Balkan Civic Practices # 11

BALKAN CIVIL SOCIETY DEVELOPMENT NETWORK

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DONOR STRATEGIES AND PRACTICES FOR SUPPORTING CIVIL SOCIETY IN THE WESTERN BALKANS

Balkan Civic Practices # 11

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Donor Strategies and Practices for Supporting Civil Society in the Western Balkans

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List of abbreviations

ADA	Austrian Development Agency
BCSDN	Balkan Civil Society Development Network
BTD	Balkan Trust for Democracy
BiH	Bosnia-Herzegovina
CBC	Cross Border Cooperation
CCI	Center for Civic Initiatives
CfP	Call for Proposals
CPAP	Country Program Action Plan
CPCS	Center for Promotion of Civil Society
CoE	Council of Europe
CSAI	Civil Society Advocacy Initiative
CSF	Civil Society Facility
CSO	Civil Society Organization
CSP	Country Strategy Paper
CPD	Country Program Document
DCF	Donor Coordination Forum
DCSG	Democracy Commission Small Grants
DemNet	Democracy Network
DFID	Department for International Development
DG	Directorate-General
DiA	Democracy in Action
DIS	Decentralised Implementation System
DSDC	Department of Strategy and Donor Coordination
DSP	Democratic Society Promotion
EIDHR	European Instrument for Democracy and Human Rights

EU	European Union
EUD	Delegation of the European Union
EUFOR	European Union Force
EULEX	European Union Rule of Law Mission
EUOK	European Union Office in Kosovo
FCO	Foreign and Commonwealth Office
FOS	Fund for an Open Society
FOSM	Foundation Open Society Macedonia
FRY	Federal Republic of Yugoslavia
GEF	Grantmakers East Forum
GIZ	German Institute for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit)
HDR	Human Development Report
IFIs	International Financial Institutions
IPA	Instrument for Pre-Accession Assistance
IRI	International Republican Institute
ISC	Institute for Sustainable Communities
KCSF	Kosovar Civil Society Foundation
KDI	Kosovo Democratic Institute
KFOS	Kosovo Foundation for Open Society
KfW	Kreditanstalt für Wiederaufbau
LAG	Local Action Group
LOD	Reinforcement of Local Democracy
MCIC	Macedonian Center for International Cooperation
MDGs	Millennium Development Goals
MDTF	Multi-Donor Trust Fund
MFA	Ministry of Foreign Affairs
MIPD	Multi-Annual Indicative Planning Document
MODS	Network of Organizations for Children of Serbia
NATO	North Atlantic Treaty Organization
NDI	National Democratic Institute
NGO	Non-governmental organization
NORAD	Norwegian Agency for Development Cooperation

ODA	Official Development Assistance
OSCE	Organization for Security and Cooperation in Europe
OSFA	Open Society Foundation for Albania
OSF	Open Society Foundation
OSI	Open Society Institute
OTI	Office of Transition Initiative
QESH	Center for Social Emancipation (Qendra per Emancipimin Shoqeror)
REC	Regional Environmental Centre
SAA	Stabilization and Association Agreement
SAP	Stabilization and Association Process
SCO	Swiss Cooperation Office
SDC	Swiss Agency for Development and Cooperation
SEA	Sector for European Affairs
SEE	South East Europe
SEIO	Serbian European Integration Office
SEKO	Sector Civil Society Organizations
SIDA	Swedish International Development Cooperation Agency
SIPU	Swedish Institute for Public Administration
SWG	Sectoral working groups
TACSO	Technical Assistance for Civil Society Organizations
UK	United Kingdom
UN	United Nations
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDAP	United Nations Development Assistance Plan
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
UNMIK	United Nations Interim Administration Mission in Kosovo
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
WB	Western Balkans
WG	Working Groups

Introduction

International financial support for civil society development in the Western Balkans has spanned over two decades, initially starting as humanitarian intervention in the wake of the various violent conflicts in the region and gradually modulating its focus to prioritise democratic consolidation synchronised with European integration. However, despite the longstanding interaction between local civil society organisations (CSOs) in the Western Balkans and international agencies, there are three important questions that have been largely overlooked within the existing research on civil society development in the region:

- a comparative understanding of the rationale underpinning donors' commitment to remain present in the Western Balkans for the foreseeable future;
- how donors interact regarding the development of specific civil society programmes; and
- how key representatives from international agencies perceive the current state of civil society in the region and the impact of their own interventions.

