



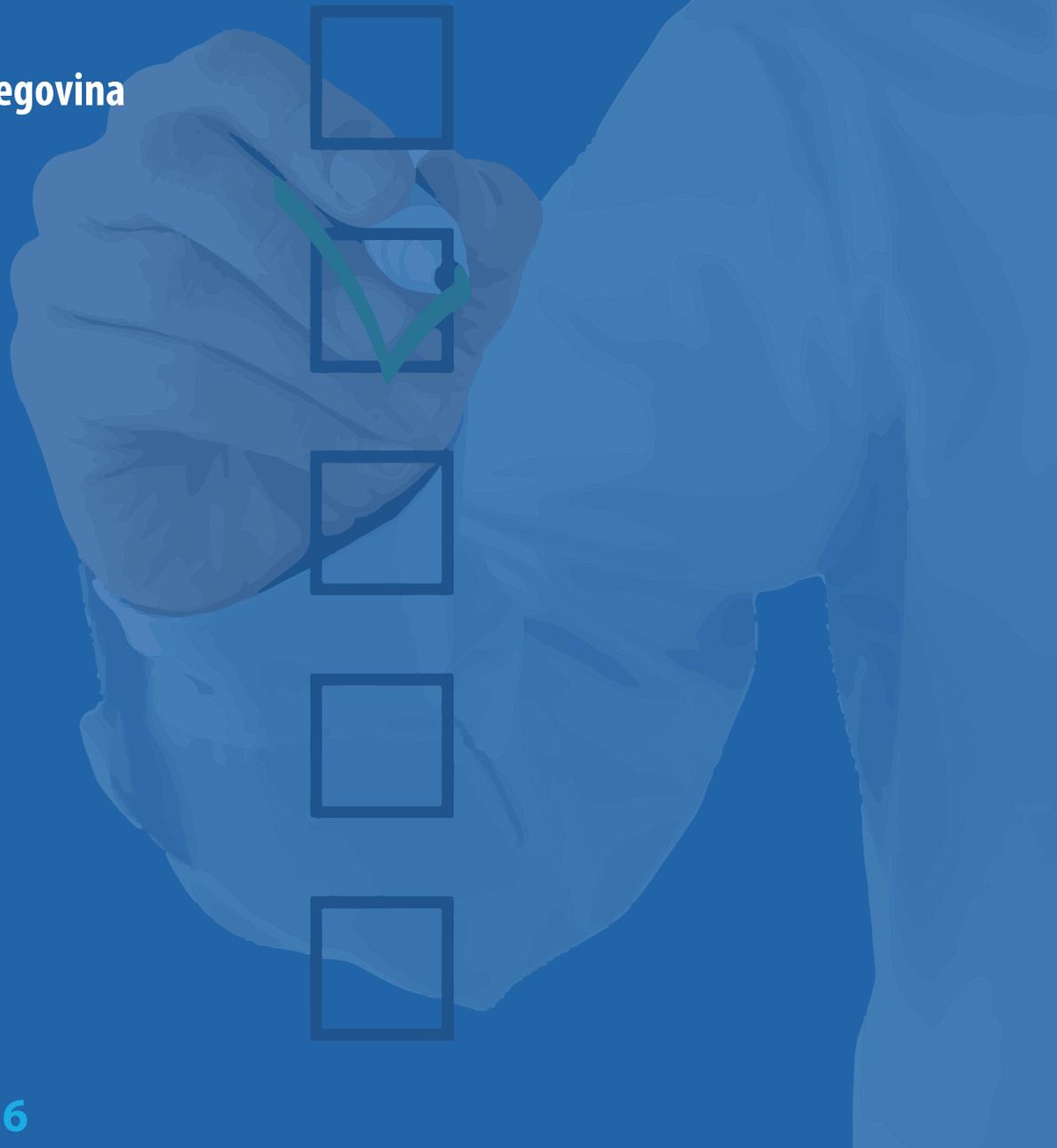
Technical Assistance for
Civil Society Organisations
Bosnia and Herzegovina
www.tacso.org

This project is funded
by the European Union



Needs Assessment Report

Bosnia nad Herzegovina



Updated 2016

This page is intentionally left blank.



Technical Assistance for
Civil Society Organisations
Bosnia and Herzegovina Office



This project is funded
by the European Union.

Bosnia and Herzegovina Needs Assessment 2015-2017

Technical Assistance to the Civil Society Organizations 2 (TACSO 2)
From the IPA Beneficiaries; EuropeAid/133642/C/SER/Multi



May 2016, Sarajevo

List of abbreviations

ACIPS	Association Alumni of the Centre for Interdisciplinary Postgraduate Studies
APIF	Intermediary Agency for IT and financial services
BAM	Bosnia and Herzegovina Convertible Mark
BD	Brcko District
BH CoM	Council of Ministers of BiH
BiH DEI	Directorate for EU Integrations BiH
BiH MoJ	BiH Ministry of Justice
CBC	Cross Border Cooperation
CBGI	Capacity Building of Government Institutions project
CBO	Community based organization
CCI	Centres for Civic Initiatives
CSO	Civil society organisation(s)
CS	Civil Society
CSF	Civil Society Facility
CSPC	Civil Society Promotion Centre
CRS	Corporate Social Responsibility
EIDHR	European Instrument for Democracy and Human Rights
GDP	Gross Domestic Product
EU	European Union
FBIH	Federation of Bosnia and Herzegovina
FIA	Finance and Informatics Agency (former AFIP)
KULT	Institute for Youth Development KULT
IPA	Instrument for Pre-Accession Assistance
IBHI	Initiative for better and human inclusion
JSRS	Justice Sector Reform Strategy
LAG	Local Advisory Group of TACSO 2 Project in BiH
LOD	Reinforcement of Local Democracy project
LSG	Local Self Governance
MBO	Membership Based Organisation
M&E	Monitoring and Evaluation
MM	Million
MP	Member of EU Parliament
MIPD	Multiannual Indicative Planning Document

NAR	Needs Assessment Report
NGO	Non-Governmental Organisation
OVI	Objectively Verifiable Indicators
P2P	People to People Program
P2P SB	P2P Single Beneficiary event
P2P MB	P2P Multi Beneficiary event
PBO	Public Benefit Organisation
PCM	Project Cycle Management
RS	Republika Srpska
SAA	Stabilization and Association Agreement
SECO	Sector Organizations Consultative mechanism
SECO ETE	Sector Organizations Consultative mechanism for Energy, Transport and Ecology
SIF in BiH	Social Inclusion Foundation in Bosnia and Herzegovina
TACSO	Technical Assistance for Civil Society Organisation
TI	Transparency International
VAT	Value Added Tax
VPI	Foreign Policy Initiative BH
USAID	United States Agency for International Development

Table of Content

List of abbreviations	2
Table of Content	4
Table of Figures	Error! Bookmark not defined.
INTRODUCTION	6
1. CIVIL SOCIETY ENVIRONMENT	8
1.1. Legal framework – an analysis of relevant law and financial regulations	8
Law on Associations and Foundations	8
Registration	9
Public Benefit Status	12
Voluntarism	14
Tax Incentives	15
Deductibility of Charitable Contributions	16
Value Added Tax	16
1.2. Donors and Funding Opportunities	17
Domestic funding	17
Donor funding	20
Available funding sources for CSOs in BiH.	22
1.3. Government mechanisms for civil society	28
State level cooperation with CSO	28
Entity Level Cooperation with CSOs	31
Municipality Level Cooperation with CSOs	31
Government (local and national) institutional capacities for engaging civil society	32
1.4. Public perceptions and support of civil society and its various segments	33
1.5. Civil Society and the Media	36
2. CSO ORGANISATIONAL CAPACITIES	39
2.1. Overview of civil society community in BiH	39
Structure of the CSO	40
Field of Operation/Activities	42
2.2. Human resources and technical skills	44

2.3.	Monitoring and Evaluation capacities of CSOs in BiH	45
2.4.	Strategic strengths of CSOs in BiH	47
2.5.	Analytical capacities	48
2.6.	Relationships with other actors – networking and partnerships	49
	CSO networks	49
	CSO – government relationships	50
	CSO – business relationships	52
2.7.	Material and financial stability and resilience	53
3.	CIVIL SOCIETY MILESTONE ACHIEVEMENTS, IMPACTS AND CHALLENGES	57
3.1.	Milestone achievements and impacts in the country	57
	Progress towards government-civil society cooperation	57
	Monitoring of government performance	58
3.2.	Shortfalls in CSO performance	59
	Programme approach to development	59
	Holding government to account	60
	Policy Dialogue	60
4.	CONCLUSION	61
4.1.	Needs assessment conclusions	61
	Civil society environment	61
	CSO organisational capacities	63
	Resource Centres	65
4.2.	Recommendations for the country specific work plan-TACSO BiH	66
	4.2.1. Civil society environment /CSO-Government relationship	66
	4.2.2. Civil society environment /People to People Programme	68
	P2P MB events	68
	P2P SB events:	69
	4.2.3. CSO organizational capacities	69
4.3.	Recommendations for the regional project work plan	70
	BIBLIOGRAPHY	72

Introduction

The aim of this analysis is to review the needs assessment conducted in Bosnia and Herzegovina (BiH) in 2014 and to update it according to TACSO 2 methodology used for Need Assessment Report (NAR). The analysis was undertaken by TACSO BH in partnership with TACSO by VESTA Resource Centre and provides insight into strengths and weaknesses of the civil society sector. It presents impacts of the civil society to date and the challenges it faces to its further development.

With the intent to contribute as much as possible to the indicators reflecting the ones in the Annex A - Monitoring and Evaluation and Proposed Results Framework of the “DG Enlargement Guidelines for EU support to civil society in enlargement countries, 2014-2020”, within the context of the civil society in BiH, data of the same type from different sources were compared and discussed in order to serve as initial baseline and to encourage further researches.

Information provided are based on the desk research of relevant documentation including the most recent studies and analysis of different aspects of the environment civil society organisations (CSOs) operate in (such as TACSO IPOSOS Civil Society Report, 2016), legislative changes, policy documents, conference reports etc.¹. In this way, all mentioned stakeholders, primarily CSOs contributed to the report through their active involvement in other country-wide processes by providing inputs, identifying the needs and presenting the statements on general overview of the state of civil society in BiH, as well as prospects for possible improvements.

All information obtained through the various sources were analysed, grouped and presented in the report.

The study provides the premise for the majority of project activities by serving as the basis of the development of the national as well as regional work plans to be implemented during the project’s duration.

In line with the project’s Terms of Reference and SIPU’s technical proposal, as well as with the previous needs assessment report prepared for period 2013-2015, the report understands civil society in the following two complementary ways:

1. All organisational structures whose members have objectives and responsibilities that are of general interest and who also act as mediators between the public authorities and citizens. This definition clearly emphasises the associational

¹ The list of studies, conference reports, analysis and research documents is presented in the [Bibliography](#) of the Report.

character of civil society, while also accentuating its representational role. Civil society would include a variety of organisational types, including NGOs, mass movements, cooperatives, professional associations, cultural and religious groups, trades unions, grassroots community groups, community based organizations (CBOs), etc.

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

The report is composed of four sections:

- **Section one** provides an analysis of the civil society environment, including the legal framework governing CSOs and their work, the current donor opportunities and other sources of civil society funding, the government mechanisms for cooperation with and support of civil society and the policy framework determining government-civil society relations and public perceptions and support for civil society and its activities.
- **Section two** gives an overview of the main features of civil society: the types of organisations represented and their key organisational characteristics, the types of activity they carry out and their main area of interest, their geographical distribution and way they are structured within overall civil society architecture. CSOs are assessed according to their technical, organisational and institutional capacities, including human resources and technical skills, strategic strengths, analytical capabilities, external relations with other actors including other CSOs, governments and the community, and material and financial stability and resilience.
- **Section three** summarises the main achievements of civil society to date, noting key milestone achievements and broader social impacts, and also identifies shortfalls in civil society performance with the intention to improve their strengths and further development.
- **Section four** sums up the most important institutional and organisational capacity needs of civil society in the country and identifies key strategic issues for the implementation of the project. By way of conclusion, recommendations are proposed for both the project's regional work plan and country-specific work plan.
- Finally, the Needs Assessment Reports serves as a broader base for cross-referencing data included in the so called 'Traffic Lights Reports' or 'Monitoring Reports of the Guidelines for EU support to civil society, 2014-2020' for 2016 progress reporting.

1. CIVIL SOCIETY ENVIRONMENT

1.1. Legal framework – an analysis of relevant laws and financial regulations

Law on Associations and Foundations

Based on the 'Capacity Building of CSO in Western Balkans and Turkey TACSO 2, Comparative report, February – April 2016' (IPSOS Survey) conducted by IPSOS Public Affairs, commissioned by TACSO, majority of CSOs are negative about the legal regulations concerning CSOs and believe that situation has worsen in comparison to previous year (57% of surveyed CSOs are negative about the legal regulation which regulates the work of CSOs, and 39% are positive; 31% of surveyed CSOs believe that the circumstances for development of CSOs have worsen in comparison to the last year, where 18% of them believe that circumstances have improved).

The Law on Associations and Foundations of BiH² regulates the establishment, registration, internal organization and cessation of work of associations and foundations, which want to be registered at the BiH level.

The BiH Ministry of Justice (BiH MoJ) is responsible for registering associations and foundations at the state level. BiH MoJ is also responsible for the registration of changes in the Register that the subjects of registration are obliged to timely report to the Ministry, on appropriate forms and with necessary documentation. Certain amendments have been adopted in late 2011 to the Law on Associations and Foundations of BiH however no significant changes have been introduced. The parliament rejected a proposal by the BiH MoJ that would have created separate legislation for foundations and associations, which are currently addressed in a single law. The Law on Changes and Supplement to the Law on Associations and Foundations of BiH was proposed by the Council of Ministers BiH in December 2015, but the law was rejected in second reading in March 2016. Proposed changes are responds to the [MONEYVAL](#)³ 2015 report and recommendations for BiH for preventing money laundry and terrorism activities, and enabling better transparency of money flow through associations. Major proposed changes in the law refer to the finance

² 'Official Gazette of BiH', No: 32/01, 42/03, 63/08 and 76/11

³ The **Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism - MONEYVAL** is a permanent monitoring body of the Council of Europe entrusted with the task of assessing compliance with the principal international standards to counter money laundering and the financing of terrorism and the effectiveness of their implementation, as well as with the task of making recommendations to national authorities in respect of necessary improvements to their systems. Through a dynamic process of mutual evaluations, peer review and regular follow-up of its reports, MONEYVAL aims to improve the capacities of national authorities to fight money laundering and the financing of terrorism more effectively.

management, precise definition of public benefits and availability of associations and foundations electronic databases⁴.

The current Law defines the associations and the foundations as below:

Associations: The Law defines an association as a not-for-profit membership organisation established by a minimum of three natural (citizens or those with residence in BiH) or legal persons (in any combination) to further a common interest or public interest.

Foundations: The Law defines a foundation as a not-for-profit organisation without members, intended to manage specific property for the public benefit or for charitable purposes. A single person or legal entity is sufficient to establish a foundation, but its governing board must consist of a minimum of three members.

Neither an association nor a foundation may support or fundraise for a political party or candidates, or engage in political electioneering.

Associations and foundations are free to carry out economic activities whose purpose is the pursuit of its defined goals. An association and a foundation may undertake economic activities which are not directly related to the achievement of its goals only by establishing a separate commercial legal entity; in such a case, the total profit from unrelated activities must not exceed one third of the organisations total annual budget, or 10,000 BAM (approx. EUR 5,000), whichever amount is higher. In addition, profit generated from unrelated economic activities can only be used for furthering the stated purpose of the organisation. There are laws on associations and foundations at the both Entities but they do not differ significantly in main provisions from the one at the State level. The laws allow registration of groups of associations within the alliances or networks.

Registration

In order to operate legally, CSOs in BiH must be registered by the relevant institutions, and in accordance to the respective laws for associations and foundations. The CSOs by themselves decide where to register on the basis of their mission and geographical preference region. A CSO can also register at both the State and the Entity level. Registration can be done on various levels of governance in BiH and all levels maintain the registry of CSOs:

- The State level, in the Ministry of Justice BiH, CSOs registered on this level mainly operate across BiH. This registry includes total of 1938 CSOs.⁵
- The registration at the Entity level is different in the case of FBiH and RS. In FBiH, the CSOs register under the Federal Ministry of Justice and operates mainly across FBiH but

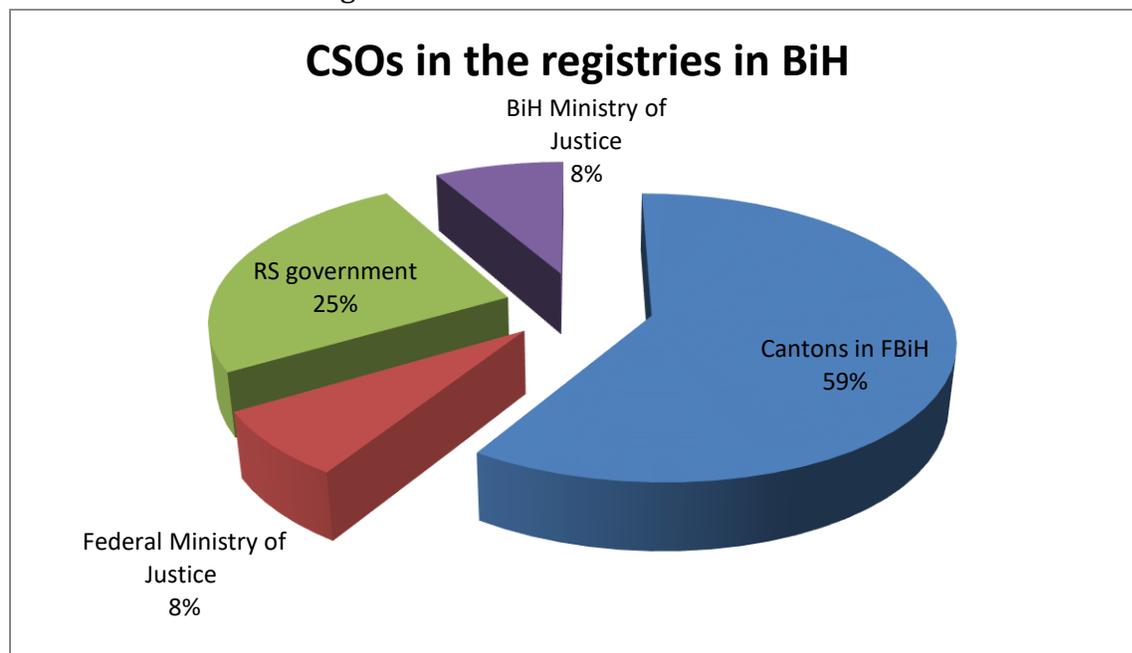
⁴ [MONEYVAL Report on Fourth assesment Visit to Bosnia and Herzegovina](#)

⁵ Last data obtained in March 2016

also on BiH level. This registry includes total of 1736 CSOs⁶. In FBiH, registration of associations can be done on the cantonal levels or the entity Ministry of Justice, while foundations can register only with the Ministry. In the RS both associations and foundations register at one of the five district courts (Banja Luka, Bijeljina, Dobo, Istočno Sarajevo and Trebinje), depending on geographical location of the organisation. The overall registry is with the Government of RS, and this registry includes total of 5898 CSOs⁷. CSOs registered in RS mainly operate in the region covered by the court they have registered with, but also across RS and across BiH.

- With the respective Cantonal Ministries of Justice, registration of CSOs who, in principle, operate locally within the municipalities or cantons. In ten (10) Cantons in FBiH total of 13.783 CSOs are in the registry.

Total number of CSOs registered in BiH is 23.355 to date⁸.



