encroachment of the right to freedom of expression for all. 3) There are no cases where individuals, including CSO representatives would be persecuted for critical speech, in public or private. 4) There is no sanction for critical speech, in public or private, under the penal code. 	<p>Legislation:</p> <ul style="list-style-type: none"> • Constitution of the Republic of Serbia guarantees freedom of opinion and expression, and freedom to speech, writing, painting, or otherwise seek, receive and impart information and ideas, but prescribes the limitations also • The Anti-discrimination Law forbids expression of ideas, information and opinions that incite discrimination, hatred or violence against a person or group of persons because of their personal characteristics, in the media and other publications, papers and places accessible to the public, by printing and displaying messages or symbols, or otherwise. • Libel was abolished as an offense by Amendments to the Criminal Law from 2012 <p>Practice:</p> <ul style="list-style-type: none"> • Date from AIEM (Association of Independent Electronic Media) reports show CSOs and human rights defenders threatened freedom of expression and critical work. • The list of CSO entitled to "Black List of non-governmental organizations" and the similar list of media made by nationalistic associations 	<p>Legislation:</p> <ul style="list-style-type: none"> • No need for changes <p>Practice:</p> <ul style="list-style-type: none"> • Closely monitor law implementation and advocate for timely sanctioning of violators.
<p>3) Civil society representatives, individually and through their organizations, have the rights to safely receive and impart information through any media</p>	<p>Legislation:</p> <ol style="list-style-type: none"> 1) The legal framework provides the possibility to communicate via and access any source of information, including the Internet and ICT; if there are legal restrictions, these are exceptional, limited and based on international human rights law. 2) The legal framework prohibits unjustified monitoring of communication channels, including Internet and ICT, or collecting users' information by the authorities. <p>Practice:</p> <ol style="list-style-type: none"> 1) There are no cases in practice where restrictions are imposed on accessing any source of information, including the Internet or ICT. 2) The Internet is widely accessible and affordable 3) There is no practice or cases of unjustified monitoring by the authorities of communication channels, including the Internet or ICT, or of collecting users' information. 4) There are no cases of police harassment of members of social network groups. 	<p>Legislation:</p> <ul style="list-style-type: none"> • Legal framework guaranties to everyone the right to be truth, fully and timely informed about matters of public interest and public information are obliged to respect this right • The Electronic Communications Law guarantees the confidentiality of electronic communications <p>Practice:</p> <ul style="list-style-type: none"> • Survey from 2011 showed that one third of CSOs has no access to Internet, which corresponds to the finding that one third of CSOs do not have a computer/laptop in their organization • CSO access to media depends on the level of media interest in their activities, as well as political situation • The Ombudsman initiated assessing the constitutionality of provisions of the police interfere with the secrecy of communication channels and gave an opinion on the Draft regulation on detailed criteria for determining the degree of confidentiality of classified information "confidential" and "internal" to the public authorities 	<p>Legislation:</p> <ul style="list-style-type: none"> • No need for changes <p>Practice:</p> <ul style="list-style-type: none"> • Media literacy needed for CSOs • CSO literacy needed for media • Increase usage of social media

Area 2: Framework for CSOs Financial Viability and Sustainability

Sub-area 2.1: Tax/fiscal treatment for CSOs and their donors

Principle: CSOs and donors enjoy favorable tax treatment

Standard 1	Indicators	Findings	Recommendations for the standard
1) Tax benefits are available on various income sources of CSOs	<p>Legislation:</p> <ol style="list-style-type: none"> 1) The law provides tax free treatment for all grants and donations supporting non-for-profit activity of CSOs. 2) The law provides tax benefits for economic activities of CSOs. 3) The law provides tax benefits for passive investments of CSOs. 4) The law allows the establishment of and provides tax benefits for endowments. <p>Practice:</p> <ol style="list-style-type: none"> 1) There is no direct or indirect (hidden) tax on grants reported. 2) Tax benefits for economic activities of CSOs are effective and support the operation of CSOs. 3) Passive investments are utilized by CSOs and no sanctions are applied in doing so. 4) Endowments are established without major procedural difficulties and operate freely, without administrative burden nor high financial cost.. 	<p>Legislation:</p> <ul style="list-style-type: none"> • Serbia does not stipulate any exemption from property tax on the real estate for associations, foundations and similar CSOs performing activities of public interest • The Property Tax Law from 2010 has abolished the 2.5% tax on gifts for foundations, endowments and associations for gifts/inheritance received and intended exclusively for achieving the public benefit objectives; the non-taxable amount up to which received funds are not subject to gift tax was raised to 100.000 dinars (877EUR) • The Corporate Profit Tax Law generally exempts CSOs from taxation on grants, donations, membership dues, and non-economic sources of income • Establishment of endowments allowed, however no specific tax benefit <p>Practice:</p> <ul style="list-style-type: none"> • Cases reported that tax authorities require CSOs to apply for tax exemptions on any given gift they receive exceeding the 100,000 RSD thresholds, in order to be exempt from income taxes. • No tax benefits for CSO economic activities • Passive investments used only if funders allow • In practice, some difficulties in registering endowments due to lack of knowledge of the SBRA 	<p>Legislation:</p> <ul style="list-style-type: none"> • Amend set of tax related laws <p>Practice:</p> <ul style="list-style-type: none"> • Practice should follow changes in the tax related laws • Capacity building of tax administration needed in order for them to understand the specifics of CSOs
2) Incentives are provided for individual and corporate giving.	<p>Legislation:</p> <ol style="list-style-type: none"> 1) The law provides tax deductions for individual and corporate donations to CSOs. 2) There are clear requirements/ conditions for receiving deductible donations and these include a wide range of publicly beneficial activities. 3) State policies regarding corporate social responsibility consider the needs of CSOs and include them in their programs <p>Practice:</p> <ol style="list-style-type: none"> 1) There is a functional procedure in place to claim tax deductions for individual and corporate donations. 2) CSOs are partners to the state in promoting CSR. 3) CSOs working in the main areas of public interest, including human rights and watchdog organizations, effectively enjoy tax deductible donations. 	<p>Legislation:</p> <ul style="list-style-type: none"> • Individual charitable giving is not recognized by the Law as the ground for tax deduction. • Requirements for receiving deductible donations are prescribed by the Tax Property law and set of publicly beneficial activities is not in compliance with Law on Associations and Law on F&E • National Strategy on CSR adopted in 2010 for 5 year period <p>Practice:</p> <ul style="list-style-type: none"> • Individual donations not tax deducted; corporate tax deductions – complicated procedure; quite often, when giving donations, corporations are subject to inspections • There are few CSOs leading in this topic and they are partners to the state in promoting CSR • No specific deductions for these types of organizations 	<p>Legislation:</p> <ul style="list-style-type: none"> • Amend tax related laws • Harmonize tax laws with LoA and LoF&E <p>Practice:</p> <ul style="list-style-type: none"> • Practice will follow changes in the tax related laws