The results contained in this report build on an initial survey of 48 donor organizations published in pilot study "Donors' Strategies and Practices in Civil Society Development in the Balkans. Civil Society Lost in Translation?". The pilot study, which was conducted in 2011, revealed that the EU is not only the most influential donor in terms of the amount and variety of the assistance provided, but it is also a driver and agenda setter for other donors' presence and interventions. In addition, the research showed that modalities of donors' assistance do not always reflect needs of CSOs in the Western Balkan region, and there is absence of long-term core funding to support democracy-building activities.

Another phenomenon confirmed by the research was that donor support tends to assist and benefit already established and developed CSOs, often neglecting smaller and less-developed organisations. One of the main recommendations of the research was that structured donor coordination – to include a wide array of bilateral, private and multilateral donors – was needed to avoid duplication and increase the effectiveness of donors' assistance to CSOs.

Extending the Research: Methodology

Whilst the initial research provided a good snapshot of the donor presence in the Western Balkans, it was perceived necessary to gather detailed and additional data about how donors determine their priorities and devise their aid programming; more analysis of their motivations for engagement in the region and their plans for the future was required. For this purpose, the questionnaire data were complemented with more fine-grained interview data from representatives of international agencies involved in aid programming for this report. The respondents from the survey in the pilot study had identified the EU and USAID as the most important donors in the Western Balkans. The budgetary data collected in the survey indicated that in addition to these two donors, both SIDA and the Open Society Foundation have a strong presence in the region in terms of civil society support. For such reasons, these four donors were identified as primary respondents for this report and representatives from each of their offices in the region were interviewed. For the primary respondents, it was also important to distinguish between strategic actors involved in aid planning (e.g. directors and heads of development cooperation) and those involved in programming (e.g. task managers and officers for civil society support). Through consultations with BCSDN

and its partners, the research team identified further donors that are pivotal actors in some places in the Western Balkans. These donors were used as additional respondents for this study. Moreover, to minimise duplication with previous studies and to better link with existing research, the researchers cooperated with Kosovar Civil Society Foundation (KCSF) and used their interview data from a recent study on civil society development in Kosovo instead of collecting new data. The final list of respondents is presented below.

To draw out the specific expertise of the respondents, the researchers developed two separate interview schedules for strategic and programme-level personnel. Strategic personnel were asked about: motives for remaining in the Western Balkans; long-term plans for the future; how their strategies are developed; how local priorities are reflected in programming decisions; coordination with other international agencies; whether they have a specific approach to civil society development; and their perceptions about local CSOs. On the other hand, programme-level respondents were asked about practices and modalities relevant to civil society development, particularly: details of programmes; how programmes are converted into projects or other actions; implementation of programmes; and their relationship with local CSOs. The complete interview questionnaire is included in Annex 2.

The information in the following sections is based on 84 semi-structured face-to-face interviews with representatives of international agencies conducted between September 2013 and February 2014. Most of the interviews were recorded and transcribed verbatim in their original language. When interviewees did not wish to be recorded, the information was collected through taking notes. A number of interviewees agreed to meet with the researchers, but did not want to be quoted in this report, and are thus not included in the final set of respondents.