Since the Registers of the CSOs exist on all administrative levels where registration is possible, some minor overlapping is expected having in mind that some CSOs have been registered on the state, but also on the lower levels. However, out of a total number of registered CSOs, it is not possible to ascertain how many are indeed active, and this represents a challenge to any strategic deliberations regarding civil society development in BiH. The estimates can be based on statements of the officials from Una-Sana Canton regarding legislative obligations of registered CSOs, so in Una-Sana Canton 24% of

⁶ The same as above.

⁷ The same as above.

⁸ Research carried out by TACRO by VESTA RC in March 2016 includes data on ministries' WEB sites.

registered CSOs do not provide their financial reports to relevant tax authorities while in Hercegovina-Neretva Canton that number is 14,7% CSOs. In Zenica-Doboj Canton since 1996 total of 500 CSOs were removed from the registry (23%). The estimations above are personal opinions of the relevant officials in ministries in charge for registration of CSOs and no official research has been done.

The accuracy of the number of active CSOs in BiH can be confirmed by the statements of [FIA](#) (Financial IT Agency - former AFIP) in FBiH, and [APIF](#) (Intermediary Agency for IT and financial services Banja Luka) in RS. These two agencies are the only authorised agencies for receiving and approving annual financial reports which is the legal obligation for all CSOs. According to the FIA statistic report, 7704 CSOs submitted annual financial report in February 2016 in FBiH. According to the APIF and akta.ba, 4854 CSOs submitted their financial report to tax department for 2015, including organizations from Brčko District. That means over 12558 CSOs are active in BIH and that is proven by submission of financial reports to official tax departments.

It is essential to note that the registration policy allows for the wide range of organisations to be registered as CSOs, this includes but it is not limited to: sport clubs, cultural associations, syndicates, political party youth sections, religion based groups, associations of war veterans, invalids, students unions, working unions, NGO forums and networks, etc.

The registration process is still time consuming (by law up to 30 days) and burdened with many obstacles. Registration authorities have made it common practice to deny CSOs the right to use the words “centre,” “institute,” or “agency” in their names. Even though this is not directly prohibited by law, they argue that it is necessary to prevent people from confusing CSOs with government institutions.⁹ The registration tax differs – at the state level it is EUR 100, at the cantonal level (i.e. Canton Sarajevo) it is EUR 50, but for completing the process (ID and statistics number, seal, certified copies, etc.) the CSO needs to pay additional amount of about EUR 30.

The process of registration is displayed at the web site of the BiH MoJ and respective ministries at the lower levels of government. The documents on the web site describe the process of registration, requested documents, guidelines on how to fill the registration forms, taxes and contacts in the BiH MoJ for additional information. The RS Government launched an initiative for introducing a single register for the CSOs at the RS level, as part of the Agency for Intermediary, IT and Financial services (APIF) which already keeps the register of companies and farms, but this initiative is still pending.

Since the CSO registrations are done at different levels of authority in BiH and since there is no single register that would collate all the information on registered CSOs and establish

⁹ [USAID NGO Sustainability Index 2012](#),

unified procedures of registration, there are still no firm data on the overall number of CSOs operating in the country.

The earlier attempts to improve this situation have not been successful. Namely, due to the inability of the country's two entities to agree on proposed Law provisions, the BiH parliament failed to pass the draft framework Law for Joint Registry of Non-Governmental Organizations in BiH, proposed in September 2011, then in March 2013. This Law would a creation of a centralized database of CSOs in the country, as well as unified registration procedures. Another complexity of the CSOs' registration is the issue of the sport clubs, cultural associations and political parties' youth sections registered by the same law as non-governmental organisation. This law deviation disables obtaining precise number of CSOs in BiH.

The registration carries the right to receive public funding from the administration unit where the CSO is registered. The State budgets for funding CSOs are much lower than those of the entities¹⁰, so for this reason - but also because the entities officially do not recognise the state-level registration process, the CSOs will generally continue to register only within their own entity.

Public Benefit Status

The Acting Laws on Associations and Foundations at the state level as well as, entity laws, provide the opportunity for registered CSO to gain the status of a Public Benefit organisation if objectives and activities of the association go beyond the interests of membership of the association, i.e. if association or foundation is established primarily for the purpose of propagation, providing services or promotion in the areas such as: health, education, science, social protection, civil society, human rights and rights of minorities, support to the poor and socially endangered people, support to disabled persons, children and elderly persons, protection of environment, tolerance, culture, amateur sport, religious freedom and support to victims of natural disasters and other similar aims.¹¹

In theory, public benefit status qualifies an organisation for certain tax exemptions and financial incentives from the state, but these concessions are not defined in the law and in practice it is not clear how the status provides tangible benefits to the organisation.

Although there is a detailed list of documents, at the state level, that need to be submitted to acquire the public benefit status, the decision process on awarding the public

¹⁰ More about domestic funding opportunities further in the document under section [Domestic funding](#)

¹¹ http://mpr.gov.ba/organizacija_nadleznosti/uprava/registracije/udruzenja/osnivanje/Default.aspx?id=1936

benefit/interest status to association or foundation lacks transparency At the state level, only three organisations out of over 1,200 registered, have been awarded the status of public benefit.

At all administrative levels, confirming public benefit status for a CSO is not carried out according to clear criteria and transparent procedures. The RS government has been determined to introduce clear criteria and improve transparency in awarding the public benefit status over the last few years. Certain decisions and principles have been adopted in that regard, so by February 2016 total of 29 organisations are awarded as the public benefit organisation, and those will share annually 500.000 EUR from the entity budget¹².

Initially, organisations were awarded the public benefit status for a three-year period, during which there will be no awards of this status to any new organisations. Subsequently, the RS Government decided to extend the status for additional two years. This was done with wish to introduce system solutions in the process of acquiring and losing the public benefit status, and ensure time to carry out all the analyses necessary for establishing detailed criteria for the process, making it even more transparent.

In addition to the entity level, municipalities and cities in RS also award public benefit status to the organisations, and these organisations are financed through respected municipal budget lines. For example, the Municipality of Bijeljina in 2015 awarded total of 19 organisations with public benefit status: five organisations under the fund for war veterans, 11 organisations under allocation for civil society sector and three organizations under fund allocated for invalid sport clubs. Also, in 2014 municipality of Jablanica, Federation of BiH, awarded 16 organisations with public benefit status.

The room for improvement exists, in terms of procedures for awarding the public benefit status, financial support that accompanies the status, transparency in the procedure, as well as requirements set forth for CSOs that hold the public benefit status at all administrative levels.

In addition to the CSOs of public benefit status, the Red Cross organisations have special status as organisation with the public benefit, and those are registered under the laws on associations and foundations in BiH. The special status is determined by the Red Cross laws: State law¹³, Federal law¹⁴ and RS law¹⁵.

¹² <http://www.atvbl.com/srpska-dobila-novih-osam-udruzenja-od-javnog-interesa/>

¹³ Official Gazette BiH no. 49/04

¹⁴ Official Gazette FBiH 28/06

¹⁵ Official Gazette RS 18/94, 110/03

Voluntarism

There is no legal framework defining the respective rights and responsibilities of volunteer and volunteer-involving organisations at the state level. The draft State Law prepared in 2009 with the expert assistance and consultations from the relevant CSOs has still not been adopted. The main reason for this lies in the lack of political will from entity(s) to adopt laws and strategies at the state level for areas, that are considered to be under entity' jurisdiction according to the BiH Constitution. Since the jurisdiction over volunteerism is not clearly prescribed, there is still no political will for this law to be adopted.

Progress has been made at the FBiH level, where the Law on Voluntarism was adopted in late 2012.¹⁶ Volunteers from the Federation of BiH have been provided with the legal solution according to which volunteering undertaken in their professional fields will be recognised as work experience. This Law is drawing from the best EU practices, the latest recommendations on volunteering and upon developing interdependence between the needs and traditions of volunteerism and volunteer activities in FBiH. At the beginning of 2013 accompanying by-laws have been adopted¹⁷. The implementation of the law is monitored by CSO KULT Sarajevo, and since adoption, the law is partially implemented. The key obstacles are related to the volunteers' contracts and ignorance of using the volunteer's booklet.

In the RS, the Law on Volunteering entered into force in late October 2013, after many years of CSO lobbying. The Law regulates the principles of volunteering and describes the rights and obligations of both volunteers and host organizations.¹⁸ This Law also provides framework for creation and adoption of the Strategy, which is currently being drafted. In accordance with recommendations of the Council of Europe, the Law does not recognize and does not support volunteering as primary tool for solving of unemployment problem, as it can lead to exploitation of volunteers as free labour. The new Law also defines unique volunteer's Identification Document for all volunteers; so at least, any volunteer work can be evaluated and officially recorded. In practise, the law implementation has the same obstacles as in FBiH - volunteers do not sign the contract and do not insist on signing the

¹⁶ Official Gazette FBiH no 110/12

¹⁷ These by-laws include: Rulebook on format and process of issuing a volunteer's booklet, Rulebook on the process of accrediting organisers of volunteering efforts, Rulebook on obligations of the organisers of volunteering efforts, contents and method of submitting the reports, Rulebook on volunteering compensation in FBiH ("Official Gazette FBiH", no. 39/13).

¹⁸ The RS National Assembly adopted Law on Volunteering in the RS at its 30th session held on 25 October 2013. The Law on Volunteering in RS was published in the Official Gazette of RS: 89/13

practise volunteer's booklet. The solution is offered by CSOs that manage voluntary services, such the OKC Banja Luka is, who completely organise volunteers works¹⁹.

The term "volunteer work" is also defined by the Law on Labour in Republika Srpska as non-financial compensated internship and way of gaining of professional skills and knowledge, needed for licensing the profession by relevant institutions.²⁰ The concept of voluntary work is often misinterpreted as working probation period. Employers who engage personnel for probation period often misuse the opportunity to hire the potential employee and fire those after two to three months of non-paid work in a profit or public company.

The legislative framework is not simulative towards promotion of volunteering. According to the IPSOS survey only 16% of the surveyed CSOs find the legal solutions stimulating for volunteering, and 74% of them find legal solution mainly not stimulating.

The CSOs need to pay taxes for volunteers and voluntary work in Republika Srpska, and volunteering is not recognized as the working experience in RS. The legislation disables tax-free reimbursement of travel expenses of volunteers. Each payment, including travel expenses or cash includes VAT 17%. The legislation disables tax-free per diems to volunteers. Volunteers cannot get per diem in cash, so they sign the voluntary contract where paying taxes is obligatory.

There are neither accurate data on the number of volunteers nor data on the number of voluntary hours implemented in CSO.

The estimate on volunteering in BiH, according to the ISPSO survey can be summarised in a following was: the majority of surveyed CSOs stated that they have engaged volunteers during 2015 (79%). Comparing it with the last year pace of volunteers' engagement, 40% of surveyed CSOs stated that they have engaged the same number of volunteers during 2015 as during 2014, 37% engaged more than 2014, and 23% less than in 2014.

Having in mind that only 7% of general population stated to have been engaged in volunteering during 2015, it can be observed that culture of volunteering in BiH is rather underdeveloped, or not promoted sufficiently.

Tax Incentives

CSOs are exempt from paying tax on donations, grants, membership fees and also any income from economic activities directly related to the achievement of the organisations' goals. For all other economic activities, CSOs are treated the same as any profit

¹⁹ http://www.okcbl.org/old/publikacije/pdf/volontiranjeuzakonu_web.pdf

²⁰ For more on this see: <http://www.okcbl.org/grep.php?tid=600&lng=sr>

accumulating enterprise. All revenues from the activities related to the organisation's goals, are liable to tax on profits. The staff salaries and personnel contract arrangement for CSOs also are not exempt from taxes. The tax incentives related to the projects implemented within the Instrument for Pre-Accession Assistance (IPA) are specified in the „Guidelines on VAT Exemption Procedures for EU Funded Projects in the IPA Countries“ - published in January 2016, these guidelines are also available on TACSO webpage²¹.

Deductibility of Charitable Contributions

Since the development of the last Needs Assessment Report (2013-2015), no changes have been made in standard policy in BiH. There are still discrepancies in concessions available for charitable contributions in the two entities, with the Law on Income in the RS offering individuals and businesses considerably more encouragement to support charitable and non-profit organisations, including CSOs. In FBiH, charitable donations from both individuals and businesses may be deducted against tax up to a limit of only 0.5% of individual earnings and corporate profit. In the case of the RS, the limit is raised to 2% of earnings and profit. The CSOs complain that these concessions are too low to stimulate a culture of giving in BiH, and also that, as far as individual giving is concerned, as the scheme is only available to individuals who submit annual tax returns (in effect the self-employed), it is far too restricted in scope to generate significant revenues for CSOs.

Value Added Tax

The CSOs are exempt from charging VAT (payable at the standard rate of 17%) on goods and services directly related to the achievement of their statutory objectives, which they offer to their members as a means of paying membership, so long as the exemption does not cause unfair advantage within the wider market. In effect, this allows the CSOs to provide its core services free of VAT to the general public. The CSOs pay VAT on goods and services they themselves receive. The threshold for registering for VAT is an annual turnover of over EUR 25,000. As the majority of the CSOs have revenues lower than this amount, they are not in the VAT system and are therefore not able to claim VAT refunds.

The CSOs that implement projects financed by international funding sources can be exempt of paying VAT on the basis of agreement between the Government of BiH and international donors (i.e. US government, USAID, EU²²).

²¹ <http://www.tacso.org/documents/reports/?id=12993>

²² Official Gazete BiH" – Međunarodni ugovori (International contracts), no. 5/08

1.2. Donors and Funding Opportunities

Domestic funding

CSOs find their funding sources among international and local donors. In terms of domestic institutions, financial support is provided by all levels of authorities, municipal, cantonal (in FBiH), entity and state level. This support has always been significant considering that funds allocated to CSOs have always amounted to some 0.5 - 0.6% of country GDP, in line with trends in other countries in the region. Besides government funding, in the group of local donors also includes foundations, public companies, private funding and religion institutions. The domestic financial support needs to be considered as direct support (for financing projects or initiatives) and co-financing (participation in finance shared projects - mainly international projects).

The amount of public funds allocated to CSOs and the funds available to domestic institutions vary depending on the administrative level in question. The municipalities have always been the biggest donors, while the state level has the most limited funds for financial support to CSOs. Municipalities and cities in BiH on annual basis publish calls for proposals for CSOs, offering support in the range of, usually, between EUR 500 to EUR 12.500²³. In some instances and special cases, municipalities support CSOs through reserve budget funds up to EUR 500. Cantonal ministries offer support to the specific groups of CSOs, such as disabled persons, war veterans²⁴, etc.

The total financial support for CSOs provided by the Social Inclusion Foundation in BiH (SIF in BiH) in four rounds of funding 2010/2011, 2011/2012, 2012/2013 and 2013/2014 amounts to EUR 1.656.783, out of which EUR 1.047.429 are the funds of the SIF in BiH, while EUR 609.353 are the funds of public institutions²⁵. The case of SIF shows the smooth continuity of funding dynamics in BiH.

Looking at the overall amount allocated for CSOs support from all levels of authority, it is noticeable that the amount has been decreasing over the last couple of years.²⁶ This can be explained by economic crisis and bad financial framework in BiH, imposing great cuts on the institutions. These cuts have had an impact on funds planned for CSO support. In

²³ Example: City of Sarajevo Municipality of Novo Sarajevo published the call for CSOs on December 3, 2015 for project implementation „The network of centers for active aging Municipality of Sarajevo“ worth EUR 20.000 to EUR 30.000.

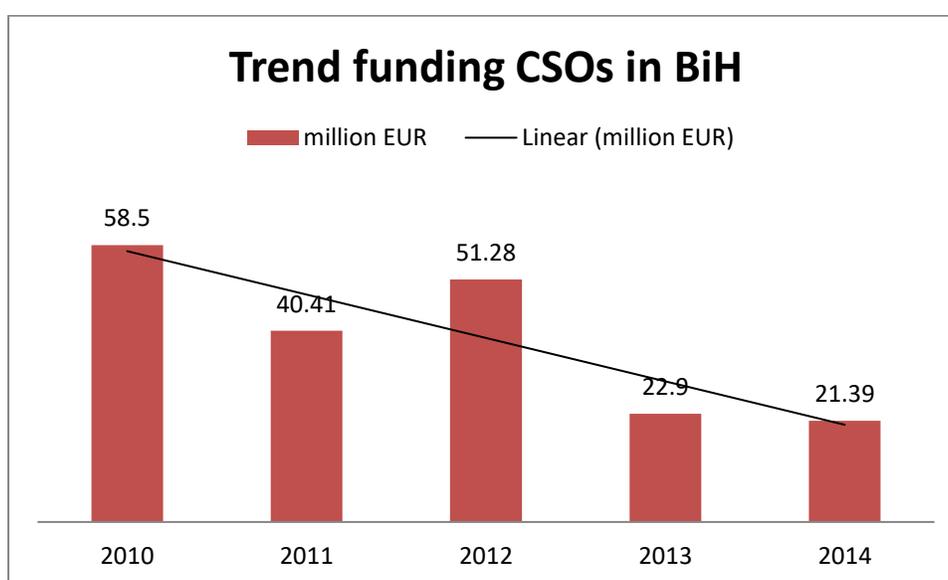
²⁴ Example: Canton Sarajevo, Ministry of Veterans' affairs, published in January 2016 the call for proposal for CSOs related to war affairs, maximum EUR 7.700.

²⁵ SIF, Krug / Circle, authors Ranka NINKOVIĆ-PAPIĆ, Tatjana SLIJEPCHEVIĆ, Sarajevo 2014.

²⁶ Research: "Halfway There: Government Allocations for the Non-governmental Sector in Bosnia and Herzegovina in 2010" (Sarajevo: SIF in BiH and CSPC, February 2011, p. 12, shows that governments have allocated as much as 3,955,197.70 BAM less in 2010 in comparison to 2008 allocations

addition, due to natural disaster in May 2014 some of the local funds for CSOs were redirected to the rehabilitation of floods and land slide impacted areas.

The financial support of public institutions to non-governmental organisations in BiH in 2011 has confirmed the trend of decreased funding for CSOs from domestic institutions budgets in the TACSO research too²⁷. The trends are based on submitted responses to the questionnaires, and show that EUR 18 million less was allocated to CSOs in 2011 than in 2010.²⁸ In addition, the TACSO research on funding allocation for CSOs from public funds and budget in 2013 and 2014 in BiH²⁹ has confirmed the trend of decreased funding for CSOs from domestic institutions budgets. According to these researches, the biggest donors from the public sector from 2010 to 2014 were municipalities followed by the cantons.



Research on public funds transparency distribution³⁰ shows distribution of grants on all levels of government and proves that major funding comes from municipal and cantonal levels.