Standard 1	Indicators	Findings	Recommendations for the standard
<p>1) Public funding is available for institutional development of CSOs, project support and co-financing of EU and other grants</p>	<p>Legislation:</p> <ol style="list-style-type: none"> 1) There is a law or national policy (document) that regulates state support for institutional development for CSOs, project support and co-financing of EU funded projects. 2) There is a national level mechanism for distribution of public funds to CSOs. 3) Public funds for CSOs are clearly planned within the state budget. 4) There are clear procedures for CSO participation in all phases of the public funding cycle. <p>Practice:</p> <ol style="list-style-type: none"> 1) Available public funding responds to the needs of the CSO sector. 2) There are government bodies with a clear mandate for distribution and/or monitoring of the distribution of state funding. 3) Funding is predictable, not cut drastically from one year to another; and the amount in the budget for CSOs is easy to identify. 4) CSO participation in the public funding cycle is transparent and meaningful. 	<p>Legislation:</p> <ul style="list-style-type: none"> • State support to CSOs is regulated by The Law on Associations, The Law on Endowments and Foundations; By-law/regulation on criteria of financing and co-financing CSOs activities from the national budget, • Funds are provided only for projects/ programs, but not for institutional development for CSOs. • There is no unique national body/ institution with mandate for distribution of public funds to CSOs. • No clear procedures <p>Practice:</p> <ul style="list-style-type: none"> • Available public funding often are insufficient even for covering administrative costs • Co-funding introduced by the Office, but on very small scale as compared to sector needs • Funding not predictable, nor easy to identify although Office prepares consolidated report - Funds intended for CSOs financing are used for sport clubs, Red Cross organizations, public institutions, even individuals financing • As per the Law amending and modifying the Republic of Serbia 2011 Budget Law, planned sources on the economic classification 481 amount approximately to 55mil €, whereas according to the Draft Law on Annual Financial Statement of the Budget of the Republic of Serbia for 2011 execution of budget from this economic classification is approximately to 46mil € ; According to Annual consolidated report on spending of funds planned and disbursed to associations and other CSOs from the budget of the Republic of Serbia as support to project and programmatic activities in in 2012 76mil € was disbursed at all levels of the government in the Republic of Serbia • State Audit Institution montiors publi spending, including also funds for CSOs (if the body distributes it) 	<p>Legislation:</p> <ul style="list-style-type: none"> • Develop clear procedures for CSO participation in all phases of the public funding <p>Practice:</p> <ul style="list-style-type: none"> • Increase co-funding • Diversify Line 481