Structure of the Report

The following sections of this report synthesise the interview data collected for this research, along with the data from the pilot study and the aforementioned KCSF report on donor strategies in Kosovo. The first part of the

Primary Respondents

- **EU**
- **USAID**
- **Open Society**
- **Swedish SIDA**

Supplementary Respondents

Albania: WB, Swiss Cooperation Office, UNDP, OSCE, German Embassy , Dutch Embassy, US Embassy

Bosnia-Herzegovina: Norway/NORAD, World Bank, UNDP, GIZ, Swiss Cooperation Office , UK Embassy

Macedonia: UNCT Swiss Cooperation Office , Netherlands Embassy, GIZ, UK Embassy

Montenegro: World Bank, UNDP, UNICEF, German Embassy, GIZ, UK Embassy

Serbia: Norway/NORAD (also covers Macedonia, and Montenegro), World Bank, Swiss Cooperation Office , UNDP, OSCE, UNICEF, Netherlands Embassy, GIZ, UK Embassy, ERSTE Foundation (covers the whole Western Balkans), Balkan Trust for Democracy (covers the whole Western Balkans)

Kosovo: KCSF interview data and personal interviews with Swiss Cooperation Office, UK Embassy, Kosovo Foundation for Open Society (KFOS), OSCE, Swedish SIDA.

Donor Strategies (Strategic Personnel)

- Discuss the motives for donor presence and plans for the future
- Discuss how donor strategies are developed
- Discuss to what extent donors take into account local priorities in the development of their strategies:
- Discuss donor coordination
- Explore donor approach to development and the how they envisage the role of civil society

Donor Strategies (Strategic Personnel)

- Discuss the details of the programme
- Discuss how programmes are turned into projects
- Discuss how the programmes are implemented
- Relationship with local CSOs
- Explore how donors control the implementation of programmes
- Supplementary respondents

report examines donor responses regarding the role of CSOs in donor programming before formulating a typology of modalities of donor assistance related to civil society development. The second section concludes with general donor perceptions about civil society across the region and also highlights country-specific issues, as well as respondents' perspectives about the long-term sustainability of CSOs in the region. The second part consists of a series of county-level summaries. For each country in the Western Balkans, the following are examined: current levels of donor budgetary support; motives for continued presence in the country; long-term plans; modalities of aid planning and programming; donor coordination; and donor assistance to CSOs. The final part of the report offers conclusions based on the data collected during the research. These findings inform a set of recommendations for international donors to more effectively develop local civil society in light of the broader social and political contexts in the Western Balkans, particularly given recent citizen-led mobilisations across the region without active CSO participation.

Part I Regional Outlook

1. The Role of Civil Society in Donor Programmes

1.1. The Substance of Civil Society Assistance

One of the key objectives of this research was to establish what role donors envisage for civil society in their programmes. The substance of civil society assistance in the Western Balkans (WB) has been researched by academics and practitioners elsewhere. Nevertheless, in view of the donors' ever changing agendas and priorities, there was a need to update and build a more in-depth analysis of how donors envisage the role of civil society.

The existing literature suggests that there has been a shift in donors' agenda from democracy-promotion to building good governance in the mid-2000s. Civil society development was indeed high on the priority list of international donors in the early 2000s. At the time, civil society was seen as a key element in pushing forward the process of democratisation through civic activism. The idea was to encourage civic engagement and generate demand for democracy 'from the ground up' in an attempt to develop participation, active cooperation, deliberation and reciprocal trust.[1] Most donors have moved on from this agenda in the second half of the 2000s. The bulk of foreign assistance now goes towards increasing the capacities of the state administration and building 'democratic governance' in which CSOs play a key role in monitoring the activities of the state, contributing to policy-making and pressuring the government to carry out reforms. As a result, civil society development has become 'a subordinate objective prioritised in the context of building the political and institutional capacity of states rather than specifically in terms of democratic consolidation'.[2] In other words, civil society development is not an end in itself, but a means for policy development and implementation.

