

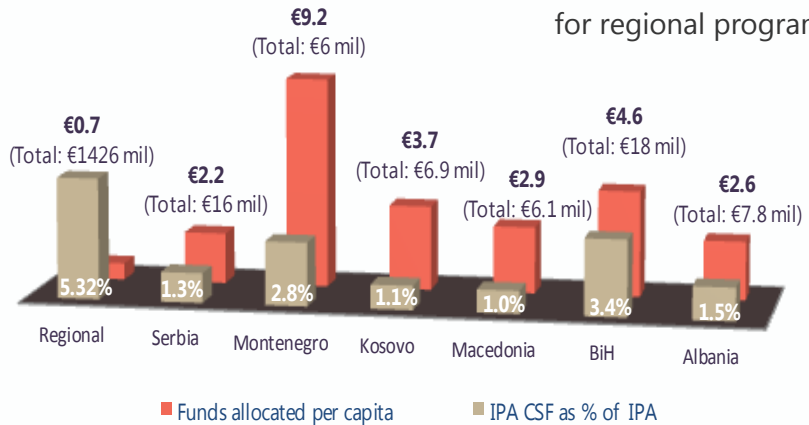


# EU FUNDS FOR SUPPORTING CIVIL SOCIETY DEVELOPMENT IN THE WESTERN BALKANS 2007—2013

## IPA CSF: COMMITMENT PARTIALLY FULFILLED

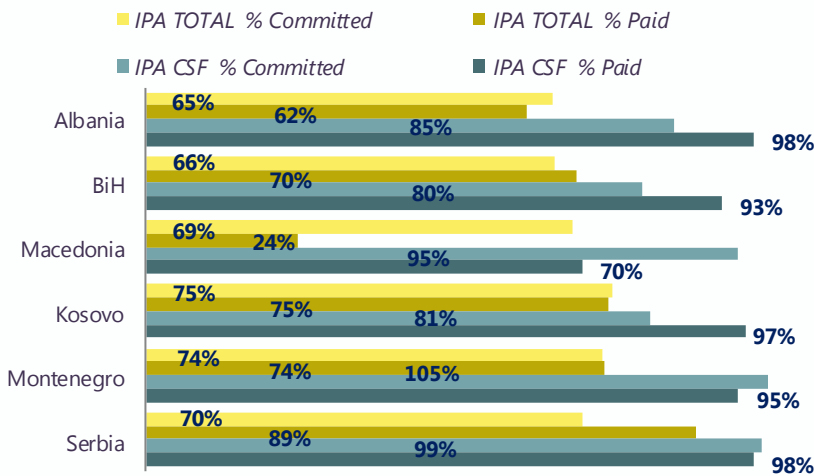
The EU supports development of civil society and the enabling environment in which civil society operates in Enlargement countries through the IPA Civil Society Facility. When establishing the instrument in 2008, the Commission's commitment was to allocate 2% of the entire IPA in each country for this purpose. During the 2007-2013 period, a total of €136.6 million (1.2% on average) have been planned for the IPA CSF, out of which €60.8 million (1.6% on average) for national, and €75.8 million (5.3% on average) for regional programmes.

**The EC went beyond the commitment to allocate 2% of IPA to IPA CSF in Bosnia and Herzegovina and Montenegro. In the rest of the countries, on average, 1.2% of IPA was allocated to CSF, or only €2.85 per capita for the entire period of 7 years.**



EU funds allocated for IPA CSF in WB countries for 2007-2013

## ABSORPTION OF FUNDS: HIGH PERFORMANCE OF CSOs



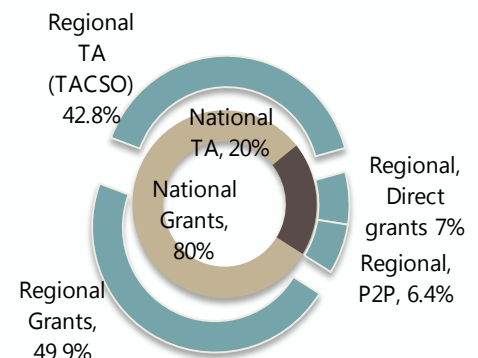
By the end of 2014, 71% of the regional IPA CSF and 91% on average of the national IPA CSF programmes have been committed.

From those committed, 93% of the regional IPA CSF funds were paid; and at least the same - 93% were paid within each of the national IPA CSFs (except Macedonia<sup>1</sup>).

## PREDOMINANT MODALITIES OF ASSISTANCE: TA & GRANTS

On **national level** IPA CSF was used for grants awarded through public calls – €40.8 million, and for technical assistance (TA) to support government institutions or mechanisms for fostering CS - Government cooperation and CS development and grant management – €10 million. TA was used in 3 countries: BiH (48% of the total IPA CSF awarded in the country), Macedonia (35%) and Serbia (14%).