Standard 2	Indicators	Findings	Recommendations for the standard
2) Public funding is distributed in a prescribed and transparent manner	<p>Legislation:</p> <ol style="list-style-type: none"> 1) The procedure for distribution of public funds is transparent and legally binding. 2) The criteria for selection are clear and published in advance. 3) There are clear procedures addressing issues of conflict of interest in decision-making. <p>Practice:</p> <ol style="list-style-type: none"> 1) Information relating to the procedures for funding and information on funded projects is publicly available. 2) State bodies follow the procedure and apply it in a harmonized way. 3) The application requirements are not too burdensome for CSOs. 4) Decisions on tenders are considered fair and conflict of interest situations are declared in advance. 	<p>Legislation:</p> <ul style="list-style-type: none"> • The By-law on criteria of financing and co-financing CSOs activities from the national budget prescribes that allocation of s based on public call announced by the competent authority and announced on the official website, as well as criteria, conditions, scope, method, process allocation, and the manner and process of returning funds • Procedures addressing issues of conflict of interest in decision-making are prescribed by Law on prevention of conflict of interest in discharge of public office <p>Practice:</p> <ul style="list-style-type: none"> • Information are publicly announced on the official website of the competent authorities and/or daily newspaper • According to Annual consolidated report on spending of funds planned and disbursed to associations and other CSOs procedures are followed and applied in a harmonized way. • In October 2013, the Government has adopted changes of the By-law. Based on the request by more than 100 organizations, and in cooperation with the Office for cooperation with civil society, amount of paper work is reduced; required documents will be provided by relevant institutions and public bodies • CSOs stated that the CSOs supporting political parties in power are favored on calls/tenders The Ministry's of Youth and Sports requirement for partnerships with local youth offices as a condition for application was stated as negative example. • CSOs rarely participate in tenders, and we don't have relevant information 	<p>Legislation:</p> <ul style="list-style-type: none"> • Amend requested guarantees for public funds distribution <p>Practice:</p> <ul style="list-style-type: none"> • Bylaw should be implemented on all levels, providing that quarantees requirements are abolished
Standard 3	Indicators	Findings	Recommendations for the standard
3) There is a clear system of accountability, monitoring and evaluation of public funding	<p>Legislation:</p> <ol style="list-style-type: none"> 1) The procedure for distribution of public funds prescribes clear measures for accountability, monitoring and evaluation. 2) There are prescribed sanctions for CSOs that misuse funds which are proportional to the violation of procedure. <p>Practice:</p> <ol style="list-style-type: none"> 1) Monitoring is carried out continuously and in accordance with predetermined and objective indicators. 2) Regular evaluation of effects/impact of public funds is carried out by state bodies and is publicly available. 	<p>Legislation:</p> <ul style="list-style-type: none"> • The procedure and sanctions are prescribed by the By-law on criteria of financing and co-financing CSOs activities from the national budget <p>Practice:</p> <ul style="list-style-type: none"> • Monitoring is carried during the project implementation, but without consolidated standards for all public institutions. • The regular evaluation of effects/impact of public funds is not carried; only outputs are monitored but not outcomes 	<p>Legislation:</p> <ul style="list-style-type: none"> • Develop a regulation with clear system of accountability, monitoring and evaluation

Standard 4	Indicators	Findings	Recommendations for the standard
4) Non-financial support is available from the state	<p>Legislation:</p> <ol style="list-style-type: none"> 1) Legislation allows state authorities to allocate non-financial support, such as state property, renting space without financial compensation (time-bound), free training, consultations and other resources, to CSOs. 2) The non-financial support is provided under clearly prescribed processes, based on objective criteria and does not privilege any group <p>Practice:</p> <ol style="list-style-type: none"> 1) CSOs use non-financial state support. 2) CSOs are treated in an equal or more supportive manner as compared to other actors when providing state non-financial resources. 3) There are no cases of state authorities granting non-financial support only to CSOs which do not criticize its work; or of cases of depriving critical CSOs of support; or otherwise discriminating based on loyalty, political affiliation or other unlawful terms. 	<p>Legislation:</p> <ul style="list-style-type: none"> • Constitution of Serbia, the Law on public property, the Law on local self-government, the Law on local self-government financing, towns' / municipalities' decisions on the use of state-owned property, the national youth strategy are the legal base for non-financial support to CSOs but they are treated in same manner as other legal entities • The Regulation on conditions for obtaining and alienation of immovable property by direct negotiation, public property lease, public bidding procedures and collection of written bids defines procedures for providing property - space for CSOs functioning in mostly cases • The National Youth Strategy as well as the Regulation on the Office for cooperation with civil society establishment prescribe organization of trainings and seminars for CSOs' and informal groups' capacity building. • State institutions are publishing different publication/guidelines for cooperation between state/local institutions and CSOs improvement • State institutions support CSOS initiatives and activities by letters of support or authorization <p>Practice:</p> <ul style="list-style-type: none"> • There are cases when state authorities influence or suggest selection of activities implemented by CSOs so it would contribute to increase political support 	<p>Legislation:</p> <ul style="list-style-type: none"> • Develop a clear procedure/guidelines for non-financial support <p>Practice:</p> <ul style="list-style-type: none"> • Establishing clear criteria should improve the practice

Sub-area 2.3: Human resources

Principle: State policies and the legal environment stimulate and facilitate employment, volunteering and other engagements with CSOs

Standard 1	Indicators	Findings	Recommendations for the standard
1) CSOs are treated in an equal manner to other employers	<p>Legislation:</p> <ol style="list-style-type: none"> 1) CSOs are treated in an equal manner to other employers by law and policies. <p>Practice:</p> <ol style="list-style-type: none"> 1) If there are state incentive programs for employment, CSOs are treated like all other sectors. 2) There are regular statistics on the number of employees in the non-profit sector. 	<p>Legislation:</p> <ul style="list-style-type: none"> • CSOs are treated in an equal manner to other employers by law and policies. There are no additional requirements when employing people in OCD. The Labour Law in the same way treats CSOs and other employers <p>Practice:</p> <ul style="list-style-type: none"> • CSOs use state incentive programs for employment: start up programs, the first chance programs, young people to 30 years old employment, professional development programs • No specific statistics for non profit sectors defined • According to SBRA data, there have been 7,304 fully employed persons in associations in 2012 	<p>Legislation:</p> <ul style="list-style-type: none"> • No changes needed <p>Practice:</p> <ul style="list-style-type: none"> • Introduce more state incentive programs for CSOs • Introduce regular statistical analysis of the non profit sector, to be comparative with other sectors throughout the world