Overall, our research corroborates these findings. Multilateral and bilateral donors primarily work with state institutions, with varying degree of assistance to civil society. For instance, GIZ, which is one of the most important bilateral implementing agencies in the region, almost exclusively channels its aid to state institutions. CSOs are secondary actors that are occasionally involved in the implementation of some projects. An interviewee from GIZ Macedonia thus stated that civil society support is a side-effect of their intervention, not an intended objective.[3] This preference for channelling aid to state institutions often derives from the perception that this type of assistance is more effective and sustainable than civil society assistance. This view is epitomized by the statement of the UNICEF Representative in Podgorica:

> *Well, we have a budget of a couple of a million a year. But we do not really fit into your model of a donor, like the NGO comes with a project and gets funding. We've passed that in the Balkans, it's not really our role here nor should it be. We are actually quite sceptical that sometimes it does more harm than good with NGOs. (...) The paradigm of we're coming and doing a lot of activities and then giving money to NGOs to support these activities – this is the past, people shouldn't work like this anymore. Because of the Paris declaration, there should be a focus very much on government reform. Where reform is not happening, it is for civil society and media to advocate for that and of course we do*

1 Brown, Keith (ed.) Transacting Transition: The Micropolitics of Democracy Assistance in the Former Yugoslavia (Bloomfield CT : Kumarian Press, 2006)

2 Fagan, Adam. Europe's Balkan Dilemma: Paths to Civil Society or State-Building (I.B Tauris, 2010)

3 Interview with an official at GIZ in Macedonia.

human rights diplomacy but it's behind the scenes.[4]

As a result of this focus on government reform, there is a general trend among donors of re-directing activities from CSOs to state institutions. When the UK embassy in Podgorica opened in 2006/2007, 100 per cent of assistance was allocated to CSOs. Since then, funding has increased but the priorities have changed. Today, only one third of projects are channelled through CSOs.[5]

There are nonetheless important differences between donors and among donor offices in different countries. For example, the Swiss Cooperation Offices have different approaches in different countries. On the one hand, the Swiss Cooperation Office (SCO) in Bosnia-Herzegovina (BiH) closed down its civil society development programme between 2002 and 2004 because it was considered that the capacities of the state administration had increased. This was part of a strategic shift from civil society support to state institutions support, which is seen as being more sustainable. Accordingly, in the medium- or long-term, the state should take over those activities where CSOs are currently seen as 'natural partners'.[6] On the other hand, the SCO's office in Pristina has developed a civil society programme in response to the shift in donor support from civil society to state institutions. This decision was brought in response to the 'need for supporting medium-size projects and organisations with flexible instruments that can respond to emerging needs in the areas of minority integration, gender equality and citizen participation in the dynamic context of Kosovo'.[7]

4 Interview with the UNICEF Representative in Montenegro.
5 Interview with an official at the UK Embassy in Montenegro.
6 Interview with officials at the Swiss Cooperation Office in Bosnia-Herzegovina.
7 Retrieved from http://www.swiss-cooperation.admin.ch/kosovo/en/Home/Domains_of_Cooperation/Democratic_Governance_and_Decentralisation/Democratic_Society_Promotion on 29 April. 2014.

This shift in the focus of assistance from civil society to state institutions is largely driven by the process of EU integration which is the main objective for most donors in the region. According to Torgny Svenungsson, the Head of Swedish Development Cooperation in Serbia, the main focus of SIDA's intervention in Serbia is 'padding the way for the EU accession and that is about the capacity of the administration, of agencies, of ministries, of municipalities to be able to comply with the Acquis and with the directives and the EU regulations'.[8] As a result, civil society assistance is seen by most donors as complementary to the broader government assistance programmes.

From this perspective, civil society has three principal functions in donor programmes. The first is to monitor the activities of the state and act as a watchdog towards state institutions in order to push for government transparency and accountability. Civil society is thus primarily seen as a mechanism of checks and balances which constitutes a key element for building good governance. The second function attributed to civil society is to provide input to policy-making and law-making, and to advocate progressive change in society. Many donors consider that civil society should play a key role in creating a dialogue between elected representatives and their constituents in order to get citizens actively involved in decision-making. Finally, donors often resort to CSOs when there is no willingness or capacity to act on specific issues on the part of the government. CSOs are indeed often used to create pressure or open public dialogue about issues that are not on the agenda or to circumvent public bodies that are not willing to cooperate. In some cases, donors draw on service-provision CSOs to carry out 'pilot projects' which are then 'offered' to the government.