On **regional level** IPA CSF was used for TA for Civil Society Organizations (TACSO) - €25 million, grants awarded through CfPs - €29.2 million, direct grants<sup>2</sup> - €4.2 million and People 2 People Programme<sup>3</sup> – €4 million.



<sup>1</sup> The lower absorption rate in Macedonia is due to: a) the cancellation of one Cfp (136-000/L/ACT/MK) because the authorities did not complete the evaluation procedure before the contracting deadline; b) Incomplete official data on contracted project under Cfp 134588/L/ACT/MK, closed 13.09.2013

<sup>2</sup> Direct grants were awarded to UNICEF, BIRN, RECOM, European Broadcasting Union, and Media Circle.

<sup>3</sup> Since 2012, People 2 People programme is integrated into TACSO.

# IPA CSF GRANTS: MAXIMIZING EU FLEXIBILITY TO MEET LOCAL CSO NEEDS

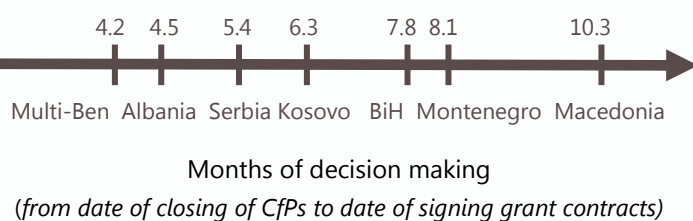
On **national level** there were 32 CfPs within which 337 projects were awarded with total value of €40.8 million. The average cost of projects was €134,157, the duration was 18.5 months, and the EU co-financing was 89.5%. Most of the national projects awarded deal with civil society strengthening, monitoring and dialogue on public policies on national and local level, as well as projects dealing with thematic issues such as corruption, environment, disabilities and children.

Country	No of CfPs	No of projects	Amount committed	Amount contracted	Contracted %	Avg. cost of grant	Average length
Albania	8	47	€6,640,000	€6,508,691	98.02	€109,146	21
BiH	6	47	€7,870,000	€6,954,666	88.37	€151,425	19
Kosovo	5	22	€5,600,000	€5,406,635	96.55	€195,889	24
Macedonia	3	45	€4,325,000	€2,661,168	61.53	€103,212	15
Montenegro	5	41	€6,280,000	€5,995,849	95.48	€143,741	17
Serbia	5	135	€13,700,000	€13,353,633	97.47	€101,528	15
<b>Total National</b>	<b>32</b>	<b>337</b>	<b>€44,415,000</b>	<b>€40,880,642</b>	<b>89.57</b>	<b>€134,157</b>	<b>18.5</b>
Regional	9	91	€29,950,000	€30,898,194	103.17	€339,541	29

On **regional level** 9 CfPs were launched and 91 projects awarded. The average cost of grant was €339,541 with average duration of 29 months. The EU co-financing is lower than in national projects, with average of 78.8%.

*Comparing the findings with BCSDN's analysis<sup>4</sup> on IPA CSF awards till 2012, there is a noticeable positive trend of shifting the IPA CSF support towards more long-term projects, with larger cost. The average cost of grants awarded till 2012 was €106,011 with an average duration of 16 months, while the projects awarded in 2013-2014 had an average cost of €155,941 and average duration of 20 months. Additionally, in the past three years more of the CfPs and the projects funded within contain sub-granting component.*

## THE EFFICIENCY OF THE CONTRACTING INSTITUTIONS: BIG DIFFERENCES



The time EC needed for evaluating and contracting the grant proposals varies from 4.5 months in Albania, to 8.1 in Montenegro. In Macedonia, where 1 of the 3 grant schemes was managed in decentralized manner (DIS), the average time was 10.3 months.

## CAPACITIES OF LOCAL CSOs: DOING WELL IN HIGH COMPETITION

Out of the 91 Multi- Beneficiary projects, 46 projects were led by CSO from WBT country, while 45 by organization from EU country. Considering the experience and capacities of EU based organizations this shows that CSOs from the WBT countries do have capacities for managing large scale regional projects.

Leaders in leading regional projects are CSOs from Serbia - 13 projects, followed by CSOs from Croatia -12, and from Macedonia - 7.