Sub-area 2.3: Human resources

Principle: State policies and the legal environment stimulate and facilitate employment, volunteering and other engagements with CSOs

Standard 2	Indicators	Findings	Recommendations for the standard
1) There are enabling volunteering policies and laws	<p>Legislation:</p> <ol style="list-style-type: none"> 1) Legislation stimulates volunteering and incorporates best regulatory practices, while at the same time allowing for spontaneous volunteering practices. 2) There are incentives and state supported programs for the development and promotion of volunteering. 3) There are clearly defined contractual relationships and protections covering organized volunteering. <p>Practice:</p> <ol style="list-style-type: none"> 1) Incentives and programs are transparent and easily available to CSOs and the policy/strategic document/ law is fully implemented, monitored and evaluated periodically in a participatory manner. 2) Administrative procedures for organizers of volunteer activities or volunteers are not complicated and are without any unnecessary costs. 3) Volunteering can take place in any form; there are no cases of complaints of restrictions on volunteering. 	<p>Legislation:</p> <ul style="list-style-type: none"> • The Law on Volunteering is too codifying and makes it difficult for CSOs in Serbia to engage volunteers in their work; for example the law prescribes obligatory agreements between a volunteer and an organization that engages him/her • This Law regulates basic terms related to volunteering, principles of volunteering, contract on volunteering, rights and obligations of volunteers and organizers of volunteering and oversight on the application of this Law. <p>Practice:</p> <ul style="list-style-type: none"> • The Law is putting additional administrative burden to CSOs so that CSOs are trying to avoid these demands by creative implementation • On certain other points, the Law remains unclear; for example, it introduces the division into long-term, short-term and ad hoc volunteering, but without a clear distinction between them (or clear obligations that would arise from the selection of a given form of voluntary engagement) • There are indications that the Law is being misused by employers, who are using its unclear regulations to engage young, educated people as volunteers instead of employing them • Volunteer work is not recognized 	<p>Legislation:</p> <ul style="list-style-type: none"> • Amend Law on volunteering <p>Practice:</p> <ul style="list-style-type: none"> • Changes in practice will follow changes in the Law

Sub-area 2.3: Human resources

Principle: State policies and the legal environment stimulate and facilitate employment, volunteering and other engagements with CSOs

Standard 3	Indicators	Findings	Recommendations for the standard
3) The educational system promotes civic engagement	<p>Legislation:</p> <ol style="list-style-type: none"> 1) Non-formal education is promoted through policy/strategy/laws. 2) Civil society-related subjects are included in the official curriculum at all levels of the educational system. <p>Practice:</p> <ol style="list-style-type: none"> 1) The educational system includes possibilities for civic engagement in CSOs. 2) Provision of non-formal education by CSOs is recognized. 	<p>Legislation:</p> <ul style="list-style-type: none"> • Non-formal education is promoted through laws and national strategy - The Adult Education Law The Law on the Fundamentals of the Education System, Education Development Strategy in Serbia • Civic education as a compulsory optional subject is being included in the curriculum of elementary and secondary schools <p>Practice:</p> <ul style="list-style-type: none"> • Existing education institutions don't offer and provide formal education to work / involvement in the civil sector • CSOs are allowed to accredit programs of non-formal education 	<p>Legislation:</p> <ul style="list-style-type: none"> • Incorporate non-formal education in strategies and policies to be adopted next year • Civic education as a subject to become obligatory <p>Practice:</p> <ul style="list-style-type: none"> • Introduce in the educational system possibilities for civic engagement in CSOs

Area 3: Government – CSO Relationship

Sub-area 3.1: Framework and practices for cooperation

Principle: There is a strategic approach to furthering state-CSO cooperation and CSO development