8 Interview with officials at the Swedish Embassy in Serbia.

1.2. Donor Views on Civil Society Development

In line with earlier studies, this research shows that, on the whole, civil society development is no longer a priority on the donor agenda. Most of the donors that have supported civil society development in the past consider that this is no longer a priority because they reckon that there is an established civil society in the region. For instance, the Fund for an Open Society in Serbia (FOS) does not any longer provide generic capacity building or training for CSOs. According to Jadranka Jelinčić, the Fund's Executive Director, this is something that was necessary 20 years when civil society was being established. Nowadays, FOS supports the development of specific expertise for CSOs to be able to take part in policy-making or EU integration processes.[9]

This shift in donor approach to civil society assistance is visible across the region. Silva Pešić, the Human Rights Advisor at the UN in Macedonia, suggested that there was a time when donors invested a lot in developing civil society which was seen as a pillar of democratisation. This has led to the emergence of a strong and capable civil society, while the state administration was lacking capacity. Since then, the bulk of donor assistance has been re-oriented towards building state capacity while the space for civil society has been narrowed down.[10]

The main argument against civil society development programmes is that civil society should not be funded for its own sake. Instead, CSOs should only be supported to carry out specific tasks. This view transpires from the statement given by a World Bank official in Bosnia-Herzegovina:

> *I cannot believe that any donor has the objective to fund civil society. If this is true, I think that this is disastrous. The aim should be to achieve some progress in something, and the way to achieve this goal may be through partnerships with civil society organizations, that is, through funding some civil society organizations programmes. Why do I react in this way? Precisely because, in this country, the mantra of funding civil society has turned to the opposite, where civil society organizations were created not to respond to some objective social need, but primarily because there were resources for funding certain civil society activities, because there were entire programmes of assistance to civil society.*
>
> *These programmes have encouraged the formation of a number of civil society organizations in Bosnia-Herzegovina, many of which are not sustainable and many of which were formed in a supply-driven manner, and not in a demand-driven manner, not to respond to the objective needs of the community, society and so on. Each of us can find a need, but the truth is that these organizations were formed in order to use the available donor funds. Today, when those funds are no longer there, we see that many of these organizations have disappeared. Today, we see the formation of new organisations which are really demand driven and this is the real thing.*[11]

In line with this train of thought, donors increasingly tend to perceive CSOs as partners rather than recipients of assistance. The UNDP in Serbia used to dedicate 70-80 per cent of its projects to civil society development, capacity-building or some other form of assistance to civil society. Since the capacities of CSOs have reached a certain level, UNDP's

9 Interview with Jadranka Jelinčić, Director of the FOS in Serbia.

10 Interview with Silva Pešić, Human Rights Advisor at the Office of the UN Resident Coordinator in Macedonia.

11 Interview with an official at the World Bank office in BiH.

mode of cooperation with civil society has evolved towards using the expertise of these organisations in specific areas. Instead of being prioritised as recipients of assistance, CSOs compete for funding with private companies or state institutions by applying for tenders.[12] Similarly, UNICEF partners with CSOs in trying to push their agenda forward in Montenegro. CSOs are exclusively supported in a non-financial way through advice or technical assistance.[13] The same applies for the SCO in Bosnia-Herzegovina which includes CSOs in most programmes as a necessary component for achieving the objectives of those programmes.[14] From this perspective, CSOs are seen as a means to achieve specific ends.

The Scandinavian bilateral donors are a notable exception to the donors' fading interest in civil society development. The Norwegian Embassy in Belgrade still supports the broadening of CSOs so that there are civil society actors in key fields of social development, which may explain why it dedicates so much funding to civil society. According to Roger Jorgensen, the Deputy Head of Mission of the Norwegian Embassy in Belgrade, the overall objective is to make a general contribution to social and political development through a broad development of the field of actors in civil society.[15] The Swedish government sees civil society both as a means and as an end. This means that SIDA has a section related to building a civil society enabling environment, in general, but then they also see the possibility to work with civil society in specific sectors or result areas. SIDA supports civil society as an end in itself because it considers that civil society is a key for the functioning of democracy. According to an official from the Swedish Embassy in Sarajevo, there is a very clear message from the Swedish government that civil society is a priority, that 'every country needs a strong civil society as an alternative voice, partly giving a voice to citizens in a democratic function sort of sense'.[16] SIDA also engages with CSOs as a means for achieving specific goals such as gender equality, justice reform or environment for which CSOs often play an important role both as a watchdog and in terms of advocacy.