**The high absorption of national IPA CSFs and the number of large scale regional projects led by CSOs from WB shows that local CSOs do have mature capacities to implement different modalities of assistance.**

<sup>4</sup> This was one of BCSDN's key recommendations on the Workshop on EU support to CS in enlargement countries, organized in Brussels in September 2013. You can read more here <http://goo.gl/RgjuEC>

# THE REGIONAL COOPERATION: USUAL SUSPECTS & SOME SURPRISES

Country	AL	BiH	HR	KS	MK	MNE	RS	TR
AL	69	35	28	34	42	31	39	28
BiH	35	67	47	37	46	45	62	28
HR	28	47	52	30	38	36	48	23
KS	34	37	30	48	40	32	41	26
MK	21	46	38	40	68	41	54	28
MNE	31	45	36	32	41	69	46	26
RS	39	62	48	41	54	46	74	30
TR	28	28	23	26	28	26	30	40

Frequency of partnering of CSOs per country

The partnering of CSOs in regional projects shows there is good cooperation across countries. If assessed according to the frequency of partnering of the CSOs from different countries, it seems the historic, national or cultural proximity might not be the only determinants.

*From the 69 projects Albanian CSO participated in, the Macedonian CSOs were the most frequent partner. Serbian and BiH CSOs are most frequently participating jointly, partnering in 62 projects. The most frequent partner of CSOs from Kosovo are Serbian and Macedonian CSOs (partnering in 41 and 40 out of 48 projects).*

## OTHER SIGNIFICANT PROGRAMMES OF EU FUNDING TO CSOs: THE IPA COMPONENT FOR CROSS BORDER COOPERATION

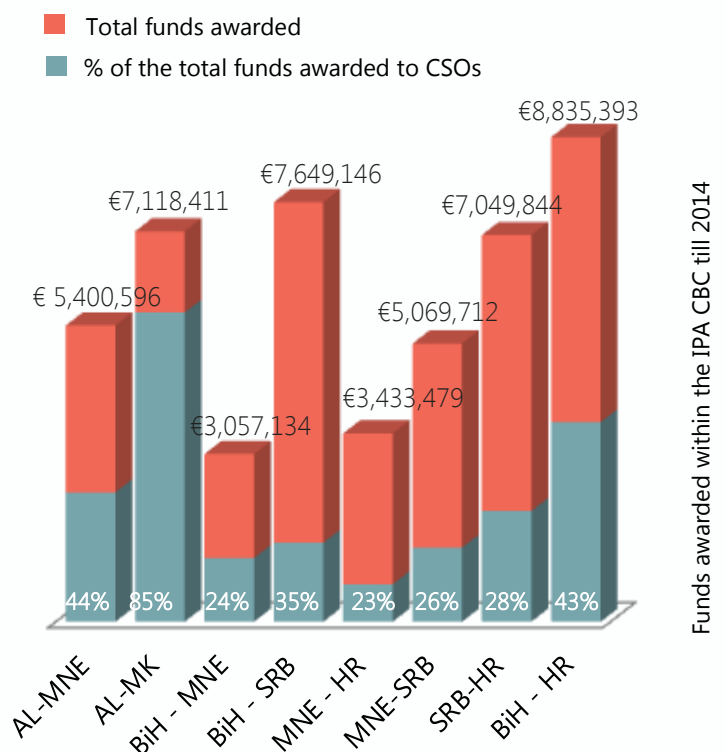
**CSOs are beneficiaries in nearly 60% of all CBC projects. Thus, it is crucial the rules applied to CBC projects to be fitted appropriately to ensure more efficient programming and implementation and increased effectiveness.**

Other than the IPA CSF, CSOs in WB receive EU funding through other programmes among which most significant are the European Instrument for Democracy and Human Rights (EIDHR) and the IPA component for Cross-Border Cooperation (CBC).

As less is known about the participation of CSOs in IPA CBC, BCSDN conducted a comprehensive analysis of all CBC programmes managed by DG Enlargement by the end of 2014<sup>5</sup>.

The analysis, which was possible only on half of all IPA CBC programmes, shows that in 59% of the IPA CBC projects (in 141 out of 237), at least one of the partners was CSO.

At least €18.3 million (or 38.4%) from the IPA CBC funds were awarded to CSOs until 2014. With half of the IPA CBC programmes analyzed, the amount of funds awarded to CSOs from the IPA CBC projects is 45% of the national IPA CSFs. This figure is expected to double, if the entire IPA CBC programmes are analyzed.