Standard 1	Indicators	Findings	Recommendations for the standard
1) The State recognizes, through policies and strategies, the importance of the development of and cooperation with the sector	<p>Legislation:</p> <ol style="list-style-type: none"> 1) There are strategic documents dealing with the state-CSO relationship and civil society development. 2) The strategic document includes goals and measures as well as funding available and clear allocation of responsibilities (action plans incl. indicators). 3) The strategic document embraces measures that have been developed in consultation with and/or recommended by CSOs. <p>Practice:</p> <ol style="list-style-type: none"> 1) CSOs from different areas of interest regularly participate in all phases of the strategic document development, implementation and evaluation. 2) There are examples demonstrating that cooperation between state and CSOs and civil society development is improved and implemented according to or beyond the measures envisaged in the strategic document. 3) The implementation of the strategic document is monitored, evaluated and revised periodically. 4) State policies for cooperation between state and CSOs and civil society development are based on reliable data collected by the national statistics taking into consideration the diversity of the sector 	<p>Legislation:</p> <ul style="list-style-type: none"> • There is still no national document on rules and practices for Government-CSO cooperation, but CSOs actively participated in preparation of national legal and strategic documents (numerous laws, Poverty Reduction Strategy, Youth Strategy Local development strategies of different Serbian Municipalities). • There is lack of clear mechanisms for consultations with CSOs (that would ensure that civil society (or for that matter, citizens) are properly consulted in the process of drafting and adopting legislation or policies; however, examples of CSOs participation in certain phases exists. <p>Practice:</p> <ul style="list-style-type: none"> • Generally, CSOs are involved in phase of commenting and public debate, but not when policies are created and shaped. • SBRA prepares Report on financial data of the non profit institutions in Serbia 	<p>Legislation:</p> <ul style="list-style-type: none"> • Adopt a strategic document/National strategy • Improve statistical surveys related to CSOs <p>Practice:</p> <ul style="list-style-type: none"> • Involve CSOs in all phases of policy shaping
2) The State recognizes, through the operation of its institutions, the importance of the development of and cooperation with the sector	<p>Legislation:</p> <ol style="list-style-type: none"> 1) There is a national level institution or mechanism with a mandate to facilitate cooperation with civil society organizations (e.g., Unit/Office for cooperation; contact points in ministries; council). 2) There are binding provisions on the involvement of CSOs in the decisions taken by the competent institution or mechanism(s). <p>Practice:</p> <ol style="list-style-type: none"> 1) The national level institution or mechanism(s) has sufficient resources and mandate for facilitating CSO-government dialogue, discussing the challenges and proposing the main policies for the development of Civil Society. 2) CSOs are regularly consulted and involved in processes and decisions by the competent institution or mechanism(s). 	<p>Legislation:</p> <ul style="list-style-type: none"> • The Office for Cooperation with Civil Society was established in 2010 as national level institution with a mandate to facilitate cooperation with civil society organizations. • SECO mechanism is used to involve CSOs in the IPA programming process <p>Practice:</p> <ul style="list-style-type: none"> • Office has become fully operational, supporting the governmental institutions to understand and recognize the role of CSOs in decision making processes. At the same time, the Office successfully facilitates communication between two sectors in the process of defining and implementing legislative procedures and public policies 	<p>Legislation:</p> <ul style="list-style-type: none"> • Adopt guidelines for CSO participation in decision making <p>Practice:</p> <ul style="list-style-type: none"> • Introduce more than one mechanism (Office), to directly communicate with ministries and other bodies • CSOs should be involved in all phases of the process

Standard 1	Indicators	Findings	Recommendations for the standard
<p>3) There are standards enabling CSO involvement in decision-making, which allow for CSO input in a timely manner.</p>	<p>Legislation:</p> <ol style="list-style-type: none"> 1) There are clearly defined standards on the involvement of CSOs in the policy and decision making processes in line with best regulatory practices prescribing minimum requirements which every policy-making process needs to fulfill. 2) State policies provide for educational programs/trainings for civil servants on CSO involvement in the work of public institutions. 2) Internal regulations require specified units or officers in government, line ministries or other government agencies to coordinate, monitor and report CSO involvement in their work. <p>Practice:</p> <ol style="list-style-type: none"> 1) Public institutions routinely invite all interested CSOs to comment on policy/legal initiatives at an early stage. 2) CSOs are provided with adequate information on the content of the draft documents and details of the consultation with sufficient time to respond. 3) Written feedback on the results of consultations is made publicly available by public institutions, including reasons why some recommendations were not included. 4) The majority of civil servants in charge of drafting public policies have successfully completed the necessary educational programs/training. 5) Most of the units/officers coordinating and monitoring public consultations are functional and have sufficient capacity. 	<p>Legislation:</p> <ul style="list-style-type: none"> • Recognizing that the relations between the Government and CSOs are still fragmented without structured forms of cooperation between the two sectors, the Office has drafted Guidelines for participation of interested public in the decision making processes, which is to be adopted by the Government • General professional training programs for civil servants in the public administration and government services for 2012 and 2013 defined training on cooperation between the public administration and civil society in the design and implementation of public policy: the legislative, institutional and financial framework <p>Practice:</p> <ul style="list-style-type: none"> • The state increasingly invites civil society representatives to take part in the discussions what is often superficial and donor-driven, which is taken to demonstrate to donors that civil society is being included. • Most CSOs are consulted in the final phase of a draft law/policy shaping without sufficient information well in advance and when any changes are almost impossible. • Insufficient number of civil servants participates in trainings (25-30 per training). The bigger problem presents the profile of persons who participate in training - persons who are not directly involved in relevant operations and / or are less burdened with work tasks participate in professional development training. 	<p>Legislation:</p> <ul style="list-style-type: none"> • Adopt standards <p>Practice:</p> <ul style="list-style-type: none"> • Involve CSOs in decision making process at early stage • Build capacity of public administration to understand importance and role of CSOs