12 Interview with an official at the UNDP office in Serbia.
13 Interview with the UNICEF Representative in Montenegro.
14 Interview with officials at the SCO office in BiH.
15 Interview with officials at the Norwegian Embassy in Serbia.

1.3. Country-Specific Issues

While most of the assistance channelled through CSOs in the region is aimed at building good governance, democracy promotion is still a priority on the donor agenda in Macedonia, and to a certain extent, in BiH due to the specific political circumstances in these countries. Also, many donors are still working on post-conflict reconstruction in Kosovo where inter-ethnic relations remain a major issue.

MACEDONIA

Several donors have stated that the political situation in Macedonia started to go downhill after the Bucharest summit in 2008 when the country's bid to join NATO was turned down. Since then, the ruling party is alleged to have endorsed nationalism and populism in an attempt to take control over every part of society, including civil society. The situation was made worst by the postponing of the EU negotiations which, according to an official from the Dutch Embassy, has substantially diminished the leverage of the EU. While in the past, government representatives gave a lot of importance to the recommendations issued in the EU progress report, this is allegedly no longer the case. As a result, the government and the political elites are less inclined to cooperate with civil society and Macedonian politicians are increasingly challenging the legitimacy of civil society on the basis that CSOs do not genuinely represent the citizens.[17]

16 Interview with an official at the Swedish Embassy in BiH.
17 Interview with an official at the Dutch Embassy in Macedonia.

The perceived resurgence of authoritarianism in Macedonia has led several donors to refocus their assistance from EU integration to democracy promotion and human rights protection. The Foundation Open Society – Macedonia (FOSM) has decided to close a project called 'Citizens for a European Macedonia' which consisted in organising debates around Macedonia on the name of the country, the EU and NATO integration processes, economic problems, etc. because they realised that EU integration is no longer the most important priority, that it is more important to focus on democracy and basic human rights which have been put under threat.[18] Both USAID and FOSM reintroduced their media programmes, which were closed in 2005 and 2007 respectively, in response to the government's crackdown on independent media. Supporting the media is seen as key for allowing other activities (monitoring, advocacy) to take place. Without independent media, CSOs working in the field of monitoring and advocacy cannot inform the public about their activities and their findings.

The current political situation is not a matter of consensus among donors in Macedonia. The EUD representatives have downplayed the influence of the political context on their activities. In their view, the change of government has not influenced their work because the government priorities have remained the same. Accordingly, things are moving slower but the postponing of the negotiations process has not diminished the leverage of the EU.[19] The EUD officials in Skopje primarily see civil society as a partner in the process of EU integration. Irena Ivanova, the Civil Society Task Manager at the EUD, stated that the EUD does not only perceive civil society as their grantees, but that they seek to utilise the expertise of CSOs in different areas. In her view, CSOs are a valuable source of expertise which can compensate for the lack of institutional memory in government institutions where there is a high turnover owing to the frequent changes of government.[20]

18 Interview with an official at the FOSM office in Macedonia.
19 Interview with officials at the EUD office in Macedonia.