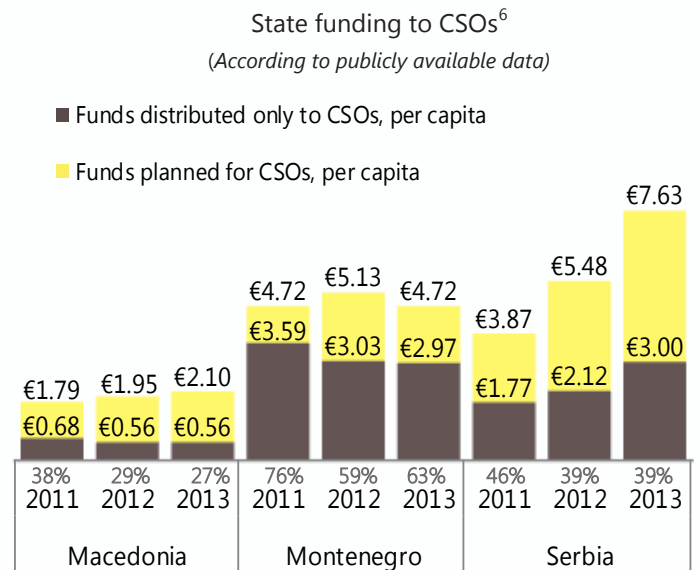


<sup>5</sup> Due to lack of official consistent data the analysis is made only on the IPA CBC programmes among non-EU member countries which was managed by DG Enlargement. The programmes under the EU Territorial Cooperation, managed by DG Region, are excluded: Albania - Greece; Croatia - Slovenia; Croatia - Hungary; Macedonia - Bulgaria; Macedonia - Greece; Serbia- Bulgaria; Serbia-Romania; Serbia - Hungary, IPA CBC Adriatic.

# WHO PROVIDES MORE FUNDING TO CSOs: THE EU OR THE STATE?

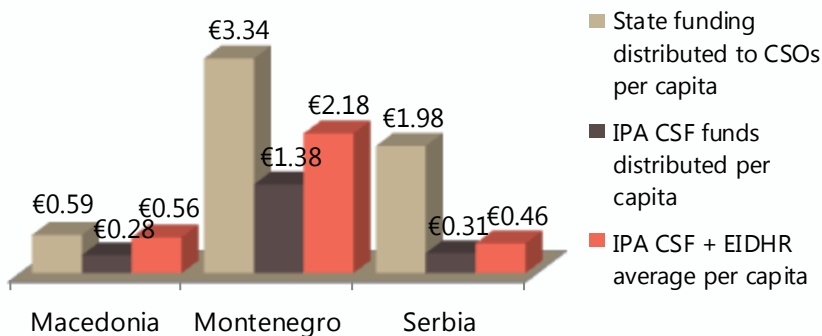
## STATE FUNDING TO CSOs: A VAGUE COMMITMENT

Finding the actual amount the state allocates for civil society in WB countries is no easy task, thus 3 pilot countries were selected. In Macedonia, where this amount is by far the smallest, it is not clear how much of the allocations for CSOs were actually distributed to CSOs, and how much to cultural, religious or sports organizations. The same is for Serbia, despite the detailed Government Report on annual state funding (the only of such kind in all WB countries). In Montenegro, where the transparency of distributed funding is higher, the problem is the funds intended for CSOs according the Law on games of chances (the primary source of CSO funding), are not distributed in full.



## STEERING THE CSO FUNDING: MORE EYES ON THE STATE

Average annual funding distributed to CSOs, per capita:  
State funding vs. EU funding



The annual state funding is around the same as the funding for CSOs provided by EU in Macedonia, 1.5 times more in Montenegro, and more than 4 times the EU funding in Serbia.

Since the EC has acknowledged that "More needs to be done to foster an enabling environment for civil society organisations"<sup>7</sup> in the Enlargement countries, the state funding should be much more encouraged by their agenda in order to develop a "strong civil society [that] enhances political accountability and promotes deeper understanding of accession related reforms".<sup>8,9</sup>

While the EU is the largest foreign donor to CSOs in WB countries, in terms of amount of funds provided, it is the state that is the most significant source of funding to CSOs. This is the case even when EIDHR funds are included along the IPA CSF, since they are also aimed solely for CSOs as beneficiaries.

**State funding is at least as significant source of funding for CSOs as the EU. Therefore, it should be a subject of interest to the domestic and EU stakeholders that promote transparent and accountable CSOs.**

<sup>6</sup> Funds planned for CSOs: In Macedonia and Serbia - Funds intended for CSOs according to Annual Financial Statements for budget lines for Transfers to CSOs (here are also sport clubs, religious orgs, political parties); In Montenegro funds that should be distributed to CSOs according to Law on Games of Chances and funding from Local Self Governments.

Funds distributed only to CSOs: In Macedonia - funds distributed only to CSOs according to LAF and Funding from Games of Chances; in Serbia - funds distributed only to CSOs through CfPs, for co-financing and under Budget lines for social protection, subsidies to public non-financial enterprises, specialized services, contractual services; in Montenegro - funds actually distributed to CSOs from Games of chances and from Local Self Governments.

<sup>7</sup> European Commission, Enlargement Strategy and Main Challenges 2014-15, p.20, Brussels, 8.10.2014

<sup>8</sup> Ibid;

<sup>9</sup> Read BCSDN's analysis on EU approach towards CS development in the latest EC Enlargement Strategy 2014-2015 here: <http://goo.gl/HGBgpP>