Standard 2	Indicators	Findings	Recommendations for the standard
2) All draft policies and laws are easily accessible to the public in a timely manner	<p>Legislation:</p> <ol style="list-style-type: none"> Existing legislation obliges public institutions to make all draft and adopted laws and policies public, and exceptions are clearly defined and in line with international norms and best practices. Clear mechanisms and procedures for access to public information/documents exist. There are clearly prescribed sanctions for civil servants/units for breaching the legal requirements on access to public information. <p>Practice:</p> <ol style="list-style-type: none"> Public institutions actively publish draft and adopted laws and policies, unless they are subject to legally prescribed exceptions. Public institutions answer the majority of requests for access to public information within the deadline prescribed by law, in a clear format, provide written explanations on the reasons for refusal, and highlight the right to appeal and the procedure for appealing. Cases of violations of the law are sanctioned. 	<p>Legislation:</p> <ul style="list-style-type: none"> The National Assembly's Rules of procedures defines which documents have to be published on the National Assembly website. The Government's Rules of procedures prescribes its work is public Law on Free Access to Information of Public Importance defines clear procedures for access to public information, conditions, exception and deadlines have to be met, as well as sanctions for civil servants for breaching the legal requirements on access to public information <p>Practice:</p> <ul style="list-style-type: none"> There are several website/portals publishing legal, strategic documents and public calls (e-uprava/e-government, paragrafs, etc) Annual report on the implementation of the Law on Free Access to Information of Public Importance and the Law on Protection of Personal Data contains relevant data on requests for access to public information an number/reasons of violation. 	<p>Practice:</p> <ul style="list-style-type: none"> Improve timely publishing of draft laws

Standard 3	Indicators	Findings	Recommendations for the standard
3) CSO representatives are equal partners in discussions in cross-sector bodies and are selected through clearly defined criteria and processes	<p>Legislation:</p> <ol style="list-style-type: none"> Existing legislation requires public institutions to invite CSO representatives on to different decision-making and/or advisory bodies created by public institutions. There are clear guidelines on how to ensure appropriate representation from civil society, based on transparent and predetermined criteria. <p>Practice:</p> <ol style="list-style-type: none"> Decision-making and advisory bodies on issues and policies relevant for civil society generally include CSO representatives. CSO representatives in these bodies are enabled to freely present and defend their positions, without being sanctioned CSO representatives are selected through selection processes which are considered fair and transparent. Participation in these bodies does not prevent CSOs from using alternative ways of advocacy or promoting alternative stand-points which are not in line with the position of the respective body. 	<p>Legislation:</p> <ul style="list-style-type: none"> There is no formal requirements / obligations for CSOs participation in different decision-making and/or advisory bodies created, nether clear guidelines on how to ensure it. The Government Rules of Procedure prescribes the mandatory public hearing; proponent is required to conduct a public hearing in preparation a law that significantly modify certain issues or issues of special interest to public A certain level of cooperation has also been established with the Serbian parliament and there are examples of CSOs' Access to Plenary and Committee Sessions and Parliamentary Hearings <p>Practice:</p> <ul style="list-style-type: none"> CSOs stated that the practice of consultation with CSOs has not been developed. Calls are absent; enough time isn't given to comment, calls are sent in later stages of development when they only minimal changes could be done.. Also, CSOs pointed out that feedback on the outcome of the consultation, as well as respond to comments are largely absent 	<p>Legislation:</p> <ul style="list-style-type: none"> Establish guidelines and clear criteria to ensure appropriate representation of CSOs <p>Practice:</p> <ul style="list-style-type: none"> Organize process of consultations in timely manner; feedback should be provided after CSOs submit proposals and comments

Sub-area 3.3: Collaboration in service provision

Principle: There is a supportive environment for CSO involvement in service provision

Standard 1	Indicators	Findings	Recommendations for the standard
3) CSOs are engaged in different services and compete for state contracts on an equal basis to other providers	<p>Legislation:</p> <ol style="list-style-type: none"> Existing legislation allows CSOs to provide services in various areas, such as education, healthcare, social services. CSOs have no barriers to providing services that are not defined by law (“additional” services). Existing legislation does not add additional burdensome requirements on CSOs that do not exist for other service providers. <p>Practice:</p> <ol style="list-style-type: none"> CSOs are able to obtain contracts in competition with other providers and are engaged in various services (e.g., education, health, research, and training). CSOs are included in all stages of developing and providing services (needs assessment, determining the services that best address the needs, monitoring and evaluation). When prior registration/licensing is required, the procedure for obtaining that is not overly burdensome. 	<p>Legislation:</p> <ul style="list-style-type: none"> The Law on Social Protection (March 2011) introduced CSOs as potential service providers, which is a novelty as compared to the previous Law and might significantly influence both the work and sustainability of CSOs involved in the area of social protection CSOs are allowed to provide innovative services Through adoption of number of by-laws dealing with the standardization and licensing, burdensome requirements on CSOs will be imposed The Law on Public Procurement (2012), which requires for transparent tender procedure in case of bidding for funding services from public sources, with criteria that not many CSOs can meet <p>Practice:</p> <ul style="list-style-type: none"> CSOs are not included in all phases of the development and provision of services, having in mind that only state institutions – Centers for Social Work- are authorized to estimate if there is need for social services and which for The process of obtaining a license for the social services providing is too complicated for CSOs so that very few CSOs have the opportunity to gain Public License. The favoring state institution in licensing process is noticed, also. The lack of license has the effect that the CSOs can not get funding from public funds for the services providing that will affect a large number of users of social services which will not be sustainable. 	<p>Legislation:</p> <ul style="list-style-type: none"> Amend Law on social Protection Introduce social contracting <p>Practice:</p> <ul style="list-style-type: none"> Increase capacity of CSOs to perform as service providers
2) The state has committed to funding services and the funding is predictable and available over a longer-term period	<p>Legislation:</p> <ol style="list-style-type: none"> The budget provides funding for various types of services which could be provided by CSOs, including multi-year funding. There are no legal barriers to CSOs receiving public funding for the provision of different services (either through procurement or through another contracting or grants mechanism). CSOs can sign long-term contracts for provision of services <p>Practice:</p> <ol style="list-style-type: none"> CSOs are recipients of funding for services. CSOs receive sufficient funding to cover the basic costs of the services they are contracted to provide, including proportionate institutional (overhead) costs. There are no delays in payments and the funding is flexible with the aim of providing the best quality of services. 	<p>Legislation:</p> <ul style="list-style-type: none"> Budget lines 472 - Benefits of social protection, 424 - Specialized Services, 423-Contract services from the State Budget Not multi year funding available Through adoption of number of by-laws dealing with the standardization and licensing, burdensome requirements on CSOs will be imposed The Law on Public Procurement (2012), which requires for transparent tender procedure in case of bidding for funding services from public sources, with criteria that not many CSOs can meet <p>Practice:</p> <ul style="list-style-type: none"> The main problem is that CSOs are not able to get License for providing services which entails the impossibility of being beneficiaries of public funds. Funds allocated to CSO are not sufficient; the delays and non-compliance with the deadlines by state institutions are present 	<p>Legislation:</p> <ul style="list-style-type: none"> Amend laws so that multi year funding is possible <p>Practice:</p> <ul style="list-style-type: none"> Provide sufficient funding to cover CSO basic costs , including overheads Introduce more flexibility in funding