Government	2013, million EUR	2014, million EUR
Council of Ministers BiH	1,72	1,73

²⁷ Research available at: http://tacso.org/doc/Financial-Support_BiH_2011.pdf

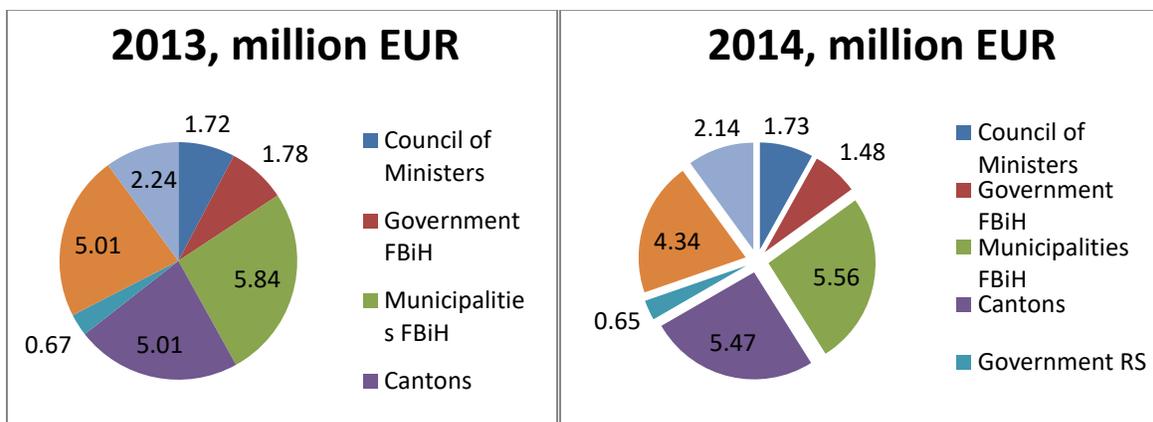
²⁸ Difference in the methodology used in these two researches is that in 2010 institutions were requested to provide data on funds planned for CSOs, while for 2011 research they were asked to provide data on funds allocated to CSOs. However, regardless of the difference in methodology, such discrepancy in the figures for two consecutive years is sufficiently strong indicator of the current trends. In 2010 institutions allocated 58,5 million EUR and in 2011 40,41 million EUR.

²⁹ Research on funding allocation for CSOs from public funds and budget in 2013 and 2014 in BiH

³⁰ TACSO Research on funding allocation for CSOs from public funds and budget in 2013 and 2014 in BiH, done in 2016

Government FBiH	1,78	1,48
Municipalities FBiH	5,84	5,56
Cantons FBiH	5,01	5,47
Government RS	0,67	0,65
Municipalities RS	5,01	4,34
Brčko District	2,24	2,14

Data obtained through TACSO BH Research on Public Funds Allocation, 2016



Comparative data for 2013- 2014

In terms of the procedures for allocation of public funds, which determines the level of transparency of the process, the findings in the report published by SIF in BiH and Civil Society Promotion Center (CSPC) for 2012, show that “exactly one half of the total amount at the state level is allocated through public calls and the other half through public and other procedures, in all other administration levels all three types of fund allocations are present, with a different type of allocation dominating in every level”. On the other hand, governments on entity level have reserved exclusive funding for certain CSOs (i.e. IDA project in FBiH, Association of Consumers, national associations of war veterans and invalids) and in many cases these organisations receive grants by default.

The UNDP LOD project in BiH, funded by the European Union, plays a significant role in improving the development of the public fund distribution process, focusing among other things on setting up more transparent procedures for funding of CSO and municipal budgets.³¹ LOD methodology is fully acceptable by decision makers in local communities. Majors, whose municipalities implement LOD projects, emphasize a number of benefits of LOD methodology, including the proposed concept of funding CSOs operations concept³².

³¹ More on LOD project:

http://www.ba.undp.org/content/bosnia_and_herzegovina/bs/home/operations/projects/poverty_reduction/reinforcement-of-local-democracy-iv--lod-iv-.html

³² LOD IV Newsletter

Formal decision on adoption of LOD methodology is registered in 36 municipalities in BiH. TACSO research and survey indicates that 39,1% public institutions have rules and regulations for grant distributions for CSOs and foundation, while 60,9% institutions have no specific rules for grant distributions³³. According to MM Country Reports 2014³⁴, clear and transparent funding procedure in BiH is assessed as “moderate” in the terms of legal framework and practice, while the system of accountability, monitoring and evaluation is assessed as “poor”.

As the common feature at all levels of authority in BiH, remains the fact that they very rarely make a link between public call for project proposals and criteria in their priority areas for implementation of strategic documents of their institutions. Thus the authorities fail to identify CSO partners to be involved in strategic and deliberated approach to allocation of funds and support for CSOs.

Donor funding

The trend of withdrawal of bilateral donors from BiH and the region in general, recorded over the past several years, has continued. A number of donors have reduced their bilateral assistance for BiH and redirected it through assistance provided by the European Union (EU). Even reserved funds for CSOs initiatives were re-directed towards relief for the citizens suffered by flood and land sliding in 2014.

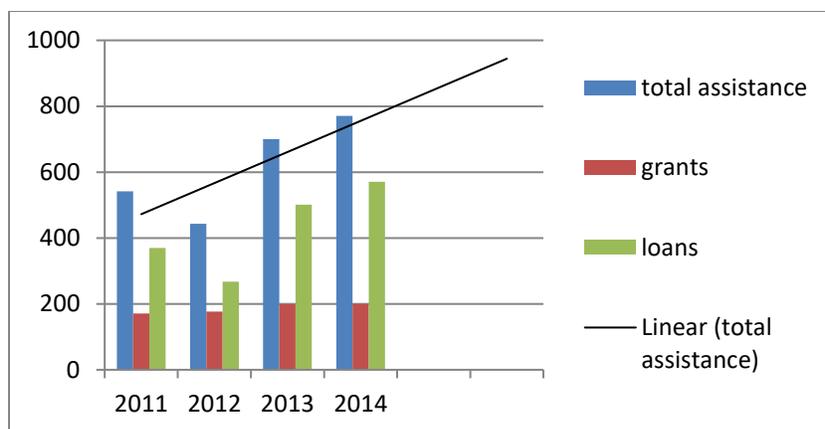
The reports on donor assistance, published by the BiH Ministry of Finance for 2011-2012, 2013 and 2014 show permanent increment of funds for development since 2011³⁵.

Year	Total assistance EUR million	Grants EUR million	Loans EUR million
2011	541,36	171,26	370,10
2012* (by 31.7.12)	443,68	176,31	267,37
2013	699,83	198,85	500,98
2014	770,60	199,63	570,97

³³ Research on funding allocation for CSOs from public funds and budget in 2013 and 2014 in BiH

³⁴ Transparent Allocation of Public Funds EU good practices and models, conference, Jahorina 30-31 March 2016, *Eszter Hartay*, MM Country reports 2014.

³⁵ Donor Monitoring Report 2011-2012, 2013, 2014 BiH Ministry of Finance, available in local language(s) at: http://www.mft.gov.ba/bos/index.php?option=com_content&view=article&id=398&Itemid=165



Assistance is provided by Croatia, Czech Republic, France, Germany, Hungary, Italy (IC), Japan (JICA), Holland, Norway, Slovenia, Sweden, Swiss, UK (FCO), USA (USA/USAID), European Bank for Reconstruction and Development (EBRD), European Union (EU), European Investment Bank (EIB), Fond UNICEF, United Nation Development Programme (UNDP), World Bank (WB), International Financial Corporation in BiH (IFC).

According to the BiH Ministry of Finance, which is responsible for coordinating foreign aid, allocations of foreign aid to civil society amounted to 2.34 million EUR or 6.8 % in 2011, and 3.10 million EUR or 9.6 % in 2012 of total funds for good governance and institutional building sectors.³⁶ In 2013 and 2014 BiH Ministry of Finance changed the reporting format and excluded straight forward information related to the foreign aid to civil society. There are no available financial indicators for 2013, only statements related to the cooperation levels. In this context it is expected that certain funding is allocated to the CSOs, since a number of CSOs, as project partners were listed in the report. In 2014 the same concept is applied as in 2013, and only USAID Civil Society Sustainability Project (CSSP) was specified, within public reform sector, worth EUR 8.28 million.

The donors that have supported the civil society sector in 2013 and 2014 are almost the same as in previous years: EU, Czech Republic, Italy, Norway, Germany, the Netherlands, Swiss (SDC), Sweden, USA/USAID and Hungary, World Bank, UNDP, UK, Austria (ADC), and UNICEF.

The reports on coordination of foreign aid show that the donors are increasingly incorporating civil society and human rights - related issues into other projects. In addition to this, civil society often benefits from internationally funded projects in all sectors that are the subject to donor assistance.

³⁶ Donor Monitoring Report 2011-2012, 2013, 2014 BiH Ministry of Finance, available in local language(s) at: http://www.mft.gov.ba/bos/index.php?option=com_content&view=article&id=398&Itemid=165

Available funding sources for CSOs in BiH

EU IPA and other funds

Bosnia and Herzegovina signed the Stabilisation and Association Agreement (SAA) with the EU in 2008. Although SAA has still not entered into force, the country took upon itself the obligation to implement certain institutional and economic reforms on the path to the EU. In all strategic documents, EU underlines the importance of strengthening democratic institutions and ensuring inclusive democratic processes that support these institutions and reinforce core democratic principles and common EU values. An empowered civil society is recognized as a crucial component of any democratic system. In particular, civil society plays an important role in terms of the EU association process and bringing it closer to BiH citizens, disseminating relevant information and advocating for necessary economic and institutional changes.

The EU focus on civil society development in Bosnia and Herzegovina is on:

- Improvement of transparency in funding CSOs from public budgets.
- Improvement of cooperation between municipal governments and CSOs.
- Improvement of cooperation among CSOs.
- Establishment of institutional mechanisms for cooperation with civil society in the authorities of the state, entities, and Brčko District (BD).
- Regional cooperation among CSOs.³⁷

The EU support for civil society is mostly directed through IPA programme and EIDHR. So far significant funds have been allocated to support the civil society, in particular to develop capacities of the civil society to engage in civil dialogue, reinforce local democracy and strengthen civil society organisations to fight corruption and protect the environment.

The key potential finance source for BiH relies on the Instrument for pre-accession assistance (IPA II) - Indicative Strategy Paper where the priorities are set out for EU financial assistance for the period 2014 - 2017 to support Bosnia and Herzegovina on its path to EU accession, adopted on December 15, 2014. IPA II for 2014-2020 is an opportunity to ensure an even closer link between the enlargement strategy and the priorities for assistance. IPA II introduces some important innovations, notably the focus on defining long-term policies and strategies in a limited number of priority sectors, which will be aligned with the needs and capacities of each country. DG Enlargement's approach

³⁷ <http://europa.ba/Default.aspx?id=33&lang=EN>, EC, INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020 BOSNIA AND HERZEGOVINA, Civil Society Facility Programme 2014-2015

to civil society in enlargement countries for the period 2014 – 2020 focuses on supporting the development of an environment that is conducive to civil society activities and building the capacity of CSOs to be effective and accountable independent actors in the country. The management of IPA programmes will be further streamlined, mainly through fewer and larger projects.³⁸

Current EU funding opportunities include:

EIDHR (European Instrument for Democracy and Human Rights)

The Regulation (EU) No 235/2014 establishes a European Instrument for the promotion and the support of Democracy and Human Rights (EIDHR) for the period 2014-2020. The programme is the continuity of EIDHR Strategies 2007-2013, focused on supporting civil society and human rights defenders in third countries (BiH) in working on human rights in the political, civil, economic, social and cultural sector, and democratisation. Indicative budget for BiH in 2015 is one million EUR, for 2016 EUR 850.000 and for 2017 EUR 900.000³⁹. The call for proposals for EIDHR was published in March 2016.

IPA II assistance

CSF (Civil Society Facility) within the IPA II assistance was established in 2008, to support the development of civil society financially. It includes both national and multi-beneficiary initiatives, which are programmed in a coordinated manner to achieve shared outcomes. Earlier phases of CSF ended in 2013 and the new phase is launched for the period 2014-2015. The CSF encourages sector based networking and cooperation among CSOs in areas of journalism and human rights concerning the right to a free access to information, freedom of expression, protection against violence and pressure; education, entrepreneurship, environment, focusing on youth and gender as cross cutting issues. In addition, this assistance will also increase domestic CSO capacities to ensure transparent and fair election monitoring, and improve capacities of CSOs to combat corruption, improve social dialogue, and support social partners. The assistance will also be provided to Governments to capacitate them for more effective inclusion in the decision-making. Total project cost for 2014 is EUR 2.33 million and for 2015 total EUR 2.64 million.

IPA 2007-2013 projects include: - Reinforcement of local democracy (LOD, total four phases) implemented by the UNDP (EUR 7 million - LOD 1: 1.5 mil + LOD 2: 1.5 mil + LOD3: 2 mil + LOD 4: 2 mil.) - Capacity Building of Government Institutions project (CBGI project) - Capacity building of civil society to take part in policy dialogue (EUR 1.2 M) plus supply 250.000 EUR. - Grant scheme to support CSOs to combat corruption (EUR 1,5 M) - Support

³⁸ Communication from the Commission to the European Parliament and the Council: Enlargement Strategy and Main Challenges 2013-2014, available at:

http://ec.europa.eu/enlargement/pdf/key_documents/2013/package/strategy_paper_2013_en.pdfhttp://ec.europa.eu/enlargement/pdf/key_documents/2013/package/strategy_paper_2013_en.pdf

³⁹ Multiannual Action Programmes 2015, 2016 and 2017 for the EIDHR.

to issue based CSO networks (EUR 2 M) - Capacity building of governments to take part in a policy dialogue with civil society (EUR 1 M) - Civil Society Facility 2011-2012 (EUR 6.5 M).

LOD IV (Reinforcement of Local Democracy IV), after the successful completion of the first three cycles – LOD I (2009-2011), LOD II (2011-2012) and LOD III (2012-2014). LOD project is currently in its fourth phase and will end in May 31, 2016. It was designed to strengthen inclusiveness, participation and transparency in municipal funding, to emphasise the importance of the role of civil society in local communities and to create long-lasting partnerships between local governments and CSOs. It creates the conditions for competitive project-based approaches to funding disbursement, motivating CSOs to professionalise and become better service providers, acting in accordance with local development strategies. The project works with local governments in order to enable them to select the most relevant projects for their community in the most transparent manner. Phase IV is characterised by the strong support to the communities in BiH effected by natural disasters - flood in May 2014. Some of the results achieved after the four phases of the project are:

- Tangibly continued and strengthened co-operation between CSOs and local administrations in all 50 partner municipalities;
- Institutionalized LOD methodology and monitoring mechanisms on a local level through formal Decision on adoption of LOD methodology in 36 LSGs
- Municipalities and CSOs collaborate and execute joint projects. Successful implementation of 280 CSO projects co-financed by local authorities;
- Increased independence and efficiency of local authorities by way of recently established and trained project monitoring teams;
- Indispensable experience in better project proposal writing and creation of logical matrices on the part of the self-governing units and CSOs;⁴⁰

CBGI (Capacity Building of Government Institutions) project is a two-year EU IPA 2011 funded project that started in December 2012 with the main aim to build capacities of government institutions at state, entity and BD level to take part in civil dialogue. The project worth EUR 969,200 is being implemented in close cooperation with the Ministry of Justice BiH⁴¹. One of the key results of the project is the web platform for online consultations as minimal standard for public consultation (eKonsultacije). The consultations would enable all citizens to be aware of regulations to be adopted and to engage their participation in policy making.

⁴⁰http://www.ba.undp.org/content/bosnia_and_herzegovina/en/home/operations/projects/poverty_reduction/reinforcement-of-local-democracy-iv--lod-iv-/ and Report on

http://www.tacso.org/doc/P2P_TransparentAllocation_PublicFunds_BiH_Final.pdf related to the Conference "Transparent allocation of public funds – EU good practices and Models", March 2016.

⁴¹ Ministry of justice BiH, Report on the implementation of rules of consultations in legislative drafting in the institutions of Bosnia and Herzegovina, Sarajevo, March 2014.

Cross Border Cooperation is the IPA II project where BiH currently participates in six programmes within the framework of the IPA Component II Cross Border Cooperation: three bilateral Cross-Border Cooperation (CBC) Programmes with its immediate neighbours Croatia, Montenegro and Serbia, a CBC programme with EU Member States (IPA Adriatic CBC Programme) and two Transnational Programmes (South East Europe and Mediterranean).⁴² IPA cross border cooperation combines cohesion and external relation objectives taking into account the specific individual needs of the countries in the border regions. The priorities for IPA CBC support are the following:

- supporting cross-border economic, social and territorial cooperation in border areas and therefore encouraging socio-economic development of bordering regions;
- addressing common challenges in fields such as environment, natural and cultural heritage, public health, prevention of and fight against organised crime;
- ensuring efficient and secure borders;
- promoting joint small scale local actions (“people-to-people”);
- supporting networks, accessibility and emergency preparedness.

In terms of participation in the EU Programmes, BiH participates as a full member in the Seventh Framework Programme for research, technological development and demonstration activities (FP7) and in the COST, the EUREKA and the HORIZON 2020 networks. The country became an associate member of the Culture 2007-2013 programme and joined the Europe for Citizens Programme. A single contact point is instrumental for enhanced participation by citizens across the country in the Culture and Europe for Citizens programmes.⁴³

Other EU instruments open for BiH (TAIEX, P2P, LAF, IFS)

- i. TAIEX (Technical Assistance and Information Exchange Instrument) shares Member State administrations’ technical expertise in all fields of EU legislation and regulation (the so-called EU ‘acquis’) with beneficiaries in BiH.
- ii. TACSO 2 project, focused on providing support both at national and multi-beneficiary levels and consists of two strands, which together aim to strengthen civil society’s role in the democratic process:
 - Technical Assistance (TACSO) to civic and capacity-building initiatives to enforce the role of civil society;
 - a People 2 People Programme (P2P), that is part of TACSO 2, supporting visits to EU institutions and bodies to exchange experience, know-how and good practices between beneficiaries, EU and Member States civil society organisations (CSOs) and

⁴² <http://europa.ba/Default.aspx?id=35&lang=EN>

⁴³ Ibid

- iii. Partnership Actions carried out between beneficiary and EU CSOs, leading to a transfer of know-how and the realisation of innovative trans-national projects.
- iv. LAF (Local Administration Facility) is a programme under the TAIEX instrument managed by the Directorate-General Enlargement of the European Commission. This programme aims at:
 - strengthening the institutional capacity of regional and local authorities with a view to further aligning it with EU requirements,
 - awareness-raising and exchanging experience and best practices amongst each other and with Member States' municipalities,
 - analysing the functioning of the EU institutions and the role of local and regional authorities in the implementation of the EU acquis.
- v. IfS (Instrument for Stability) is the programme focus on a wide range of issues, such as support to mediation, confidence building, interim administrations, strengthening Rule of Law, transitional Justice or the role of natural resources in conflict. Under the IfS, these activities can be supported in situations of crisis or emerging crisis, when timely financial help cannot be provided from other EU sources.

Other supports to CSOs

USAID

CSSP (The Civil Society Sustainability Project) addresses the lack of civic engagement in policy development, implementation and oversight, with a broader goal of increasing government accountability. The project assists civil society in BiH to more effectively engage with government and other key stakeholders over the long-term by teaching them new skills to operate more professionally and help them join forces and focus on areas of comparative advantage. This project will assist selected 10-12 CSOs to:

- partner with a wide array of stakeholders from business, government, media sectors;
- strengthen their internal capacities and organizational structures to ensure sustainability and financial viability; and
- Increase engagement in policy development and government monitoring and oversight of key structural, political, social and economic reforms essential for EU integration.

This project will continue to monitor the work of elected officials and regularly inform the public on government efficiency. It will also advocate for more enabling legal and fiscal environment for civil society, on issues such as individual and corporate philanthropy,

social entrepreneurship, CSO self-regulation mechanisms, and relations between CSOs and government. Implementing Partners are Centres for Civic Initiatives (CCI) and CSPC. This 5 years project started in September 2013 with total funding of EUR 8.28 million.⁴⁴

ACCOUNT (Anti-Corruption Civic Organizations' Unified Network) Project will establish systematic and sustainable approaches to successfully combat corruption in BiH in the long term. It will work to augment existing anti-corruption initiatives to create more coordinated, comprehensive and publicly recognized civic anti-corruption campaigns through the accomplishment of three objectives:

- Encourage NGOs to form larger and more inclusive movements by establishing an umbrella network of NGOs and other relevant stakeholders;
- Develop, adopt and enforce existing and new anti-corruption legislation and policies; and
- Create widely known and safe avenues for reporting on corruption, while using all available means of public outreach to raise awareness at the grassroots level.