BOSNIA-HERZEGOVINA

In the case of BiH, the work of donors has been heavily affected by state disfunctionalities and the lack of political will to work together at different levels of government. According to a SIDA official in Sarajevo, the political situation affects donors in several ways. At the highest level, there is often no effective institution at the national level. National institutions either do not exist or do not have political support for being functional. In the case where there are effective national institutions, these institutions are often undermined by the entity, which prevents the development and adoption of national plans and strategies. Finally, the parliament and other institutions are constantly the theatre of political squabbles which divert the politicians' attention and energy from much needed reforms.[21]

This political environment has had a very concrete impact on donor activities in BiH. For example, the EUD has helped BiH to develop strategies in social inclusion with UNICEF. However, it took one year to get the strategy approved (in parliament) and it still has not been approved by the Council of Ministers.[22] SIDA's project on juvenile justice, which involved developing a national strategy for juvenile justice, did not bear fruit because of the Republika Srpska's opposition to the adoption of this strategy.[23] In response to this state of affairs, the EU has decided to cut the IPA 2013 allocation for BiH by half and suspend the preparation of the Country Strategy Paper for IPA II. The EU has conditioned IPA II upon

20 Ibid.
21 Interview with an official at the Swedish Embassy in BiH.
22 Interview with an official at the EUD office in BiH.
23 Interview with an official at the Swedish Embassy in BiH.

the establishment of a national coordination body for the implementation of IPA and the development of sectoral strategies by the Bosnian administration.

Bilateral donors have also taken measures in response to the precarious political situation in BiH. The UK embassy has recently reintroduced a programme focusing on strengthening civil society as it was considered that there is insufficient dialogue between political elites and the public.[24] This initiative followed the visit of UK Foreign Secretary, William Hague, to BiH and the realization that the political process was 'stuck'. The representatives of the UK embassy suggested that there is a trend among CSOs to move from advocacy to service-delivery, which they seek to revert. Rather than using CSOs for service-delivery, they seek to increase the capacity of CSOs to lobby and advocate on various issues. In a similar vein, the Norwegian embassy has refocused its assistance to civil society on rights-based advocacy CSOs in order to promote bottom-up social change. According to a representative from the Norwegian Embassy, this is complementary to the assistance provided to state institutions as a 'functioning democracy also needs to have an equally well functioning civil society sector'.[25]

KOSOVO

While the overriding priority of most donors in Kosovo is to build good governance and accountability, some donors are still actively involved in post-conflict reconstruction. For instance, 70-80 per cent of the UK's Conflict Prevention Programme in Kosovo is directed towards minorities.[26] Together with the EU, the UK embassy provides financial support for the return of refugees. This is a very expensive programme as it involves building houses and helping returnees to develop income generating activities. The UK embassy draws on private companies or CSOs to implement these activities. Another typical example of post-conflict reconstruction is the 'Reconnecting Mitrovica' programme developed by the Kosovo Foundation for Open Society (KFOS). This is one of the key programmes in KFOS's forthcoming strategy. According to Luan Shllaku, the Foundation's Executive Director, the objective of this initiative is to change the political and social climate in Northern Kosovo and to promote democratization through the expansion of civil society.[27] This programme will be carried out in cooperation with the EU which will substantially invest in the development of civil society in North Kosovo in the coming years.

24 Interview with officials at the UK Embassy in BiH.
25 Interview with an official at the Norwegian Embassy in BiH.
26 Interview with an official at the UK Embassy in Kosovo.
27 Interview with Luan Shllaku, Executive Director of the KFOS in Kosovo.

2. Modalities of Civil Society Assistance

2.1. Typology of Civil Society Assistance

The modalities of donor assistance to civil society constituted a very important part of this research. Although this may seem as a merely technical issue, it is only through the analysis of how assistance is channelled to CSOs that we can understand the relationship between donors and civil society. The way in which civil society assistance is delivered determines the level of ownership that local actors have in the development and implementation of projects, and the modus operandi of most CSOs. This section provides an overview of the most common approaches to civil society assistance in the Western Balkans and an analysis of donors' rationale for resorting to these mechanisms or avoiding them.

Project grant-making

Project grant-making is the most widespread modality of assistance to civil society. It consists in donors issuing grants to CSOs for short to medium-term projects (usually up to 2 years). These grants are generally issued through Calls for Proposals (CfP): donors identify priorities and objectives they want to see achieved and CSOs apply with projects that seek to attain these objectives. The methods of granting vary considerably between donors in terms of procedure and in terms of the level of CSO ownership in the development of projects. For example, while some donors have rolling calls throughout the year, others have set deadlines for application.