Standard 3	Indicators	Findings	Recommendations for the standard
<p>3) The state has clearly defined procedures for contracting services which allow for transparent selection of service providers, including CSOs</p>	<p>Legislation:</p> <ol style="list-style-type: none"> 1) There is a clear and transparent procedure through which the funding for services is distributed among providers. 2) Price is not the lead criterion for selection of service providers and best value is determined by both service quality and a financial assessment of contenders. 3) There are clear guidelines on how to ensure transparency and avoid conflict of interests. 4) There is a right to appeal against competition results. <p>Practice:</p> <ol style="list-style-type: none"> 1) Many services are contracted to CSOs. 2) Competitions are considered fair and conflicts of interest are avoided. 3) State officials have sufficient capacity to organize the procedures. 	<p>Legislation:</p> <ul style="list-style-type: none"> • The Public Procurement law prescribes clear procedures and types of procedures for the funds for services distribution • According to law on Social Protection: The purchaser is obliged to provide the highest quality and most cost-effective provision of social services to be procured through the procurement • The Public Procurement law ensures transparency and regulates the conflict of interests issue <p>Practice:</p> <ul style="list-style-type: none"> • Some of the call are designed in a way to know in advance who will meet the criteria, it is often the case with calls for social services, which are favored by the Centers for social welfare/work or other state institutions with regard to OCD • Funds allocated to CSO are not sufficient; the delays and non-compliance with the deadlines by state institutions are present 	<p>Legislation:</p> <ul style="list-style-type: none"> • Introduce social contracting <p>Practice:</p> <ul style="list-style-type: none"> • Improve the fairness of competition, with conflict of interests being avoided
Standard 4	Indicators	Findings	Recommendations for the standard
<p>4) The state has clearly defined procedures for contracting services which allow for transparent selection of service providers, including CSOs</p>	<p>Legislation:</p> <ol style="list-style-type: none"> 1) There is legal possibility for monitoring both spending and the quality of service providers. 2) There are clear quality standards and monitoring procedures for services. <p>Practice:</p> <ol style="list-style-type: none"> 1) CSOs are not subject to excessive control. 2) Monitoring is performed on a regular basis according to pre-announced procedures and criteria. 3) Regular evaluation of quality and effects/impact of services provided is carried out and publicly available. 	<p>Legislation:</p> <ul style="list-style-type: none"> • That possibility is prescribed by the Law on Social Protection, as well as by Regulation on licensing CSOs social service providers and Rules on the conditions and standards for the provision of social services <p>Practice:</p> <ul style="list-style-type: none"> • Monitoring is performed during the project implementation, but evaluation of quality and effects/ impact of services provided is missed 	<p>Legislation:</p> <ul style="list-style-type: none"> • Action plan for Law implementation should be adopted <p>Practice:</p> <ul style="list-style-type: none"> • Service provision by CSOs is introduced by the new Law on Social Protection, is still in its early stage.