Three phases project is being implemented by partners Centre for Media Development and Analysis (CRMA) and InfoHouse. The project phases are: ACCOUNT I (2012-2015), ACCOUNT II (2014-2015 - special agreement carried out parallel to ACCOUNT I) and current phase ACCOUNT III (June 2015- July 2019).

Engaging Civil Society in Constitutional Reform works with civil society leaders, grassroots activists, non-governmental organizations (NGOs), and key stakeholders to help them develop a citizen-driven movement for BiH constitutional reform that will effectively engage government officials. Under this program, implemented by the Public International Law & Policy Group (PILPG), civil society leaders from all political and social groups will coordinate among themselves to develop proposals for constitutional reform based on common interests. They will engage the BiH government to enact reforms that address ethnic division and promote stability in the country. More specifically, this activity builds the capacity of civil society to:

- Coordinate with other civil society groups on the constitutional reform process;
- Develop proposals for constitutional reform based on common interests; and
- Engage the state government on issues pertaining to constitutional reform.

Project is running from 2011-mid 2014, total value of the project is 1 million \$ and implementing partner is Public International Law and Policy Group (PILPG).

⁴⁴ For more on the project see: <http://www.usaid.gov/news-information/fact-sheets/fact-sheet-civil-society-sustainability-project-bosnia-and-herzegovina>

Sweden/SIDA

SIDA continues to support BiH CSOs through its programmes in strengthening human rights and democracy, civil society development and democratic participation through their partners in BiH, Olaf Palme Center and My Right. Certain number of funds is allocated to protection of right for persons with disabilities. The list of projects funded by SIDA is available on <http://cso.sida.se/?aspxerrorpath=/english>.

Norwegian Embassy

Norwegian Embassy in Sarajevo supports CSO through two funds: Strengthening civil society fund and the Embassy fund.⁴⁵ Strengthening civil society fund on annual basis supports civil society in BiH in order to strengthen the capacity of civil society organisations in BiH in their role as civil watchdogs, conducting advocacy and monitoring political and public institutions' priorities, performance and reforms, hereby contributing to social and political development in BiH. Priority areas for the embassy are: Justice Sector Reform, Reconciliation and democratization, Anti-corruption, transparency and accountability, Independent media and freedom of speech, Human rights for marginalized groups, such as ethnic, gender and/or any other minority, Gender equality, Economic development, and Clean energy and climate adaptation. Minimum grant value is EUR 62.000 for maximum 12 months period. The second program is the Embassy fund. The fund support is granted on an annual basis, for project duration period not be more than 12 months and of a value not exceeding EUR 50,000. The priority areas are the same as for the fund "Strengthening civil society fund".

Czech, German and Slovenian embassies in BiH support CSOs with limited funds up to EUR 5,000 on annual basis. Support is for short term concrete actions and initiatives in local communities. These funds are suitable for grass root and less developed organisations.

1.3. Government mechanisms for civil society

State level cooperation with CSO

In the reporting period, the cooperation was not significantly improved at any of the levels of authority in BiH, including the state level. Majority of surveyed CSOs (IPSOS survey) are familiar with structures and mechanisms for cooperation between CSOs and government

⁴⁵ For more on this fund see: <http://www.norveska.ba/Embassy/>

but they believe that structures and mechanisms have no use (59%). Majority of surveyed CSOs (67%) find bad quality of mechanisms for cooperation between CSOs and government, bad representation of CSOs (57%), especially bad representation of smaller CSOs (72% CSOs believe it is bad). Only 27% of CSOs believe that availability and visibility of the cooperation structures is good.

When it comes to mechanisms for dialogue majority of CSOs find them unclear (48%), not opened (52%), not accessible (48%) and inefficient (65%).

In general, in relation to comments provided during consultation processes related to government decision making process, majority of surveyed CSOs (55%) believe that the comments were somewhat taken into consideration, and same percent of CSOs who participated find that there was some feedback, and some consultancy results were published by the public administration bodies. Only 5% of CSOs find that all of their inputs during consultation process have been considered, and 17% of CSOs stated that public administration provided detailed enough feedback, and consultancy results were easily available to all parties.

The Agreement on Cooperation between the Council of Ministers of BH (BH CoM) and the Non-Governmental Sector in Bosnia and Herzegovina signed in 2007⁴⁶ has not been implemented. Institutional mechanisms foreseen in the Agreement, such as the BiH's Office for cooperation with CSOs, have not been established.

Engagement of citizens in the decision-making processes at the state level in BiH is regulated by the Council of Ministers Rules on Consultation in Legislative Drafting (Rules on Consultation)⁴⁷. The Rules on Consultation provide a legislative framework, but are still not being implemented in full. Although the last in-depth analysis which attempted to identify reasons for failure to carry out consultation process was done in 2010, some of the general observations recorded since that time, have noted that authorities have still not recognised the need to engage citizens into the decision making processes or are not aware of the benefits that could follow from that process. On the other hand, due to the lack of trust that their input and comments will be considered at all, citizens have not demonstrated sufficient interest or got engaged into decision-making processes.

However, BiH CoM has taken some concrete steps aimed at improving the consultations process and bringing it closer to the citizens. Thus, a web portal for public consultations at the level of BiH CoM is under construction for two years and in February 2016 is still in a test phase. This concept of public consultations will extent facilitates citizens' access to

⁴⁶ Agreement available at:

http://civilnodrustvo.ba/files/docs/Agreement_on_cooperation.pdf?phpMyAdmin=4dbc505c79a6t34771d80r81d7&phpMyAdmin=687c50a0fa0ct42d51eb1r81d7

⁴⁷ Council of Ministers Rules on Consultation in Legislative Drafting available at:

http://mpr.gov.ba/web_dokumenti/BiH_Regulations_Consultations_LegislativeDrafting_2006%5B1%5D.pdf

information regarding legislation, which is subject to the public consultations process. In addition, changes to the Rules on Consultation are underway as part of the EU funded CBGI project, aiming to develop capacities of the government institutions for civil dialogue.⁴⁸

In addition, BiH MoJ can serve as an example of good practice, with the different types of cooperation it has developed with CSOs and its openness for similar operations in future. Among other things, BiH MoJ signed the Memorandum of Understanding with five CSOs, which allowed engagement of these CSOs in monitoring the implementation of Justice Sector Reform Strategy (JSRS) for the period 2008–2012 in BiH. The CSOs also presented their reports at the BiH's Justice Ministers Conferences. Together with several other CSOs, these five CSOs also took part in early stages of drafting updated JSRS for 2014-2018. The Initiative for the "Monitoring of the European Union Integration of Bosnia And Herzegovina" in its report⁴⁹ states recommendation: "Establish the Office for Cooperation with Civil Society within the Council of ministers" emphasising the need for effective cooperation between civil sector and government institutions".

When it comes to developing mechanism for engaging in structured dialogue with governmental institutions, it is important to mention development of SECO mechanism (Sector Organizations Consultative mechanism). Namely, SECO mechanisms are a unique approach to state authorities in trying to develop a structured dialogue with civil society in specific sectors and use its information, know-how, ideas, etc. to the advantage of IPA programming.⁵⁰ The Council of Ministers of BIH adopted the Rules of Consultations in Legislative Drafting on September 7, 2006⁵¹ but these rules do need to be enhanced additionally to be applicable for participation in consultation processes of IPA II programming and monitoring. Building on experience from the region especially from Serbia, TACSO BiH has organised conference in December 2012 and a [training workshop](#) in June 2013 and the report is available on the TACSO web site.⁵²

One of the results is establishment of the SECO ETE BiH that will further develop education programs for CSOs, coordinate and implement future activities. Based on the dynamics and phases of opening the process of consultation for participation of CS related to IPA II programming, TACSO BIH aims to continue supporting SECO mechanisms development, and to assist in ensuring financial sustainability through IPA II, in cooperation with other donors in the country and to support activities on educating CSOs in country on EU enlargement processes and IPA programming.

⁴⁸ For more on CBGI project see: http://cbgi.ba/index.php?option=com_content&view=article&id=1&Itemid=102

⁴⁹ Initiative for the monitoring of the European Union integration of Bosnia and Herzegovina, 2014 Alternative progress report: political criteria, <http://eu-monitoring.ba/>

⁵⁰ 'Capacity building of civil society organizations in Serbia in the areas of regional networking, cooperation and advocating on the EU level', Balkan Civil Society Network, Workshop report, Belgrade, February 2012

⁵¹ „Official Gazette of BiH“, no. 81/06

⁵² http://www.tacso.org/doc/ReportWorkshop_SECO_ETE_FINAL_16012015_ENG.pdf

Entity Level Cooperation with CSOs

Despite certain initiatives to have the agreements on cooperation with non-governmental organisations signed at the entity and Brčko District (BD) level, so far this did not happen. The cooperation does exist, however it is frequently only formal and not substantial. The cooperation between the authorities and the CSOs at the level of FBiH remains quite limited. There are no legislative or institutional mechanisms in place regulating cooperation with civil society. All initiatives related to appointment of civil society coordinator, as well as establishment of the legislative framework for engagement of citizens in decision-making processes, have still not yielded any results due to weak functioning of FBiH Government. However, despite the fact that the FBiH still has no legal framework that would standardize the consultation process there are some examples of good practice when it comes to different types of cooperation between government institutions and CSOs in this entity. Another obstacle for cooperation development on FBiH level is limited authority for certain sectors. For example, the FBiH Government is responsible for health sector, so the Federal Ministry of Health cooperates with the CSOs engaged in the health related issues⁵³.

In spring 2013, the FBiH Parliament created a CSOs register in order to consult them when a legal act is drafted. The registry is operational.⁵⁴

In the RS, the legislative framework for engagement of citizens in decision-making process has been set up in form of *Guidelines for action of Republic bodies of management on participation of public and consultation in drafting laws* and to a certain extent it is being implemented.⁵⁵ Still, these guidelines need further amendments in order to ensure efficient consultations with the public. EU funded CBGI project is providing technical support in this process to RS authorities. In addition to that, CBGI project is aiming to harmonise legal framework for including citizens in decision-making processes at all administrative levels. Government of RS does not have developed a database of CSOs that would be involved in consultation process in drafting or producing legal framework documents, or use the data for other purposes.

Municipality Level Cooperation with CSOs

Cooperation of government institutions with CSOs at the municipal level is not different in any major way to that exercised at other levels of authority. The agreements on

⁵³ Vučin Iskra, Research Existing mechanisms and legal framework for CSO participation in health sector (in local language), Sarajevo 2013.

⁵⁴ http://www.parlamentfbih.gov.ba/NVO/public_html/

⁵⁵ RS Official Gazette, 123 year XVII

cooperation with non-governmental organisations have been signed by some municipalities. The analyses have indicated that these agreements are viewed by the participating parties as relating primarily to the system of regulating the distribution of public funds to CSOs⁵⁶

However, despite these agreements being signed, the MIPD document rightly states that the civil society organisations are excluded from the decision-making processes, although cooperation agreements with civil society organisations exist at the state and in the municipalities, while the funding mechanisms are not transparent.⁵⁷ In the last three to four years these agreements are rarely used as referral document for partnership development between authorities and CSOs, and cooperation is developed on case by case basis.

Government (local and national) institutional capacities for engaging civil society

Capacities of the government institutions for engagement with the civil society vary to significant extent. Common feature for all levels of authority and all institutions in BiH is that a lot of work remains to be done in order to raise awareness among representatives of government institutions regarding benefits of cooperation with civil society and the need to do so. There are still a lot of prejudices among the government representatives about CSOs and their work, especially in less developed communities. In addition, CSOs are not adequately recognised as real partners, but some improvements are noted in the public institutions where servants passed education process and gained experience in learning benefits of cooperation with the CSOs. All declarative efforts of government institutions to engage citizens and develop participative democracy have not been matched by practical government efforts. In reality, citizens have almost no influence on the decision-making processes⁵⁸ but have influence in strategy and policy paper development (ecology, children's right, minority rights, social sector).

Within the government sector generally at all levels in BiH there is no clear understanding of the importance of participatory democracy and civil society's role in facilitating it. Accordingly, there is a huge space for the CSOs to fulfil the social policy area with their initiatives and activities and make it open for public debate. In addition, the CSOs could serve as a link between the government institutions and citizens, and even business sector. This would be particularly useful in the public consultations process, since the CSOs have

⁵⁶ Zeravčić, G. (2008) Analysis of Institutional Cooperation between Governmental and Non- governmental Sectors in BiH; Sarajevo: Kronauer Consulting, available at <<http://www.kronauer-consulting.com/download/analiza-en.pdf>>

⁵⁷ Multi-annual Indicative Planning Document MIPD 2011-2013 for Bosnia and Herzegovina, available at: http://ec.europa.eu/enlargement/pdf/mipd_bih_2011_2013_en.pdf

⁵⁸ Report on citizen participation in decision making process in BiH, CCI, 2012, available in local version at: <http://www.cci.ba/pubs/1/21/1.html>

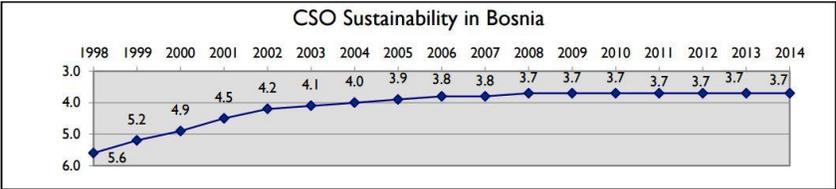
direct access to local communities and understand the problems and needs of citizens. In this way, the CSOs would have a unique opportunity to contribute with their input and analyses to the creation of better policies that are in line with the needs of all beneficiaries. For this reason, it is essential for government representatives to recognise the benefits of participative democracy and cooperation with the CSO, to follow strictly established criteria where applicable, as well as to continue working to improve their capacities for civil dialogue.

The need for further strengthening of participative democracy and government institutions capacities for civil dialogue has been recognised by the EU as well, which provided funding for projects focused on this area at all levels of authority.⁵⁹

1.4.Public perceptions and support of civil society and its various segments

Although USAID NGO Sustainability Index 2014 for BiH⁶⁰ shows stability since 2008, when the public image of civil society organizations declined slightly. The public perception of CSOs ultimately is not positive one and is underpinned by prejudice. Thus some members of the public deem that civil society acts to advance interests of different political parties, that it is not independent and that it advocates certain lines of thinking of some political elites.

USAID NGO Sustainability Index 2014 for BiH



More recent data, from IPSOS survey shows that citizens moderately trust in the civil society organisations (37%) and in CSOs commitment to problem solving (39%).

Only one third of citizens is positive about how well informed they are about the activities of the CSOs in BiH, 65% of citizens are poorly informed about the activities of the CSOs in BiH. Main source of information on CSOs for citizens are media, 79% of citizens use media as a main source of information about CSOs and their activities, and 23% use social media. Finally, only 20% of citizens are positive about role of CSOs in cooperation with governments and 60% of them are negative about it.

⁵⁹ CBGI project and LOD project

⁶⁰ USAID NGO Sustainability Index 2014, available at: https://www.usaid.gov/sites/default/files/documents/1863/EuropeEurasia_FY2014_CSOSI_Report.pdf

Having in mind aforementioned data, there is still a perception among many citizens that CSOs do not work on solving problems in certain areas, and that the citizens learn from media the most about the work of the CSOs. It can be concluded that the reason for such poor to moderate trust in CSOs can be due to media reporting about the work of CSOs, but also due to lack of knowledge of citizens about the purpose of CSOs. Such an understanding of both, the government and general public, places obstacles to including all civil society actors in the policy and development processes in the country. In addition, major part of responsibility for moderate trust in CSOs is also related to the CSOs capabilities —to effectively communicate with public and CSOs' constituencies about their work.

The concepts of the civil society and the civil society organisations are not generally clear to the majority of BiH citizens; civil society is generally reduced to non-governmental organisations, while religious organisations, unions, chambers, etc. are not recognised as civil society actors. The inability of CSOs to get organised as a sector, to publicise a unity of purpose and inform people of the role of civil society is a contributory factor to civil society's low public recognition in BiH.

There is still an insufficient number of organisations which organise the Assembly meetings regularly (at least once a year). Ministries in FBiH responsible for CSO registry in some cases (for example in Una-Sana Canton) warn CSOs that will be erased from the registry of CSOs unless the CSO organises annual Assembly meetings and obey other obligations deriving from the Law. The failure of organisations to enable governance structures to meet, gain insight and make decisions on important issues, achievements and strategic directions that an organisation desires to take are directly reciprocal to the level of transparency and accountability of organisations towards their own beneficiaries, members and public. In many cases, the lack of such governance mechanisms is due to a lack of knowledge and understanding of some organisations on the purpose of such bodies and their role in the work of a CSO.

Another important factor that contributes to the low trust of citizens in civil society is the fact that CSOs do not practice conducting independent financial audits of their work. Though, majority of surveyed CSOs (IPSOS Survey) said they make their financial reports available to the public (79%) and that make their financial statements that are audited also available to the public (62%), when asked about the situation in sector, surveyed CSOs were somewhat pessimistic stating that they believe that only 21% of all organisations make their financial reports publicly available, and only 18% of the organisation make audited financial statements available to the public. The research carried by The HTSPE & Kronauer Consulting Study showed that only 18% of organisations undertake financial

audits of associations/projects and less than 5% publicized their yearly accounts.⁶¹ One of the reasons for low number of organisation that undertake auditing is the high cost of auditing (in average EUR 5000), so less developed CSOs cannot afford this expense. Developed CSOs usually envisage costs for auditing in their project proposal budget, and in such way reserve funds for this purpose. Another reason could be discretion of CSOs to present publicly the financial inflow in their organisations. The survey done by TACSO BiH on Annual Financial reporting of CSOs in 2011, conducted with aim to contribute to the promotion and strengthening of the transparency and good management in work of CSOs, shown that 8% of contacted CSOs were willing to participate in the research and (on voluntary basis) publicize their yearly accounts. Taking into account aforementioned, it can be concluded that in order to improve trust of citizens in CSOs, CSOs need to work on enhancing their own transparency and financial discipline.

When looking at the CSOs as one of the driving forces in informing citizens on EU integration process, it is interesting to observe the perception of the citizens in that aspect of CSO work as well, which is a permanent increasing trend since 2011.

As part of the project “Monitoring of the BiH European Integration Process”, Foreign Policy Initiative (VPI) BiH conducted public opinion research on the topic of the perception of the EU integration process in Bosnia and Herzegovina and its implications on social relations in the West Balkans. Some of the segments of this study contain the citizens' perception of the activities of non-governmental organizations in the country, and NGOs' activities were overall rated in 2011 as 2,3 out of 4 and in 2012 as 3 out of 4 indicating slight raise of public opinion on EU Integration process 2009-2012.

The attitudes on EU integration and regional cooperation tested in 2014⁶² show that among the people from BiH there are 71% of those who have enough information about developments in region and who find that they receive enough information. One of the information sources are CSOs who actively promote EU integration processes important for BiH. In addition to the survey result, Directorate for European Integration of the BiH proposed the training system for European integration⁶³, and CSOs will take an active role in providing training program in the respected sector.

The research carried out by Srđan Puhalo and Stefan Vukojević in 2015 shows that Serbs, who are majority in RS, do not trust the CSOs and foreign donors, while Bosnians in FBiH participate in CSOs activities and positively comment the foreign donors in BiH. The same

⁶¹ HTSPE ltd UK & Kronauer Consulting: Civil Society, 2009.

⁶² Regional Cooperation Council Secretariat (RCC), BALKAN BAROMETER 2015: Public Opinion Survey, Sarajevo 2015.

⁶³ Directorate for European Integration of the Bosnia and Herzegovina, Establishment Of The Training System In The Field Of European Integration Sarajevo, 2015.

research indicates that every third citizen in BiH builds opinion of the non-governmental organisations on the basis of activities, while every tenth citizen build opinion on the basis of CSO's leader behaviour and sources of funding CSOs⁶⁴.

Having in mind all what was mentioned above the reason of such public perception of civil society may be found in three factors:

First, CSOs struggle to secure long-term funding and the constant pressure to ensure funds for activities disconnects the CSOs from their beneficiaries and members in order to comply with donor requirements and interests. **Second** – and directly linked to the first factor is the general lack of clarity of the management and governance structures within organisations, which affects the level of accountability of organisations to their stakeholders and beneficiaries. **Third**, CSOs are pressed with project frameworks, results to be achieved and a strict selection of target groups which affects their ability and availability to maintain active dialogue with different stakeholders and base their work on participatory project cycle management and active inclusion of members.

Finally, the public image of CSOs depends also on the ability of an organization to present itself to the public. Larger organizations have more capacities, popularity and knowledge to present themselves to citizens and to the media. But in general, CSOs do not do enough to promote their work or even use social media or internet networks as a free tool to share information about their work and gather support. In most CSOs no one is assigned to handle the communication planning. In some cases it is given as a “pet project” to a junior staff member or to a volunteer. This set up leaves the communication planning process in a place where it often loses momentum and institutional knowledge. Another problem that most CSOs face when they consider developing a communication plan is lack of experience in this specific area and ability to present their work in non-project language, i.e. in language understandable to all.

1.5.Civil Society and the Media

Relationship between CSOs and media in BiH is especially complex and constitutes a real challenge, in view of the state of development of the both actors. In BiH, relations of these two sectors are marked by prevalent prejudice and based on lack of trust and knowledge. The Missing Link: “CSO – Media Relations Report⁶⁵ clearly indicates that there are huge problems in the internal functioning of both sides; CSOs’ representatives are aware that

⁶⁴ Srđan Puhalo i Stefan Vukojević, Kako građani Bosne i Hercegovine opažaju nevladin sektor?, Sarajevo 20

⁶⁵The Missing Link-CSO relations, TACSO 2012, available at: http://tacso.org/doc/doc_missing_link.pdf

they do not have the knowledge or capacities to deal with the media in a proper way. And with less obvious self-criticism on the media's side, there is a confession that the media do not approach CSOs always in the most professional manner. For example, a media representative from BiH recognised that, due to time constraints and other circumstances, CSOs' events/actions are sometimes covered by junior journalists, who lack the knowledge and sensibility for CSOs' work.

Furthermore, the Missing Link Report stated that media do not enjoy great trust by the CSOs who openly question their independency. General conclusion of the CSOs is that there is not enough investigative journalism and that media are under political control, publicising only information that favour the political parties with their backing. CSO believe that media assisted the creation of stereotypes towards CSOs, which affects a wide spectrum of their work, from visibility to reputation.⁶⁶

On the other side, the media perception of CSOs is also full of prejudices and stereotypes, and this is the reason why steps towards better cooperation are not made. Media say that CSOs are unable to present information as news, but use project terminology, which ordinary citizens do not understand. Although media deem that CSOs have a role to play in reconciliation and creating a more democratic society in general, they find that CSOs are not fulfilling that role adequately.

In general, the CSOs do not promote their work enough. Media coverage of CSOs' work is fairly positive in bigger towns, where media outlets are usually located. Larger CSOs have better public relations skills, and therefore their work receives more media coverage. Only a few CSOs employ public relations professionals to promote their media presence.

Few CSOs established non-profit community radio stations and use that opportunity to raise awareness on certain issues in local communities⁶⁷. Others have launched their own web TV channels to inform the public about various problems facing BiH society and the work of CSOs. For example, CCI's "Initiative TV" allocates a certain portion of its air time to local and regional CSOs and TV stations⁶⁸.

The civil society activities in thematic areas, which are not high on policy agendas (such as confidence and peace building, children, youth, women's rights, social services, minorities, etc.) do not enjoy as much media attention or critical approach of media to their work. In

⁶⁶ Ibid

⁶⁷ Vesta (Vesta Radio – Tuzla), OKC (Radio Balkan- Banja Luka), Radio Otvorena mreža –Sarajevo, Radio Aktiv – Zenica, Radio Marija - Sarajevo/Banja Luka

⁶⁸ <http://inicijativa.tv/>

the cases if CSOs approach to media and request coverage, media very often do and broadcast report.

Finally, the report concludes that the main obstacles for communication and increasing mutual visibility are the lack of a systematic approach to the “other” group.

In the other report having focus on capacity of civil society for effective media relations⁶⁹ there are three main recommendations for strategic approach of CSO-media relations: building capacities of civil society communication professionals in knowledge, skills and competences, building capacities of civil society professionals in awareness raising and advocacy with special reference to media relations and exchanging effective communication and enhancing collaboration and partnership with media.

According to the concluding remarks of the report „Capacity building should focus on a number of skills and competencies needed in that function and apply a holistic, integrated approach and critical thinking principles. CSO communicators need to know everything that business communicators know but an additional developmental and sustainability perspective needs to be integrated in capacity building in order to ensure their positioning towards media and other stakeholders in line with the mandate and mission of civil society organisation“⁷⁰

⁶⁹ Building Capacities of Civil Society Organizations for Effective Media Relations, Majda Tafra Vlahović, 2013 Report available at: http://www.tacso.org/doc/Input_for_Strategy_Paper_NEW1.pdf

⁷⁰ Ibid., p.19.

2. CSO ORGANISATIONAL CAPACITIES

2.1. Overview of civil society community in BiH

Having in mind that capacity is a broad umbrella concept encompassing a range of approaches starting from the readiness and motivation to building of capacity and measuring of impact/change process made based on the competences of individuals, groups/teams, organizations and systems of organizations (CSO/CSO networks, coalitions, initiatives, platforms) who were involved in capacity building activities, show that multiplication and dissemination of the knowledge/skills gained is a crucial for reaching a sustainable/desirable/projected change regardless of the context (organizational or/and institutional-in a part of society defined by the environment which is subject of coordinated capacity building efforts undertaken by CSO/CSO networks/coalitions/initiatives/platforms and capacity building providers).

CSO organizational capacity depends heavily on financial status. Larger CSOs with stable and larger funding have more employees and potential for greater organizational capacities to implement their activities, while smaller CSOs find it difficult to compete for funding. Some project applications are even too complicated for small organizations and those cannot be competitive on the „market“ of call for project proposals.

Feedback received from the CSOs/CSOS networks/initiatives during NA updating period and clustered based on the similar issues and topics indicate that lack of analytical thinking and strategic planning, monitoring and evaluation of projects open a space for improvement; cooperation with media are as well weak points. In addition to that, engaging in policy dialogue with governmental institutions and participating in decision making process needs to be further developed and improved.

Networks in BiH also lack rotating leadership skills, evidence based decision-making processes are poor, conflict of interest is often present, internal monitoring system for measuring progress of activities and presenting it to the public is needed, fundraising skills are not sufficient and moderation and facilitation skills still need to be enhanced. CSOs generally don't invest enough efforts in constituency building and accountability (involvement of Managing Boards, Assemblies, and other bodies into strategic planning, decision making or partnerships development). This all shows that additional efforts need to be done in Training of Trainers approach to design capacity building activities on topics important to CSOs/CSOs networks/initiatives/coalitions/platforms as well as supporting tailor made capacity building trainings for CSOs and CSO networks.

Since there is still a lot of room for additional capacity building activities, which should address the new trends in terms of approach, concepts, knowledge, skills in order to contribute to the application of acquired competences.

Structure of the CSO

Comparing to the findings in the previous NAR, the structure of CSOs in BiH was not changed. Earlier surveys⁷¹ indicate that civil society activity is reasonably well distributed across the country, with, estimated, over half of all registered CSOs (51.1 %) operating from smaller towns in more-or-less rural municipalities. Only a small number, less than one out of six CSOs, work in the capital, Sarajevo (15.9%), and a further 25 % are located in the larger towns (Banja Luka, Mostar and Tuzla). As it might be expected, CSOs operating only in rural parts, away from areas of significant population density are few in number (7.7 %). based on the IPSOS survey, 77% of surveyed CSOs stated that they have full-time employees, and 24% of them stated that they have part-time employees. On average, surveyed CSOs have 2.6 employees.

When it comes to general CSO classification, it can be done according to two broad categories: Mutual or member benefit organisations (MBOs) which are established to work exclusively in the interests of their members, and so-called public benefit organisations (PBOs); that is, those associations whose purpose is to act in the general public interest. So, as stated in previous Needs Assessment, MBOs comprise a large majority (71.8 %) of all the CSOs in BiH and cover a wide range of activities and organisational types, such as sports, hobbies and other recreational interests, culture, veterans' associations, refugee returnees, and women's and youth clubs, etc. Typically, MBOs are small, semi-voluntary organisations, with, at most, a handful of part-time paid employees, providing services or opportunities for participation in activities to their members. Over 85 % of CSOs have less than 10 staff members and/or under 100 members.

Furthermore, the Assessment Report on advocacy capacity of membership based CSOs⁷² shows that the MBOs area of interest is insufficiently defined. They lack clear focus and are not very much familiar with the concept of advocacy. Majority of MBOs do not specify advocacy component in their missions and statutes, so they have no intention to explore the advocacy processes and their capacity to initiate and perform advocacy campaign is rather poor. Even the term advocacy is not clear to them and most of the time concept of advocacy

⁷¹ HTSPE&Kronauer Consulting, Civil Society, 2009.

⁷² Assessment Report on advocacy capacity of membership based CSOs, TACSO BiH, 2012, available at http://tacso.org/doc/ba_ar_advocacy_capacity_en.pdf

is partly understood. Rare are those MBOs that understand what advocacy activities imply, even if MBOs participate in advocacy activities within brother forums.

MBOs permanently struggle ensuring financial sustainability and raising funds, so this is an addition reason for being excluded from active campaign initiatives.

CSOs which are oriented towards the interests of the general public (PBOs) are in most cases devoted to providing specialist forms of non-institutionalised service delivery, such as:

- social protection (children, vulnerable women and victims of domestic violence, unemployed, etc.),
- psycho-social assistance or education and assistance to assist citizens generally or specific social groups participate more fully in society (“empowerment”), and
- assistance in advocating human rights protection or watchdog actions related to political participation, environment protection, media relations or economy development.

These organisations comprise fewer than 30 % of all CSOs in BiH. In general they are professionally developed organisations, oriented towards international donors in order to promote rights-based agenda, in place of an emphasis on specific needs or interests. Many of these CSOs have been established by international NGOs as instruments for project delivery, or later as means of leaving something behind when facilitating their exit. While these CSOs are administered and managed along more-or-less professional lines, they have little or no membership base and often poorly functioning governing boards; decision-making powers are very often concentrated in one or two key staff members upon whom the organisation is over-dependent for leadership, technical skills and the ability to attract adequate project funding.

The larger and very capable and profiled PBOs are usually located in the country’s urban centres and are well-developed, sophisticated, fully professional CSOs. Totalling from possibly as few as 50 or 60 organisations up to around 200 (HTSPE / Kronauer 2009), but the number declines due to shortage of funding opportunities. CSOs have reduced advocacy actions in 2014, as their efforts were focused on the floods in May 2014 and the general elections in October 2014. However, the general trend of advocacy actions taken by CSOs in BiH, according to the CSO sustainability index for 2014, is on the same level since 2012 when slight improvement was recorded, comparing to the previous six years. The period is characterised by active participation of CSO coalitions in the Initiative for Monitoring of EU Integration and coalition engagement in intensive communication with EU officials to influence them to pressure BiH to adopt and implement reforms.

Field of Operation/Activities

Since there are no reliable data available and since there are no more recent studies and research, this section on CSO organizational capacities makes extensive use of the data provided by the study: HTSPE/Kronauer Consulting (2009) Civil Society: Contributions to the Development of the Strategy for Establishing an Enabling Environment of Civil Society in Bosnia and Herzegovina.

As the study shows, of the 998 CSOs included in the research, the greatest number (18.45%) indicated sport as their primary scope of activity, followed by “interest organisations” (12.02%) covering a range of recreational and special economic interests, such as beekeeping. Women’s organisations (73%) and associations dealing with the problems of children and youth (6.01%) are also common fields of CSO operation. Among those least represented are workers’ rights or unions (1.29%), human rights (2.58%), animal rights (0.86 %) and peace initiatives.

The most frequent activities undertaken by CSOs in BiH are education, activities in local communities, providing advice and information, as well as lobbying for members’ interests, while the least represented activities are oversight of public policies and work of state institutions and mediation.

Despite the member-based character of civil society in BiH, on average, almost 50% of all organisations state that their main target group, or final direct beneficiaries, is the general public (and almost 49% of MBOs identified the general public as the end user of their projects). A large proportion of CSOs work with the youth (15.9%), followed by children (6.4 %) and women (5.6%).

Classification of CSOs according to Field of Work is on the following table.

Associations	%
Sport associations	18.45
Interest associations	12.02
Associations for protection of women	7.30
Cultural associations	6.87
Associations dealing with problems of children and youth	6.01
Other activities	5.15
Associations arising from the last war	4.72
Associations dealing with environmental protection	4.29
Associations for psychosocial help and social protection	3.86
Educational associations	3.43
Associations for rural and agricultural development	3.43
Hobbyist associations	3.00
Associations for local economic development	3.00
Civil initiatives	2.58
Humanitarian associations	2.58
Associations for human rights protection	2.58
Associations for civil society promotion and development	1.72
Vocational associations	1.72
Associations for ethnic minorities	1.29
Unions	1.29
Associations for technological advancement	1.29
Spiritual associations	0.86
Returnee and refugee	0.86
Associations for animal protection	0.86
Association for protection of tourism and catering	0.86
TOTAL	100

Source: HTSPE & Kronauer Consulting (2009)

Classification of key activities areas carried out by CSOs shows that majority of CSOs implement actions in the sector of Human rights and social inclusion, while the least actions are related to the democratisation and EU integrations.

The characteristic of the reporting period is a greater involvement of CSOs in the supports traditionally being supplied by government institutions, primary in social sectors. This type of activities became significant for CSOs from two perspectives: the CSOs secure long-term funding and secondly, the expertise provided by CSO staff is acknowledged as valid and applicable for solving social issues such as daily centres for children, safe house for victim of trafficking or domestic violence. The concept is also applied in the case of providing

assistance to Roma population (employment opportunities), developing actions plans or strategies (disabled)⁷³

2.2.Human resources and technical skills

Despite the fact that civil society in BiH has received a great input in terms of trainings and capacity building workshops within different international programmes, technical skills of CSOs are still not well developed.

As stated in previous Needs Assessment, and recent report in 2015⁷⁴, smaller organizations, especially those working at the grassroots level and those located in smaller towns and rural areas are often lacking in many of the basic technical skills necessary for running an efficient CSO, including all areas of PCM, general management and financial administration. Among the CSOs participating in the HTSPE/Kronauer study in 2009, 25.1% of associations had never had any training organised for their staff. Of those which had organised staff training or been included in capacity building projects, around half indicated that trainings have been organised for all members of staff, but 41.8% of organisations said that trainings have been for leaders and key staff members. A key finding of the study is that that the greater majority of trainings that CSOs received (68.5%) have been restricted to the subjects of writing project proposals and/or fundraising, as well as strategic planning. Since completing the study in 2009, situation to date was not changed. Another method of raising human resource management capacities is exploited, since 2010, through training programs organised by coalition group or alliances. The trainers are not professional trainers (members of the groups), so the members of CSOs attending training cannot get adequate education. The offers for advanced training programs come mainly from foreign organisations, or profit based companies in BiH.

Funding limitations determine employing qualified and suitable staff to a large extent. Due to fact that CSOs are project based, they find it very difficult to ensure permanent or longer lasting contracts for their staff. According to the IPSOS survey, though 55% if surveyed CSOS stated that they have strategic plans, 23% of them have human resources plan. Furthermore, due to lack of financial sustainability, CSOs try to engage as much as possible volunteers who will be implementing different activities in the organisations. This is a positive situation since young volunteers can gain valuable skills and knowledge that will make them more competitive on the job market later on. Furthermore, funding limitations may cause closing a number of CSOs that cannot ensure funding for operational costs. The

⁷³ Example: Decision on approval to expenditure of funds with allocation criteria from the current transfers established by the budget of the Federation of Bosnia and Herzegovina for 2014, the Federal Ministry of Labour and Social Policy, May 28, 2014, Sarajevo.

⁷⁴ National minority council BiH, Report National minorities status in BiH 2010-2015, July 2015, Sarajevo

expectations of decision makers for funding distribution, who states that NGOs need to become self-sustainable⁷⁵, are not realistic due to the legal environment in BiH where CSOs operate, and foreign assistance is still very much needed.

2.3. Monitoring and Evaluation capacities of CSOs in BiH

CSO capacities in performing monitoring and evaluations (M&E) skills remain weak. Needs Assessment Report for 2011 has established a good baseline for monitoring CSOs capacities in this field. It was stated that in 2011, TACSO BiH conducted an M&E Needs Assessment of 12 CSOs in BiH who either applied or were partners in projects funded by EU IPA 2008. This M&E Needs Assessment focused on assessing capacities and needs of CSOs in terms of establishing internal M&E Systems as continuous effort to help anticipate the probability of success and measure the changes the organisation will contribute to.

On the other hand, IPSOS survey⁷⁶ in 2016 indicates that majority of CSOs in BiH have established system for the assessment of efficiency for: implementation of projects (83%), implementation of strategic plan (64%), and staff performance appraisal (57%). Majority of CSOs stated that they use internal evaluations for all three types of assessment. At the same time, IPSOS in depth interview analyses⁷⁷ show that small number of CSOs perform project monitoring and evaluation and majority of CSOs do not have established evaluations systems.

The Needs Assessment revealed that the organisations may be roughly divided into two groups:

Group 1

Organisations that have already developed structures and standards for M&E, but these systems are still predominantly ad-hoc and underdeveloped. As such, the M&E systems do not reflect the complex needs for comprehensive M&E of the organisational work. Existing M&E systems have mainly been adopted from international organisations that supported the work of these organisations, or developed based on recognized needs and upon trainings on M&E. This group includes also organisations much developed i.e. those who perform M&E activities as a part of contract obligation (for EU projects, USAID) and who adopted M&E as a positive practice.

Group 2

⁷⁵ Statement Stefanie Altman-Winans, counelloer US emabassy November 7, 2014.

⁷⁶ IPSOS, Capacity Building of CSO in Western Balkans and Turkey TACSO 2, Comparative report, February – April 2016

⁷⁷ IPSOS, Draft survey results in BH language, 2016.

In this group there are organisations that have no capacities, knowledge and/or M&E structures adopted. The Needs Assessment found that even those that are more developed and experienced organisations do not have any systems or capacities for comprehensive M&E. Such organisations collect data for reporting, but this data are not systematically collected and analysed.

Generally, organisations have succeeded in attracting EU funds, but the majority of organisations (especially partners in projects or sub-grantees) still struggle with a good definition of the results framework, especially in terms of defining suitable Objectively Verifiable Indicators (OVIs). Very few CSOs develop baseline studies for the EU funded project. Organisations do not have the tradition to develop baselines for other projects either. The review of project proposals shows that none of the organisations discuss internal Monitoring procedures, while only a small number of organisations mention evaluation measures to be undertaken.

Organisations in general do not collect and analyse data to track progress and achievements within their strategic goals. Organisations in many cases do not have true participatory planning and monitoring in terms of ensuring active participation, input and feedback from stakeholders, and primarily beneficiaries do not help in performance management.