VI USED RESOURCES AND USEFUL LINKS

1. List of legal and strategic documents, reports and analyses used

- The Constitution of the Republic Serbia, Official Gazette No. 98/2006
- The Law on Associations Official Gazette No. 51/09
- The Law on Endowments and Foundations, Official Gazette No.88/2010
- The Law on the Procedure of Registration at Business Registers Agency, Official Gazette 99/2011
- The Antidiscrimination Law, Official Gazette No. 22/2009
- The Law on Public Assembly, Official Gazette No. 101/2005
- The Law on Free Access to Information of Public Importance, Official Gazette No. 36/2010,
- The Law on electronic communications, Official Gazette No.60/2013
- The Criminal Code, Official Gazette No.12/2012
- The Law on Amendments to the Law on the Budget System, Official Gazette No. 93/12.
- The Law on Public Assembly, Official Gazette No. 101/2005
- The Accounting Law, Official Gazette No. 62/2013,
- The Law on Volunteering, Official Gazette No. 36/2010,
- The Labour Law, Official Gazette No. 32/2013,
- The Corporate Income Tax Law, Official Gazette 47/2013,
- The Property Tax Law, Official Gazette 57/2012,
- The Value Added Tax Law, Official Gazette, 93/2012
- The Budget Law
- The Law on Prevention of Conflict of Interest in Discharge of Public Office, Official Gazette No. 43/04;
- The Public Procurement law, Official Gazette No.124/2012.
- The Law on Public Property, Official Gazette No. 88/2013,
- The Law on Local Self-Government, Official Gazette No. 129/2007,
- The Law on Local Self-Government Financing, Official Gazette No.93/2012
- The Law in Games on Chances, Official Gazette No. 88/2011, 93/2012
- The Law on Social Protection, Official Gazette No. 24/2011,
- The Law on the Fundamentals of the Education System, Official Gazette No. 55/2013
- The Law on Free Access to Information of Public Importance and the protection of personal data, Official Gazette No. 36/2010,
- The Regulation on the means of fostering or missing part of the funding for the program in the public interest implemented by associations, Official Gazette No.16/11
- The Regulation on the conditions of acquisition and disposal of real property by direct negotiation, lease things in public ownership and public bidding procedures and collection of written bids, Official Gazette No. 16/11,
- Regulation on the Office for Cooperation with Civil Society, Official Gazette, No.26/10
- The Government's Rules of Procedures, Official Gazette No. 61/2013.
- The National Assembly Rules, Official Gazette No. 21/2010,
- The Rules on the conditions and standards for the social service providing
- Regulation on licensing CSOs social service providers
- Corporate Social Responsibility Strategy
- National Youth Strategy 2009-2014
- The Education Development Strategy in Serbia to 2020
- Report "Annual consolidated report on budget expenditures provided to the associations and other civil society organizations from the budget of the Republic of Serbia in 2011 ", Office for Cooperation with Civil Society,
- Report on the Implementation of the Law on Free Access to Information of Public Importance and personal data protection for 2012

- Report on the results of the implementation of social policy in 2011/2012, Civic Initiatives, 2013
- Analysis of tax and financial laws regulating business of civil society organizations, Author: Milan Negovanovic, PhD for Office for Cooperation with Civil Society
- Report on financial data of the non profit institutions in Serbia, in 2012 , Serbian Business Registers Agency
- Serbia Needs Assessment Report for 2011 and 2012, TASCOS Project, Office in Republic of Serbia
- Publications "Assessment of the Situation in the Civil Society Organizations Sector in Serbia in 2011",
- Publication "Summary of CSO networks in Serbia", TASCOS Office Serbia, June 2012
- Comparative Analysis of the Role of Civil Society in Providing Social Welfare Services in the Western Balkans, SEC-ONS, 2013
- Individual and Corporate Philanthropy in Serbia, Practice and attitudes of citizens and company representatives, Balkan Community Initiatives Fund (BCIF), 2012

2. Useful links

- <http://www.parliament.gov.rs/national-assembly.467.html>
- <http://civilnodrustvo.gov.rs/>
- <http://www.seio.gov.rs>
- <http://www.apr.gov.rs>
- <http://suk.gov.rs/sr/pocetna/>
- <http://www.poverenik.rs/en.html>
- <http://www.ombudsman.rs/>
- <http://www.ravnopravnost.gov.rs/index.php?lang=en&pismo=eng>
- <http://www.euprava.gov.rs/>
- <http://www.paragraf.rs/>
- <http://www.gradjanske.org/page/civilSocietyDevelopment/sr/projekti/tekovine.html>
- <http://www.cdspredlaze.org.rs/>
- <http://www.anem.rs>

*Monitoring Matrix on Enabling Environment
for Civil Society Development
-Serbia Report 2013-*

This report was prepared within the “Balkan Civil Society Acquis Strengthening and Advocacy and Monitoring Potential and Capacities of CSOs” Project, which is implemented by Civic Initiatives as member of Balkan Civil Society Development Network (BCSDN). The project is financed by European Union and implemented by BCSD in partnership with European Center for Not-for-Profit Law (ECNL) from Budapest and European Network of National Civil Society Associations (ENNA) from Brussels.

Publisher:

Civic Initiatives
Nikola Pasic Square No.9, 2nd floor
11 000 Belgrade
tel: +381 11 33 98 637; +381 11 33 98 939;
+381 11 33 98 360

For publisher:

Maja Stojanović

Authors:

Dubravka Velat, Maja Stojanović,
Dejana Stevkovski, Bojana Selaković

Graphic design:

de:work

*This publication has
been produced with
the assistance of the
European Union. The
contents of this pub-
lication are the sole
responsibility of the
Civic Initiatives and
can in no way be taken
to reflect the views of
the European Union.*



BALKAN
CIVIL
SOCIETY
DEVELOPMENT
NETWORK



B | T | D The Balkan Trust
for Democracy
A PROJECT OF THE GERMAN MARSHALL FUND