Organisations are generally pretty strong in their areas of expertise, but their organisational capacities may at times be an obstacle to organising the M&E work in the best possible manner. The lack of an adequate M&E system also places an additional burden to the management staff members, who need to collect data and analyse it besides other duties. CSOs do not consider M&E as a success measuring tool, and cannot prove the values and effects of their efforts. As a consequence, some journalists and general population publicly raised the question of is working in non-governmental sector is good business only, without effects on beneficiary groups⁷⁸.

Building capacities and sharing responsibilities and roles with other members/and beneficiaries of the organisation is crucial in order to enhance governance, accountability and manage the structures of organisations in other words the internal M&E system should serve as a vehicle for permanent organizational learning and promoting the values of the organization or/and CSO network as learning organizations/networks.

⁷⁸ <http://balkans.aljazeera.net/vijesti/nevlatin-sektor-pomoc-ili-unosan-biznis>

2.4.Strategic strengths of CSOs in BiH

When it comes to strategic strengths of CSOs in BiH, situation did not change significantly since the last Needs Assessment, based on survey HTSPE&Kronauer survey in 2009. There are still very few CSOs in BiH strategically oriented. The IPSOS findings in 2016⁷⁹ show that 55% of CSOs consulted had a strategic plan in place, but most of them did not use it as a tool to guide their long-term programming and organisational development, as well as shorter-term project identification. About 42% of CSOs follows the plan, 33% stick to the mission and 25% of CSOs adopts operations to the donor demands. Sector opinion is opposite, saying that 13% of CSOs follows the plan, 31% stick to the mission and 56% of CSOs adopts operations to the donor demands.

Most of them also said that they don't update their strategic plans periodically. General shortage of funding opportunities in BiH in last three years caused further deviation in strategies CSOs developed, and CSOs decide to seek funding for any feasible action for them.

For this reason, one can conclude that strategic thinking remains an underdeveloped capacity within the civil society. The fact that donors have rarely supported institutional development or strategic approach to CSO work has also contributed to such situation.

There is a small number of CSOs that are exception to this. These CSOs have clearly identified lines of work and do not change their strategic orientation to match the priorities of the international donors. These organizations have been active on the CSO scene for a long time. Based on their clearly identified area of work and confirmed expertise, these CSOs have managed to take strategic positions in society and be recognized by government institutions as good partners in identifying policies and strategic documents, providing social services or leading campaigns, for example for human rights or environmental protection. Such CSOs are most frequently members of a number of regional and EU networks and they follow trends and adopt new practices, bringing innovation into their work process. Key strategic issue for all CSOs, especially developed ones, in BiH is how they can contribute to EU integration process in the country and become a part of the reforms demanded by the SAA. In addition, CSOs need to be more actively engaged in the EU related planning process.

⁷⁹ IPSOS, Capacity Building of CSO in Western Balkans and Turkey TACSO 2, Comparative report, February – April 2016

2.5. Analytical capacities

Looking at the civil society sector overall, only a small number of organisations has developed capacities for quality analysis. Also, according to the IPSOS survey, out of those who are active in the area of public advocacy, only 17% stated that they always use analyses or researches in their advocacy actions, 23% of them said that they use them frequently, 37% said that use them sometimes, 15% rarely and 9% never use the analyses or researches in their advocacy actions. This is a serious weakness, in view of the fact that any type of cooperation and civil dialogue or an advocacy campaign should be based on research and analyses. Many CSOs have only superficial knowledge about the quantitative and qualitative research methods and are not familiar with methodology for developing policy studies and policy briefs. It often happens that even some major CSOs present only data obtained through the research, without analytical thinking, logical conclusions or data interpretation.

However, there are some good practice examples as well and these are well-established organisations at the CSO scene. For example, IBHI organised in 2014 the KOMA - coalition of organised marginalized groups and analysed legal framework related to this group. Identified faults and gaps were considered and new legal framework successfully was proposed to the decision makers in government bodies. Some other CSOs that have been established as think tanks, such as Foreign Policy Initiative BH, Populari, Analitika and some others also have developed research capacities.

In addition to that, successful advocacy campaign was implemented by the Initiative for Freedom of Declaration, a coalition of several human rights groups and other CSOs that successfully amended the questionnaire for the 2013 Census. The initial questionnaire required citizens to declare an ethnicity, marginalizing those who did not want to define themselves in ethnic or religious terms. Amendments to the questionnaire also ensured additional freedom in answering certain questions, for example, by allowing citizens to declare themselves agnostics or atheists.

Example of activities of CSOs based on the capacity for analytical thinking is the *Initiative for Monitoring BiH's European Integration* - a group of non-governmental organizations active in BiH and interested in the EU accession process. The initiative's main goal is to effectively monitor the work of the government throughout its mandate and constantly inform the domestic and international public about all of the positive and negative developments in the integration process. The Initiative is initiated by the following Sarajevo-based organisations: Centre for Political Studies, the Sarajevo Open Centre, the Human Rights Center of the University in Sarajevo, ACIPS (Alumni Association of the Centre for Interdisciplinary Studies), European Research Centre, the Foreign Policy Initiative and the association Why Not (Zasto Ne). In 2015, total 22 organisations and 14 supporting

organisations participate in the Initiative i.e. coalition. The Initiative frequently publish the reports, such as "Report on the work of the Government Institutions in Bosnia and Herzegovina in terms of the fulfilment of the December Demands 2014-2018", and present all reports on the web site. The initiative believes that the European Union integration process has no alternative and that in that process, civil society needs to become a "third factor" - an equal partner of the European Union institutions - in order to achieve the maximum level of development during the integration period.

2.6. Relationships with other actors – networking and partnerships

CSO networks

In BiH there are many formal or informal CSO networks and most of them being sector based networks. A majority of BiH CSOs are members of one or more networks and this experience is seen by CSOs to be beneficial. Another type of networking CSOs are the alliances that gather specific CSOs, such as groups of persons with the disabilities, war veterans, national minorities, entrepreneurs, professionals, social workers, etc. Besides gathering CSOs in a network, there are networks of offices⁸⁰ operating under the umbrella of one organisation. According to the HTSPE/Kronauer study in 2009, 52% of CSOs are members of a local BiH network, while 27% participate in at least one international network.

In the CSPC research commissioned by TACSO⁸¹, over 50 networks are identified within the research and the most common form of organizing is advocacy networking, which makes 47 %. Sector networking is largely present (41%) while only 12% are partnerships formed to provide services. Some of identified networks (24%) are part of different European networks. Based on the responses given by 30 questionnaires received, the most used shape of organizing are: networks (73%), followed by coalitions (20%) and initiatives (7%), while the research hadn't identified any of platforms. This research shows that most of the networks/platforms/initiatives/coalitions are financed by donor funds (76%), followed by membership fees (36,36%), self-financing (33,33%), and other sources. Such high level of donor funding for networks brings into question the existence of networks based on sustainable and long term platforms. The character of networking in last three years was not changed, and trend of establishing new networks in BiH since 2014 is the same as in previous three years. For example the network of four CSOs who gathers single

⁸⁰ For example: Legal Aid Network (Vaša prava) <http://www.vasaprava.org/>

⁸¹ Assessment report on CSO networks/platforms/initiatives/coalitions in Bosnia and Herzegovina, TACSO, Sarajevo 2012, available at: http://tacso.org/doc/ba_ar_cso_networks_en.pdf

parents was established in Banja Luka in March 2014. The Rural development network in BiH was registered in October 2014. A CSO network called the Dam (Brana) was formed to strengthen the capacity of CSOs to monitor and analyse the flood recovery process in affected municipalities during 2014 and facilitate public dialogue on the reconstruction and recovery process.

In general, networks in BiH lack rotating leadership skills, evidence based decision-making processes are poor, fundraising skills are not sufficient and moderation and facilitation skills still need to be enhanced. According to personal statements of some of the network' members, the conflict of interest among network members is often seen an obstacle for effective network functioning⁸² and influence mutual trust. All this clearly demonstrates the need for building capacities of CSO networks and improving network members' skills and techniques in communication, leadership challenges, planning, advocacy, monitoring and evaluation and in many other areas.

Aware of the divisions and fragmentations in the BiH civil society, as well as of the need for further networking, the EU through its funds places particular focus on development of capacities in sectoral networks under the Civil Society Facility (CSF) and Framework Partnership Agreement (FPA) program scheme.

CSO – government relationships

Relationships between the government and civil society have to a large extent been dealt with in detail under sections 1.3 and 1.4.

The cooperation usually has been ad-hoc, unless initiative came from civil society. Government institutions still do not fully recognise the benefits of participative democracy and cooperation with CSOs, in particular the citizens. The institutions are still quite closed and not transparent, with access to information made rather difficult. Generally, any type of cooperation is done sporadically and ad-hoc, but also cases of systematic relationships in service provision aspects are present in BiH. Furthermore, a number of government representatives from different levels of authority deem that engagement of citizens into decision-making process is redundant, representing an additional burden to their work and slowing down the process of legislative drafting. Thus, CCI's report on citizen participation in decision making process in 2011 noted that close to 23% of civil servants deem that

⁸² Statement of a members of „Koalicija organizacija osoba sa invaliditetom Grada Bijeljine" KOLOSI, and OKC, Zaključci i preporuke Državne konferencije "MREŽE u BiH" - SWOT, 2005

citizens slow down the process of decision making, and similar percentage of civil servants find that participation of citizens in decision making process unnecessary.⁸³

However, the fact remains that government institutions are distanced from beneficiaries in the communities, and in the largest number of cases they are also distanced from the primary users of these measures. Their procedural, administrative and bureaucratic frameworks often do not allow time and space to deal with the communities adequately, researching their needs and problems and deliberating solutions. On the other hand, CSOs are unburdened with institutional procedures and frameworks and have free and direct access to community and its groups. Thus they have the opportunity to understand the needs, status and likelihood that certain measures and programmes can be implemented. Due to the fact that they are fast and mobile, CSOs can provide support, understand and monitor progress of their target groups.⁸⁴ In such situations CSOs can play a key role in bringing the government institutions closer to citizens and their real needs.

As example of how civil society contributes directly can be seen in the Council of Ministers BiH decision on accessing to the Partnership for Open Government initiative in September 2014. The cooperation between CSOs and governmental authorities enabled adoption of proposals given by CSOs to a number of drafted laws, such as Law on local governance in RS, or Criminal law in RS, and various strategic documents, such as Strategy for straggling against violence on children in BiH or Strategy for straggling against corruption in BiH (2009-2014)⁸⁵.

On the other hand, CSOs and citizens have showed the increased interest to get a more proactive role during the violent protests that started in Tuzla in February 2014, when citizen plenums were organized throughout the country to define civil society's demands to government. However, after a few months, people stopped attending the plenums, so these efforts achieved insufficient visible results. After spring 2014, the interest for active participation in making changes started declining, and continues the trend of distrust in government institutions. CSOs and citizens, in principle, do not believe that their inputs would be considered. In addition, lack of access to information also prevents more active engagement of citizens and their cooperation with government institutions.

⁸³Report on citizen participation in decision making process in BiH, CCI, 2012, available at: <http://www.cci.ba/pubs/1/21/1.html>

⁸⁴More on this in local language available at: "Pravila o konsultacijama-mrtvo slovo na papiru", ACIPS, Selma Osmanagic Agovic and Zehra Kacapor Dzihic, Sarajevo, 2009, available in local language at: http://www.acips.ba/bos/uploads/istrazivanja/acips_primjena_pravila%20o%20konsultacijama_bos.pdf

⁸⁵Papic, Jusic, Political dialog between government institutions and civil society organisation in BiH (in local language), Sarajevo 2015

CSO – business relationships

The level of cooperation of CSOs with business has no changeable trends and remains as it was in previous three years period. The relationship is vestigial, and in most cases CSOs approach business from a purely instrumental standpoint, understanding it solely as a potential source of revenue or support. For its part, the business are generally indifferent to the civil society, restricting its support usually to sporting clubs and cultural associations. The advocacy campaigns are rarely supported by business, unless the campaign tackles the topics of interest for business (tax releases, employment⁸⁶).

The Regional Conference “Philanthropy in the Western Balkans and Turkey: Investment for the Future”⁸⁷ stated that although there has been great progress in local philanthropy development across the region, numerous challenges for further advancement and an increased role for CSOs still exist. Those challenges vary depending on the legislation in the Western Balkan and Turkey that encourage philanthropic giving to creating, maintaining and recognising philanthropic culture in the region, and enabling that CSOs are truly mission driven and capable of persuading their communities.

Regarding the situation in Bosnia and Herzegovina, the Conference addressed key issues related to current state of affairs when it comes to CSO and business relations. It has been stated that legislative framework exists in the Federation of Bosnia and Herzegovina (BiH), the Republika Srpska (RS) and the Brcko District. Donations and sponsorships are regulated by two laws: the Law on Income for Corporate Businesses, and the Law on Taxes on Personal Income (small businesses and crafts).

The Federation has two key regulations regarding donations. There is a tax deduction of up to three percent of gross annual income for donations in money or in-kind. For personal income tax, there is a half percent tax deduction in BiH. In both cases only certain activities are exempt from VAT. Challenges in the Federation of BiH relate to a narrowly defined list of public benefit activities in laws, and discrepancies in the notion of public benefit activities between the laws.

In the RS there are challenges with corporate income tax. There is a tax deduction of up to three percent for donations and two percent for sponsorships. For personal income taxes the deduction is two percent of gross annual income. Additionally, humanitarian organisations are unduly singled out as tax-exempt organisations. There are some

⁸⁶ TACSO BH, *Partnership Forum: Partnership between civil society and business sector in BiH – challenges and opportunities*, Report, December 2015.

⁸⁷ TACSO Serbia, Belgrade from 25-27 November 2015 (<http://tacso.org/events/rcb/enabling/?id=13028>)

exemptions in this respect and tax benefits for personal income are only provided to entrepreneurs.

In Brčko District there are challenges with corporate income taxes. Deductions are up to three percent for donations and two percent for sponsorships. Deductions for personal income taxes are the same as those in the Federation of BiH: one percent of annual income for educational, cultural and sport activities; and half a percent for donations and sponsorships.

In order to strengthen cooperation between CSOs and business there is a need for advocacy actions and building capacities of CSOs in the region of Western Balkan and Turkey. Precisely, the conference' participants have agreed on need to focus on the enhancement of the: enabling environment for philanthropy, stimulating tax incentive for CSOs and donors, simplification of the procedures for philanthropic actions across borders as well as incorporation of elements related to individual and corporate giving into the EU progress reports.

The deeper insight into the opportunities and challenges in development and maintaining successful economic activities and partnerships with companies, as mechanisms for improving the sustainability of CSOs was ensured through *Partnership Forum: "Partnership between civil society and business sector in BiH – challenges and opportunities"* organized by TACSO BH under P2P component in 2015. Dynamic discussion resulted in a set of recommendations and steps to be conducted in different areas: skills and knowledge, internal management, legislation and financial mechanisms.⁸⁸ Conclusions from the Panel discussion related to mechanisms for development of CSOs sustainability-economic activities shows that:

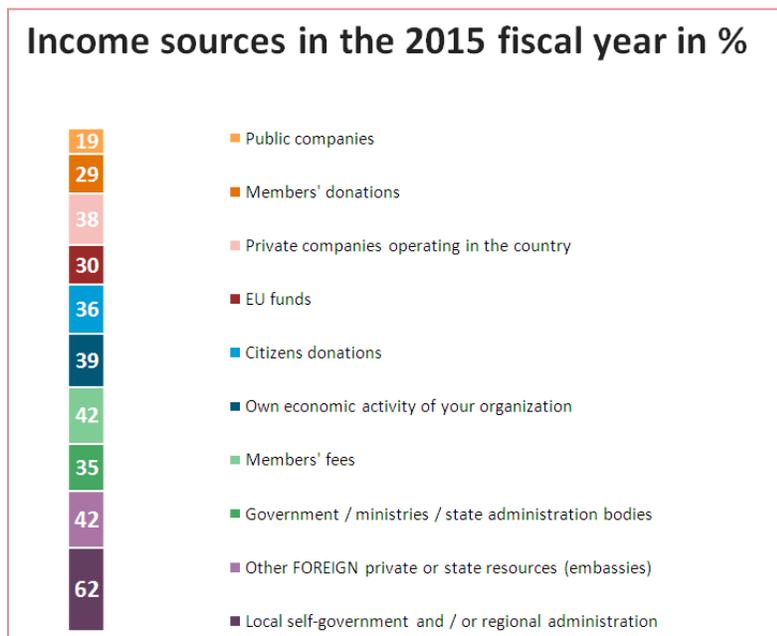
- There is a wide range of different ways business can support a social cause of CSOs apart from direct donation of financial means such as: donating percentage from the sale, involving CSO/SE in supply chains, skill based volunteering, joint promotion, sponsorships etc.
- The CSOs can be service providers to companies. The CSOs have certain skills and knowledge that can be useful to companies.⁸⁹

2.7. Material and financial stability and resilience

⁸⁸ TACSO BH, *Partnership Forum: Partnership between civil society and business sector in BiH – challenges and opportunities*, Report, December 2015.

⁸⁹ Ibid

One of the biggest challenges facing CSOs is how to establish and sustain financial stability. This is particularly challenging in a situation when the international donors have reduced funds and domestic budgets introduced austerity measures. Portions of international and local funding dedicated to CSOs were shifted towards natural disaster recovery in 2014 and 2015. In addition, sports and war veterans associations have been most successful in obtaining funds from domestic budgets, leaving very little space for other organisations. Another obstacle to financial sustainability is the fact that many CSOs have relied in their activities on one or a small number of donors, thus contributing to high level of dependency on a single donor. Not enough organisations have worked to diversify their funding sources and attracting different donors. The current situation in BiH regarding material and financial stability⁹⁰ does not significantly deviate comparing to the situation in 2012 when was organised TACSO BiH research⁹¹. The IPSOS research shows that available public funding of CSO, in comparison to the previous year decreased (37% samples), 44% assessed that funding remained the same and only 16% assess the increase. In-kind contribution from the state or local government was not provided (84%) and 14% confirmed receipt of in-kind contribution from the state or local governments. In BiH minimum 10 sources of funding CSOs operations are available.



IPSOS research 2016

⁹⁰ IPSOS, Research Capacity Building of CSO in Western Balkans and Turkey TACSO 2, Comparative report, February – April 2016

⁹¹ Bosnia and Herzegovina Needs Assessment 2013-2015, TACSO 2

TACSO research in 2015 did not consider details of financial aspects of CSOs operations, so the referral data for annual budget of CSOs are taken from the consideration. In such context, the material and financial stability and resilience can be discussed through specific examples of CSOs that publish their reports.

The first research, carried out by HTSPE&Kronauer in 2009 concluded that in BiH almost 60% of all CSOs had annual budgets of under EUR 15.000, while 19% of the total subsisted on less than EUR 1.500 a year. Only around 10 % of all CSOs had budgets in excess of EUR 250.000.

According to second survey, commissioned by TACSO BH in 2012 (conducted by CSPC), the summed data on height of annual budget of non-government organizations are the following: around 25% of NGOs who participated in this survey have annual budget of less than EUR 2.800, while 54,44% of NGOs have annual budget of less than EUR 15.000. At the same time, data show that 75% of organizations have budget with less than EUR 50.000. Only 51 organizations have annual budget between EUR 50.000 and 500.000, and only four of NGOs have confirmed that they had income in 2011 more than EUR 500.000.

The last survey for 2015⁹² carried out by IPSOS, shows the following results:

- 23,3% of NGOs who participated in the survey have annual budget of less than 999 EUR
- 19,8% have annual budget between 1.000 and 5.999 EUR
- 20,2% have annual budget between 6.000 and 20.999 EUR
- 15,4% have annual budget between 21.000 and 99.999 EUR , and
- 19,4% have annual budget over 100.000 EUR

Since these surveys did not use the same financial grade, it is not possible to make comparison and follow the trends.

As stated in the Report⁹³, 29% of the interviewed CSOs collect membership fees, and 79% stated they engaged volunteers in 2015.

CSOs are extremely reluctant to charge more than nominal fees for CSO membership, and tend to feel that they have a social or moral duty to keep charges to a minimum, as their members and their wider constituencies, particularly those in smaller towns and rural areas, are very often from among the poorer or more disadvantaged social categories.

⁹² IPSOS, Research Capacity Building of CSO in Western Balkans and Turkey TACSO 2, Comparative report, February – April 2016

⁹³ Ibid

CSOs are very lax when it comes to financial management practices. They are generally reluctant to publish or share their financial reports unless a donor specifically requests this information. Many CSOs do not have the financial resources to employ accountants or bookkeepers and cannot afford independent audits. This is already indicated by the data during CSPC research, commissioned by TACSO, with the aim to promote and strengthen transparency and good management in work and functioning of NGOs in BiH, only 220 CSOs, out of a total number of 2,800 that were contacted, 8% of contacted CSOs forwarded their financial reports to be published in the Annual Financial Report for 2011.⁹⁴

In the IPSOS research 79% of surveyed CSOs claim having their financial report accessible to public and 62% publish their financial statements and audit report and make them visible to public. Nevertheless, when asked about situation in sector, only 21% percent of CSOs believes that other organisation make their financial reports available to the public, and 18% make audited financial reports available to the public. The realistic picture is in between these two perceptions.

A very small number of local organisations have capacities to withdraw EU funds. The application process is demanding and time consuming, while very few organisations have the analytical and writings skills needed to draft EU project or meet the eligibility criteria for applying to projects. Despite extensive training carried out over the past 10 years, a large number of CSOs still lack writing skills for drafting project proposals. A number of smaller organisations see their chance in applying for EU projects as project partners, which helps them to strengthen, with better capacities and possibly able to apply for EU funding on their own.

Some organisations are also faced with other issues in terms of the EU funding. Namely, as indicated in the Provision of Financial Contribution to the EU funded Projects by the Civil Society Organisations in Bosnia and Herzegovina⁹⁵, CSOs are generally faced with the three key issues as follows:

- Providing contribution to the project as defined by the EU call (usually 15%);
- Covering ineligible, but direct project costs such as VAT in EIDHR projects;
- Covering the project costs for which organisations receive the funds only after the approval of the final financial and narrative reports – which can take few months (which is particularly emphasised in the South-East and IPA Adriatic programmes.)

These financial requirements represent considerable challenge for the applicants and only a small number of organisations in BiH are able to provide the reserves, which enable them

⁹⁴ For more on this see: Annual Financial Reports of Civil Society Organisations in Bosnia and Herzegovina – 2011, available at: http://tacso.org/doc/Annual_Financial_Report_BiH_2011.pdf

⁹⁵ http://www.euclidnetwork.eu/files/TACSO_BH_Report_on_PRAG_focus_group.pdf

to successfully implement project activities.⁹⁶ In this way EU finances one pool of developed CSOs and disqualifies all other CSOs in BiH. This EU funding concept will never put in position medium or less developed organisation to be direct beneficiary of EU funding. The frequently mentioned proposal of CSOs is to create separate budget lines for grants up to EUR 15.000 where majority of CSOs can be eligible to applying with project proposals. To bridge the issue, in last two years some governmental levels started co-financing all EU projects, thus enabling smaller CSOs to compete for these grants (level of Brčko District, entity level of Republika Srpska and Federation of BiH, as well as some cantons in FBiH). There are no data available to prove such efforts on the local level.

3. CIVIL SOCIETY MILESTONE ACHIEVEMENTS, IMPACTS AND CHALLENGES

3.1. Milestone achievements and impacts in the country

Progress towards government-civil society cooperation

Important momentum for the improvement of cooperation between government and civil society in BiH, was the initiation of the process which should lead to the development of the “Strategy for the Creation of an Enabling Environment for the Development of Civil Society”. The process started, with the study as a result of the initiative of the Delegation of the European Commission in Bosnia and Herzegovina (BiH) in 2008. The primary aim of the study done by Kronauer Consulting was to assist the Delegation of the European Commission, but also other participants in this process, and to gain full insight into the situation in the field regarding the institutional cooperation between governmental and non-governmental sectors. Further activities in this direction were developed by the Center for promotion of civil society (CPCS) which resulted with the Regional Report on Enabling Environment for Civil Society Development for 2014⁹⁷.

The “Agreement on Cooperation between the Council of Ministers of BiH and the Non-Governmental Sector in Bosnia and Herzegovina,” is an important milestone for civil society in BiH. The Agreement, not only established a basis for a future institutional framework for coordinating the government and the civil society relations, but it also, for the first time, generated a formal political acceptance of the legitimate role of civil society in the democratic policy-making process. Due to administrative process during positioning

⁹⁶ Provision of Financial Contribution to the EU funded Projects by the Civil Society Organisations in Bosnia and Herzegovina – APPROACHES AND PERSPECTIVES, TACSO REPORT 2013

⁹⁷ The [report](#) is results of the project and networking efforts in the region, led by BCSDN regional network

new authorities, the agreement is not signed by December 2015, but is in the plan of referral ministry - Ministry of Justice BiH.

Ministry of Justice BiH in its annual report for 2015 reported cooperation with CSOs⁹⁸ (section 4.1, Civil Society) where are listed three programmes of cooperation: 1) Producing Strategy for the Creation of an Enabling Environment for the Development of Civil Society, 2) Revision of the Agreement on Cooperation between the Council of Ministers of BiH and the Non-Governmental Sector in Bosnia and Herzegovina, and 3) Implementation of EU programme „Europe for citizens 2014 – 2020”.

Monitoring of government performance

The last couple of years CSOs have been more actively engaged in monitoring government performances. The following are a few examples of performance monitoring.

Transparency International (TI) is monitoring the implementation of the Anti-Corruption Strategy (2009–2014) and anti-corruption reforms in Bosnia and Herzegovina. The objective of the project is to provide detailed analysis of the implementation levels of the anti-corruption strategy and anti-corruption reforms in key areas in BiH, which will serve as a basis for defining measures and planning future advocacy activities with the aim for an efficient and successful implementation of anti-corruption reforms in BiH and an increase in the capacities of state institutions and the society in general in curbing corruption.

TI is also monitoring the implementation of Strategy for Public Administration Reform and assessing the results of Strategy implementation. In addition to that TI is monitoring also financing of political parties.

The *Initiative for EU integration monitoring* is an informal initiative of organisations established with the aim to monitor implementation of reforms in BiH as part of its path to the EU and draft shadow reports. The Initiative presented its first report at the end of 2013.⁹⁹ The last Shadow Report of BH fulfilment of political criteria in the EU integration process for 2015¹⁰⁰, has been published recently.

CCI has been monitoring the work of legislative and executive bodies at the national/state, entity, cantonal and local level for years (details available in CCI web - monitoring section).

⁹⁸ Ministry of Justice BiH, Ministry report for 2015, Sarajevo, December 2015.

⁹⁹ Shadow report on the progress of BiH's European Union accession process. Available at: <http://cps.ba/inicijativa-za-monitoring-evropskih-integracija-bosne-i-hercegovine-2013-alternativni-izvjestaj-o-napretku-bosne-i-hercegovine-u-procesu-evropskih-integracija/>

¹⁰⁰ <http://eu-monitoring.ba/alternativni-izvjestaj-o-napretku-2015-politicki-kriteriji/>

As a part of the government's performance monitoring, CCI is conducting monitoring of institutions fulfilling their obligations regarding drafting and adopting laws as schedule by certain ministry work plans. CCI publish monitoring documents such as Monitoring performance of the FBiH Government and the FBiH Parliament 01.01 – 31.03.2015, Reform Agenda for BiH for period 2015-2018 - the nation status - report no. 1 for period September - December 2015, Monitoring report on BiH Parliament Assembly work 01.01.2015 - 31.12.2015, etc. Since 2013 published 273 monitoring reports.

Year	State level	Entity level	Cantonal level	Local level
2013	8	15	66	26
2014	8	16	40	0
2015	8	14	72	0
Total	24	45	178	26

Table: CCI monitoring reports

3.2.Shortfalls in CSO performance

Programme approach to development

The civil society has yet to adopt a programme approach as a means for achieving sustainable systemic social and economic development objectives. Project-orientation, determined to a large extent by donor funding policies, low levels of long-term strategic thinking, competition between CSOs and inadequate networking and cooperation between CSOs – within and across specific fields of operation – an unstable political environment and an inadequate institutional framework for cooperation with government, are all factors encouraging the continuing trend for short-term, discrete and uncoordinated CSOs led development initiatives.

Social change has been at best partial and very often short-lived. The measurement of impact in the community is rare, and low standards of monitoring and project evaluation mean that positive results and lessons learnt cannot be verified. Finally, the CSOs do not generally devote time and space for inclusion, feedback and participation of their members and beneficiaries. This challenge, together with weak M&E and impact measurement are strong factors that negatively affect the ability of organisations to achieve stronger and more sustainable impact in the society but also to gain the trust and support from the citizens and public.

Holding government accountable

Very few CSOs are active in overseeing government performance, in particular in providing the means for the public to scrutinise standards of democratic governance and to ensure the open and proper use of public funds. Apart from TI, CCI and a few other organisations, BiH CSOs generally lack the watchdog expertise. In order to increase the accountability of decision makers and those who implement them, there is a need for larger number of organisations that monitor and act as watchdog organisations. In 2014 Anti-corruption network in BiH ACCOUNT¹⁰¹ organised a training program for watchdog organisations - members of the network, in order to raise capacities of the organisations in watchdogging the movements in anti-corruption sector. The Watchdog Initiatives OSCE project¹⁰² enables citizens to actively network and engage in a more systematic way with greater visibility and impact. Initiative gathers about 20 CSOs gathering in issue-specific watchdog coalitions who apply long - term sustained pressure on decision makers to implement necessary reforms and improve public service in areas of infrastructure, investment, local economic development, healthcare, education, environment, gender equality, ethics of elected officials, public spending or any other pressing community problem.

Policy Dialogue

Regardless of the limited opportunities that are provided to the CSOs for engaging governments due to low government capacities and the rudimentary institutional framework, the CSOs have certain capacities to develop and propose draft legislative framework in the sectors of human rights¹⁰³.

Within the capabilities, CSOs started more intensive promotion of new solutions to policy problems, acting as a bridge between the grassroots and government agencies and representing the interests of their constituencies to the government and, in general, in introducing a participative, inclusive rights-based approach to governance and policy dialogue. The most intensive policy dialog is on State and cantonal (FBiH) level, while little is being attempted in this field by CSOs at the entity level.

¹⁰¹ <http://www.account.ba/>

¹⁰² <http://www.oscebih.org/Default.aspx?id=20&lang=EN>

¹⁰³ For example KOMA coalition initiatives for adopting laws related to marginalized groups and election law Zemlja djece which runs 'Stronger Voice for Children' as a member of a broader coalition ChildPact's, established to strengthen influence of civil society organizations on local, national and international level..

4. Conclusion

4.1. Needs assessment conclusions

Civil society environment

BiH's complex political and administrative structure impedes the development of a fully integrated civil society. The legal framework governing civil society is broadly encouraging and is in accordance with international standards and practice.

Despite actions that have been introduced for simplifying and speeding up registration process at the state level, CSOs are still discouraged for registering at this administrative level.

Tax incentives provided to companies and individuals to support CSOs are different in the two entities. In the FBiH are considerably lower than those in the RS.

Confirming public benefit status of a CSO is not carried out according to clear criteria and transparent procedures. Most of the public benefit organizations in Bosnia and Herzegovina are the CSOs of war veterans, invalids and other vulnerable groups. The majority of public benefit CSOs operates in RS, and those are funded by the government or by municipalities.

At the RS level the legal framework for including citizens in the decision- making processes is being implemented to large extent but needs to undergo certain amendments to make the process more efficient and in line with best practices.

FBiH still lacks the institutional and legal framework for engaging cooperation with the civil society, except in the social sector. FBiH Parliament created a CSOs register in order to consult with them when a legal acts are drafted.

The state level still lacks a formal institutional framework for cooperation with civil society (Office for cooperation with civil society) as envisioned in Agreement signed between BiH CoM and non-governmental organizations in 2007. The legal framework or conducting consultation process is not being fully implemented. Certain steps are being made in terms of simplifying consultation process at the BiH CoM level and developing single consultation portal on BiH CoM level.

The cooperation between the civil society and the government on specific policy issues and sector strategy is still insufficiently developed and is carried out infrequently in a

haphazard manner. Within the government sector generally, at all levels, there does not exist a clear perception of the importance of participatory democracy and civil society's role in it. Government tends not to recognise civil society as a representative of legitimate, alternative and independent voices, but accept their service provision in social sector for example. All declarative efforts of government institutions to engage citizens and develop so-called participative democracy have not been matched by practical government efforts. In reality, citizens have almost no formal influence on the decision making processes.

Municipalities are the single largest source of civil society funding in BiH. According to NAR 2013-2015, the municipalities allocated 53.23% of funds for the non-governmental organisations, cantons 26.58 %, entities 13.71 %, BD 6.22 %, and state level institutions 0.23 % of the overall funds identified in the research during 2011. Later research shows that the municipalities in BiH allocated, for 2013 and 2014, total of 10.375 million EUR, cantonal government in FBiH 5,24 million EUR, entity governments 2,29 million EUR, state level 1,725 million EUR and Brčko District 2,19 million EUR.

The municipalities still struggle to provide the CSOs with a transparent and fair means of competing for financial support. Improvements are made in municipalities that applied UNDP LOD methodology for funding local initiatives.¹⁰⁴

The state government is the least significant source of public funds, with trends of further decrease. The majority of available funds for CSOs are provided at the local levels.

International funding sources continue to reduce in scale, leaving the EC and USAID as the most important international supporters of civil society. This trend is slightly favourable than in previous three years.

The space for civil society to engage in policy dialogue is constrained by the continued dominance of political elites in the process. At the same time, organisations struggle with finding their niche in the advocacy and policy arena, due to an often weak sector and thematic focus and project-oriented approach.

Social trust in BiH continues to be very low, and there is generally low public recognition of the work of the civil society. Contributing factors to such a situation are the weak investment of CSOs in including their constituency (members and beneficiaries) in their governance and management processes, through mechanisms such as Boards and Assemblies, and participatory (objective oriented) planning. Organisations generally do not invest in measuring the progress and impact of their achievements, which also contributes to low visibility of the organisations, and their impacts in society, organisations do not have

¹⁰⁴http://www.ba.undp.org/content/bosnia_and_herzegovina/en/home/operations/projects/poverty_reduction/reinforcement-of-local-democracy-iv--lod-iv-/

sustainable sources of funding which demands constant fundraising, which reverts the focus of organisations from their beneficiaries to donors (either domestic or international) and their interests. Finally, the public image of CSOs depends also on the ability of an organization to present itself to the public. Larger organizations have more capacities and knowledge to present themselves to citizens and to the media.

CSO – media relations are full of prejudices and stereotypes, because of which steps towards better cooperation are not made. The CSOs or the media are lacking the procedures, standards, and strategies on how to approach the media/CSOs, which and what kind of information they need/should publish, how to measure their impact on public/users and how to increase their influence in cooperation.

CSO - Businesses

The Conference on the topic of "Corporate Social Responsibility for Community Development - A Way Forward for Civil Society in Bosnia and Herzegovina", organized by TACSO BH¹⁰⁵ outlined the following recommendations for further strengthening of the CRS concept in Bosnia and Hercegovina:

- to establish the bridges of cooperation between NGOs and employers through involvement of employers' associations in activities related to CSR
- to analyse public policies concerning the improvement of the business environment and cooperation with the civil sector
- to create pressure on government institutions through identification of laws that should be adopted or amended (legal framework)
- to work together to reduce para-fiscal imposts

Previously mentioned Partnership Forum: "Partnership between civil society and business sector in BiH – challenges and opportunities" organized by TACSO BH under P2P component in 2015 highlighted the following recommendations:

- CSOs should approach to partnerships with companies strategically. CSOs should think about what interest can company have in the partnership and develop a proposal for cooperation based on that assessment. It is important for CSOs and SEs to produce new value, to be innovative and entrepreneurial – minded when approaching to companies and proposing ideas for cooperation;
- CSOs need to improve their transparency and to learn how to report on the results and impact they are producing in order to ensure fruitful partnership with business sector;

¹⁰⁵ TACSO Office in Bosnia and Herzegovina 23rd and 24th of June 2014, (http://www.tacso.org/doc/ba20140925_csr_report_en.pdf)

- CSOs need to develop their capacities for promotion and communication of their results in order to be more visible in the community. Those who are more visible and better in communication are more attractive partners to companies.

CSO organisational capacities

Despite the fact that civil society in BiH has received a great input in terms of capacity building activities within different international programmes, technical skills of CSOs are still not on satisfactory level.

Civil society in BiH is largely composed of a wide range of membership based organisations (MBO) working at the grassroots level. Typically, these MBOs are small, semi-voluntary organisations, with very limited technical and organisational capacities. A majority of them are financially unstable and do not receive sufficient financial support to undertake a significant programme of work. MBOs area of interest are insufficiently defined. They lack clear focus and are not very much familiar with the concept of advocacy, while in many cases MBOs are rarely interested in advocacy campaigns but in concrete actions for the members benefits.

Approximately one third of CSOs have missions to provide benefits to the general public. In the cases if CSOs are registered as the public benefit organisations, these are devoted to providing special forms of non- institutionalised service delivery. Organisations promoting human rights and rights-based development agendas are underrepresented. These interests are largely restricted to small elite of well-developed professional NGOs, working across the country in the main urban centres, which undertake a range of advocacy and capacity building activities for citizens' empowerment, although rarely engaging in policy dialogue.

The sector is highly reliant on voluntary labour, and most organisations are insufficiently funded to maintain full-time professional staff.

Smaller organizations, especially those working at the grassroots level and those located in smaller towns and rural areas are often lacking in many of the basic technical skills necessary for running an efficient CSO, including all areas of PCM, organizational management, networking and financial administration.

Financial viability remains the most problematic dimension of sustainability as CSOs struggle to diversify their funding.

A very small number of organisations have capacities (primary financial) to tap into the EU funds. The application process is found as very demanding and time consuming, while very few organisations have the analytical and writings skills needed to draft EU project or meet the eligibility criteria for applying to.

Only a small number of organisations have developed capacities for analysis. This is a serious shortcoming, in view of the fact that any type of cooperation and civil dialogue or an advocacy campaign would be based on research and analyses. Many CSOs have only superficial knowledge about the quantitative and qualitative research methods and are not familiar with methodology for developing policy studies and policy briefs. CSOs are generally lacking analytical thinking, logical conclusions and data interpretation.

Strategic thinking is still an underdeveloped capacity within civil society. Many CSOs change the strategy according to available funding sources in BiH. Project dependency and low organisational capacities determine that long-term planning rarely takes place. CSO missions are routinely adapted to prevailing donor priorities. There is a small number of CSOs, which are exception to this and these are the CSOs supported by strategic, mainly foreign, donors. Based on their clearly identified area of work and confirmed expertise, the developed CSOs have managed to take strategic positions in society and be recognized by government institutions as good partners in identifying policies, strategic documents and performing services in social sector or ecology.

Although there are many informal CSO networks based on geographical or sector interests, the sector is poorly coordinated. In many cases, the networks function ineffectively and most are established without agreed-upon objectives and a clear agenda of work. Networks in BiH lack rotating leadership skills, evidence based decision-making processes are poor, expertise in the subject of networking, fundraising skills are poorly developed.

CSOs generally struggle with methodologies and mechanisms for M&E, impact measurement and accountability and governance.

Resource Centres

In line with the phasing out strategy, TACSO BiH will gradually decrease its engagement and transfer activities to the so-called project activity follow-ups. For that purpose, TACSO BiH has organised in 2013 two focus groups in BiH with participation of representatives of CSOs and CSO networks to ensure input for further steps regarding development of civil society and discuss the role of the resource centres in BiH, as part of that process. Based on recommendations, the Open Call for CSOs which have capacities to act as resource centre has been published in spring 2014. In October 2014, the consortium of VESTA Association and the Trainer's Network Association in Bosnia and Herzegovina (BiH), was

selected as the national TACSO Resource Centre (RC) for Bosnia and Herzegovina. This role was entrusted to the VESTA led consortium based on the experiences of both organisations in delivering similar services and their capacities and expertise that has developed throughout years of work in the civil society sector¹⁰⁶.

Currently, in BiH generic and specialised resource centres operate. An example of a generic centre is the Resource centre for civil society managed by CPCD¹⁰⁷. Another example of specialised resource centre is European Resource Centre for human trafficking prevention managed by International Forum of Solidarity – EMMAUS¹⁰⁸, Youth Resource centre, managed by Helsinki Citizens Assembly¹⁰⁹ and the Resource centre for children and families in SOS Children Villages in BiH¹¹⁰.

4.2.Recommendations for the country specific work plan-TACSO BiH

4.2.1. Civil society environment /CSO-Government relationship

- Monitoring of the EU Guidelines for Civil Society Development 2014-2020, and corresponding follow up actions;
- Promotion of consultative mechanism for dialogue between the governments and the CSOs. i.e. E-konsultacije (e-consultations platform);
- Re-opening process of Creating Enabling Environment for Civil Society Development with Office for Cooperation with CSOs as the priority, establishing Council for CS Development by proposing and exploring modalities with CSOs; organizing meetings of relevant stakeholders to check the readiness to re-open the issue;
- Facilitate the implementation of the revised Agreement signed (2007) between the Council of Ministries and the Non-governmental Organizations among the civil society organisations upon the formal procedure of the adoption which is currently facilitated by BH MoJ;
- If necessary provide technical support and facilitation to the task forces, such as Working group for development of the Strategy for the Creation of an Enabling Environment for the Development of Civil Society; revision groups within ministries in BiH Parliament and other task forces allocated for certain assignment;

¹⁰⁶ http://www.tacso.org/news/rc_info/?id=13083

¹⁰⁷ www.civilnodrustvo.ba

¹⁰⁸ <http://www.eurcenter.net/>

¹⁰⁹ <http://www.omladina-bih.net/orctuzla.htm>

¹¹⁰ <http://www.sos-ds.ba/novosti.php?prikazi=197>

- Continue to facilitate process of local partnership development as agreed on Partnership Forum in 2015: *Partnership between civil society and business sector in BiH – challenges and opportunities*¹¹¹;
- Facilitation of multi-stakeholders dialogue and processes involving CSOs and CSO key stakeholders (government institutions, donors, media, business) in developing strategies, action plans, policies and procedures;
- Facilitation of multi-stakeholders dialogue and processes involving CSOs and CSO key stakeholders in advocating the identification of CSOs as the separate legal entity in the registries of organisations on all levels of government as well as in the budget lines on all levels of government;
- Continue providing an open information resource and disseminate information to CSOs on the EU, EU legislation and standards, the process of European integration, BiH's progress towards fulfilling the conditions of the SAA, the proposed role of civil society and opportunities for inclusion in policy dialogue, as well as EC funding opportunities;
- Facilitate CSOs networks/coalitions/initiatives/platforms in their efforts of advocating for better legislation reflecting CSOs efficiency of work (e.g. fiscal policy, institutional settings...);
- Maintain close cooperation with the current IPA-funded projects, such as the LOD and CBGI project, for the synergetic effects;
- Support process of establishing SECO mechanisms - In order to ensure that SECO mechanisms are being developed and implemented TACSO BIH should support their development; assist in ensuring financial sustainability through IPA II or other EU funds and support activities on educating CSOs in country on EU enlargement processes and IPA programming;
- Encourage development of institutional mechanisms for developing cooperation with civil society at state level in line with CoM-NGO Agreement;
- Facilitate the process of allocation of funds from the state and entity levels to CSOs to be more transparent (CSO organisational capacities and government organisational capacities and developing procedures);
- Facilitate the process of promotion of EU programmes (e.g. Europe for citizens programme, other programs) among civil society, business and governmental sector; and
- Organise visits for CSOs and government officials to the good practices of cooperation, networking, service provisions by CSOs and funding concepts.

¹¹¹ <http://www.tacso.org/news/events/?id=13166>

4.2.2. Civil society environment /People to People Programme

The People to People (P2P) programme was one of the three (3) strands of the Civil Society Facility, the strategy of the European Commission Directorate General for Enlargement (DG ELARG). In September 2013, P2P became a new component of the TACSO project.

The P2P component provides an excellent opportunity for CSOs in the countries of the Western Balkans and Turkey to expand their knowledge about the EU and the accession process through visits to the European Institutions, meetings with European CSOs and the opportunity to network internationally and regionally.

Under the guidance of DG NEAR (earlier DG ELARG), TACSO has the overall responsibility to plan, organise and provide follow-up support for the realisation of P2P events.

The P2P events will be announced on TACSO social media channels and the TACSO Web page. In general, single beneficiary and multi- beneficiary activities are planned in the IPA countries, with occasional study tours to Brussels, other EU destinations and within the IPA region.

P2P topics will be decided on a semi-annual basis, and CSOs will have an opportunity to submit their proposals for the topics they believe should be explored. The final list of topics and activities will be decided upon consultations with DG NEAR, the EUDs and TACSO LAGs.

The calendar of P2P activities¹¹² will be published on a six-month basis, however, the list of events will be subject to change.

Based on the summary of the proposals coming from both the CSOs approached through CSO-mailing list and LAG members after the first TACSO BH 2 LAG meeting the topics to be considered for **P2P** multi-beneficiary events and single-beneficiary events for the 2016 are the following: Anti-corruption, Cross border initiatives, Access to education, Promotion and enforcement of human rights, People with disabilities and Rural development.

P2P MB events

The following topics are to be addressed through P2P Multi-beneficiary events in 2016:

¹¹² <http://www.tacso.org/news/p2p/?id=9875>

- EU standards- transparency and accountability of public institutions;
- Diversification of fundraising portfolio of CSOs/Women entrepreneurship in entrepreneurial Europe;
- Support for EU to self-employment;
- Direct democracy and e-democracy as a vehicle for transparency and inclusion of citizens;
- Sustainable and inclusive socio-economic growth and role of CS in that process;
- Forum for networking of EU members CSOs and CSOs from WBT region;
- EU and LGB rights;
- Consultations of interest groups to the EU support to the accession process in the region;
- Mental health and human rights; and
- Art and social inclusion.

P2P SB events:

The following topics are to be addressed through P2P Single-beneficiary events in 2016:

- Creating environment for development of Social Corporate Responsibility;
- Dialogue contributing to recreate the environment for a proper government-CSO consultations;
- Alternative financial support to CSOs;
- Education on public policies and public consultations processes reflecting sector approach SECO;
- Participation of CSOs in contributing to Progress Report;
- Employment of youth through linkage of business and educational sector;
- Systematic approach to the addiction deceases; and
- Support to entrepreneurs in rural communities.

4.2.3. CSO organizational capacities

- Provision of the extensive capacity building of CSOs networks/platforms/initiatives/coalitions in the areas of network management/governance and accountability, with special focus on the values of inclusion of constituency in governance and management of the organisations. Experience sharing, mentoring and advisory between organisations of similar size and thematic focus in the country, region and EU would be beneficial to enable organisations to learn and apply governance and accountability mechanisms;

- Provision of the technical assistance for the improved capacity of CSOs/CSO networks in the area of development of an internal Monitoring and Evaluation system, with special focus on development indicators, impact measurement, baselines and reporting. Mentoring to CSOs in developing and implementing their M&E plans would be beneficial;
- Provision of the support to CSO networks with on-going mentoring, technical assistance and facilitation of partnerships with other networks in the region and the EU;
- To continue with providing tailored made capacity building workshops for CSOs/CSO networks/platforms, initiatives/coalitions on EU application procedures, developing EU project proposals, partnerships and networking;
- Provision of the support to visibility of CSOs (CSOs-PR and Media relations; Tailored made support with special focus on less developed, rural and membership based CSOs in the area of media relations, PR and internal/external communication, usage of social media to contribute to increased visibility of the CS sector);
- Provision of the support to policy development and advocacy (including communication strategy related issues-internal and external communication, communication skills, usage of social media in both the promotion of achievements and advocacy efforts); This area should be considered in the frame of EU integration and accession process;
- Provision of the support in capacity building workshops for CSOs/CSO networks /initiatives/coalitions/platforms interested in contributing to the consultation process for the drafting of laws and other legal regulations – policy research, drafting process, negotiation, etc.;
- Provision of capacity building sessions to CSOs and CSO networks in developing policy papers, developing research methodology and analytical thinking in order to strengthen its capacities to monitor the key policy documents and laws and advocate for the changes where needed;
- Provision of the support to informal groups with intention to get registered, in the process, procedures, obligations and basics of management.

4.3.Recommendations for the regional project work plan

- Identify common CSO themes of interest and support regional/bilateral CSO dialogue on those themes;
- Building on experience of new and old EU member states, organise conference on the CSO role in European integration process and advice on increased EU fund for CSO's;
- Connect regional and country networks on policy issues, EU platforms, memberships, information sharing, etc.;

- Continue creating opportunities for mutual experience exchange and learning, but also joint project activities either bilaterally (between two countries) or multilaterally among sector CSO/sector CSO networks. Publicise these networks among local CSOs in the project countries, and facilitate contacts with them;
- Facilitate the exchange of experience, lessons learned and good practice between CSO's on projects for IPA cross-border cooperation between neighbouring countries;
- Facilitate an exchange of information between CSO's and relevant government agencies from the project countries on anti-corruption measures and programmes;
- Organise regional conferences on the subject of policy dialogue – best practice and developing effective methodology;
- Establish and maintain a publicly accessible database of sector CSO networks working in the region.

Bibliography

Legal and other domestic acts

- Law on Associations and Foundations of BiH, 'Official Gazette of BiH', No.: 32/01, 42/03, 63/08 and 76/11
- The FBiH Law on Volunteering
- Law on Volunteering in the RS, Official Gazette of RS : 89/13
- Council of Ministers Rules on Consultation in Legislative Drafting¹¹³
- Rules of Consultations in Legislative Drafting „Official Gazette of BiH“, no. 81/06
- Guidelines for action of Republic bodies of management on participation of public and consultation in drafting laws RS Official Gazette, 123 year XVII
- The Agreement on Cooperation between the Council of Ministers of BH and the Non-Governmental Sector in Bosnia and Herzegovina, 2007¹¹⁴
- The decision on adopting the program of funds distribution with criteria, confirmed by the budget of FBiH for 2014 dedicated to the Federal ministry of work and social welfare, May 2014, Sarajevo
- Laws on the special status of the Red cross: Official Gazette BiH no. 49/04, Official Gazette FBiH 28/06, Official Gazette RS 18/94, 110/03, Official Gazette FBiH no 110/12

Reports

- Bosnia and Herzegovina Needs Assessment 2013-2015, TACSO 2 - IPSOS
- Financial support of public institutions to nongovernmental organisations in Bosnia and Herzegovina in 2011, TACSO BiH¹¹⁵
- Donor Monitoring Report 2011-2012, 2013, 2014 BiH Ministry of Finance¹¹⁶
- Initiative for the monitoring of the European Union integration of Bosnia and Herzegovina, 2014 Alternative progress report: political criteria¹¹⁷,
- CCI, Monitoring report on BiH Parliament Assembly 01.01.2015 - 31.12.2015.¹¹⁸
- Assessment report on social entrepreneurship in Bosnia and Herzegovina, TACSO BiH, 2012¹¹⁹

¹¹³ http://mpr.gov.ba/web_dokumenti/BiH_Regulations_Consultations_LegislativeDrafting_2006%5B1%5D.pdf

¹¹⁴ http://civilnodrustvo.ba/files/docs/Agreement_on_cooperation.pdf?phpMyAdmin=4dbc505c79a6t34771d80r81d7&phpMyAdmin=687c50a0fa0ct42d51eb1r81d7

¹¹⁵ http://tacso.org/doc/Financial-Support_BiH_2011.pdf

¹¹⁶ http://www.mft.gov.ba/bos/index.php?option=com_content&view=article&id=398&Itemid=165

¹¹⁷ <http://eu-monitoring.ba/>

¹¹⁸ <http://www.cci.ba/monitoring/1/7/1.html>

¹¹⁹ http://tacso.org/doc/ba_ar_social_entrepreneurship_en.pdf

- Annual Financial Reports of Civil Society Organisations in Bosnia and Herzegovina – 2011, TACSO BiH, 2012¹²⁰
- Provision of Financial Contribution to the EU funded Projects by the Civil Society Organisations in Bosnia and Herzegovina – Approaches and Perspectives, TACSO Report 2013
- The Missing Link-CSO relations, TACSO 2012 ¹²¹
- Report on Impact Assessment of Capacity Building and Technical Assistance Activities, Jarmila Bujak-Stanko for Internal Impact Assessment, Sarajevo, July 2013
- Assessment Report on advocacy capacity of membership based CSOs, TACSO BiH, 2012¹²²
- Assessment report on CSO networks/platforms/initiatives/coalitions in Bosnia and Herzegovina, TACSO, Sarajevo 2012¹²³
- Report on citizen participation in decision making process in BiH, CCI, 2012¹²⁴
- Halfway There: Government Allocations for the Non-governmental Sector in Bosnia and Herzegovina in 2010” (Sarajevo: SIF in BiH and CSPC, February 2011)
- “Heads or Tails: Government Allocations for the Non-governmental Sector in BiH for 2012”, SIF in BiH and CSPC (Sarajevo: SiF in BiH and CSPC, February 2013)
- “Pravila o konsultacijama-mrtvo slovo na papiru”, ACIPS, Selma Osmanagic Agovic and Zehra Kacapor Dzihic, Sarajevo, 2009¹²⁵
- Dr. Žarko Papić, Dr. Tarik Jusić, Politički dijalog institucija vlasti i organizacija civilnog društva u Bosni i Hercegovini, Sarajevo, 2015¹²⁶.
- USAID NGO Sustainability Index 2012, 2013 and 2014¹²⁷
- Shadow report on the progress of BiH's European Union accession process¹²⁸.
- HTSPE / Kronauer Consulting (2009) Civil Society: Contributions to the Development of the Strategy for Establishing an Enabling Environment of Civil Society in Bosnia and Herzegovina; Sarajevo.
- Žeravčić, G. (2008) Analysis of Institutional Cooperation between Governmental and Non- governmental Sectors in BiH; Sarajevo: Kronauer Consulting¹²⁹:

¹²⁰ http://tacso.org/doc/Annual_Financial_Report_BiH_2011.pdf

¹²¹ http://tacso.org/doc/doc_missing_link.pdf

¹²² http://tacso.org/doc/ba_ar_advocacy_capacity_en.pdf

¹²³ http://tacso.org/doc/ba_ar_cso_networks_en.pdf

¹²⁴ <http://www.cci.ba/pubs/1/21/1.html>

¹²⁵ http://www.acips.ba/bos/uploads/istrazivanja/acips_primjena_pravila%20o%20konsultacijama_bos.pdf

¹²⁶ <http://euinfo.ba/wp-content/uploads/2015/02/politicki-dijalog-Final-copie.pdf>

¹²⁷ <http://www.usaid.gov/sites/default/files/documents/>

¹²⁸ <http://cps.ba/inicijativa-za-monitoring-evropskih-integracija-bosne-i-hercegovine-2013-alternativni-izvjestaj-o-napretku-bosne-i-hercegovine-u-procesu-evropskih-integracija/>

¹²⁹ <http://www.kronauer-consulting.com/download/analiza-en.pdf>

- National minority council BiH, Report National minorities status in BiH 2010-2015, July 2015, Sarajevo
- Budget of RS for 2015, pdf document¹³⁰,
- Budget of FBiH for 2015, pdf document ¹³¹
- Vučin Iskra, Research Existing mechanisms and legal framework for CSO participation in health sector (in local language), Sarajevo 2013.
- Regional Cooperation Council Secretariat (RCC), Balkan Barometar 2015: Public Opinion Survey, Sarajevo 2015.
- Ministry of Justice BiH, Ministry report for 2015, Sarajevo, December 2015.
- Srđan Puhalo i Stefan Vukojević, Kako građani Bosne i Hercegovine opažaju nevladin sektor?, Sarajevo 2015¹³².

EU Documents

- Communication from the Commission to the European Parliament and the Council: Enlargement Strategy and Main Challenges 2013-2014¹³³
- Multi-annual Indicative Planning Document MIPD 2011-2013 for Bosnia and Herzegovina¹³⁴:
- Multiannual Action Programmes 2015, 2016 and 2017 for the EIDHR¹³⁵

Links referenced in the research:

http://mpr.gov.ba/organizacija_nadleznosti/uprava/registracije/udruzenja/osnivanje/Default.aspx?id=1936

http://cbgi.ba/index.php?option=com_content&view=article&id=1&Itemid=102

<http://www.apif.net/>

<http://www.okcbl.org/grep.php?tid=600&lng=sr>

http://www.ba.undp.org/content/bosnia_and_herzegovina/en/home/operations/projects/poverty_reduction/reinforcement-of-local-democracy-iii--lod-iii-.html

<http://europa.ba/Default.aspx?id=33&lang=EN>

<http://europa.ba/Default.aspx?id=35&lang=EN>

<http://www.usaid.gov/news-information/fact-sheets/fact-sheet-civil-society-sustainability-project-bosnia-and-herzegovina>

http://www.norveska.ba/Embassy/Embassy_Fund/Strengthening-Civil-Society-Fund-2013-SCSF/#.Urdvu2RDvk0

¹³⁰ <http://www.narodnaskupstinar.net/?q=la/akti/bud%C5%BEet/bud%C5%BEet-republike-srpske-za-2015-godinu>

¹³¹ <http://www.fbihvlada.gov.ba/bosanski/budzet/>

¹³² <http://library.fes.de/pdf-files/bueros/sarajevo/12387.pdf>

¹³³ http://ec.europa.eu/enlargement/pdf/key_documents/2013/package/strategy_paper_2013_en.pdf

¹³⁴ http://ec.europa.eu/enlargement/pdf/mipd_bih_2011_2013_en.pdf

¹³⁵ https://ec.europa.eu/europeaid/multi-annual-action-programme-years-2016-and-2017-european-instrument-democracy-and-human-rights_en

<http://www.fbihvlada.gov.ba/bosanski/zakoni/2014/odluke/445.html>
<http://balkans.aljazeera.net/vijesti/nevlatin-sektor-pomoc-ili-unosan-biznis>
<http://www.atvbl.com/srpska-dobila-novih-osam-udruzenja-od-javnog-interesa/>
<http://www.vasaprava.org/>
http://www.parlamentfbih.gov.ba/NVO/public_html/
<http://www.cci.ba/monitoring/1/7/1.html>
www.civilnodrustvo.ba
<http://www.eurcenter.net/>

Please visit us on www.tacso.org or our Facebook profile TACSO2

This publication has been produced with the assistance of the European Union. The content of this publication are the sole responsibility of TACSO BH and TACSO by VESTA Resource centre and can in no way be taken to reflect the views of the European Union.

This page is intentionally left blank.

This page is intentionally left blank.

TACSO Bosnia and Herzegovina Office

Danijela Ozme 1
71 000 Sarajevo, BiH
e: info.ba@tacso.org

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



Technical Assistance for
Civil Society Organisations
Bosnia and Herzegovina
www.tacso.org

This project is funded
by the European Union