The level of cooperation between donors and CSOs in the development of projects varies from case to case. Some donors issue 'blind calls' for which the priorities and criteria are entirely defined by the donors. In this case, CSOs apply with fully developed projects that fit into these pre-defined priorities. Others cooperate with, or provide assistance to, CSOs in the development of projects. This usually takes place either through informal communication between donors and CSOs before a formal application for funding has been made or through donor assistance in the development of those projects which have been shortlisted. In some cases, donors send a request for application from a closed list of CSOs. For example, KFOS usually makes restricted calls for proposals.[28] It first invites a selection of CSOs to participate in workshops on specific issues. During these workshops, CSO representatives from the region are invited to present examples of successful projects. KFOS then hires coaches to help CSOs develop their projects before opening a formal CfP. The Dutch embassy in Albania also resorts to this procedure because their capacities are not high and they prefer to work with stable CSOs.[29]

Donors have a preference for project grant-making because this allows them to provide funding to a broad range of CSOs. This is seen as having a bigger impact than providing long-term funding to a limited number of CSOs. This rationale is advanced by Svetlana Đukić, the Civil Society Task Manager at the EUD in Belgrade, in the following terms:

> *We now have projects for up to 18 months. Our resources are limited to 100,000 euros. I do not see the point of an extension of the period of implementation of the projects to 48 months if you have limited resources. So, we have €2m per year for the whole of Serbia. Which means that, on average, 20 organizations can get funding. Another method would be to help five organizations, and no one else, so that they have their operating costs and institutional costs covered for, let's say, the next 4 years. And this is now a question of strategic choice – what is better? So we have opted for this mechanism of giving up to 18 months for specific project activities within the scope of the resources that are available to us. We do not provide €300-400,000 grants so that they could have long term [support]. And I do not know what would be the benefit of giving long-term [assistance]. (...) I essentially do not see what this would make better for civil society. I mean, I would love to hear it because I often hear it.*[30]

Another reason for the popularity of project-grant making is that this mode of assistance gives donors a lot of flexibility in terms of defining priorities and substantial control in the implementation of projects. There is a perception among donors that it is much easier to carry out monitoring and evaluation for projects than to assess to what extent CSOs have fulfilled their annual plans (see below).

28 Ibid.

29 Interview with an official at the Dutch Embassy in Albania.

30 Interview with Svetlana Đukić, Task Manager for Civil Society at the EUD office in Serbia.

Besides, project grant-making allows donors to fund short-term initiatives tackling specific issues. Many donors consider that this is a key dimension of CSO activities, which is why even those donors that prioritise other modalities of assistance often include a project grant-making dimension in their programmes.

Nevertheless, many donors would concede that this form of assistance has led to the development of 'donor-driven' civil society (see Chapter 3: Donor Views on Civil Society). Since most of the time CSOs have little ownership in the definition of priorities, they end up as implementing agencies pursuing donors' agendas. As a result, CSOs are devoid of their substance and they are cut off from their constituents. For these reasons, some donors have resorted to institutional support for CSOs.

Institutional grant-making

Institutional grants consist in providing CSOs with multi-year budget support for the implementation of their long-term strategic plans and objectives. Instead of applying for funding with projects that seek to meet priorities set by donors, CSOs get financial assistance on the basis of their annual plans. In principle, donors select beneficiaries on the basis of whether they support an organisation's vision and mission. CSOs thus have full ownership in the identification of priorities and the implementation of projects.

Very few donors provide this type of assistance in the Western Balkans. This is exclusively done by the Swiss Cooperation Offices in Macedonia and Kosovo, SIDA in Kosovo, and the Norwegian Embassy in Belgrade which covers Serbia, Montenegro and Macedonia. The SCO office in Macedonia highlighted institutional support as their main approach to civil society assistance. In the first phase of the project Civica Mobilitas, which is one of the biggest civil society programmes in Macedonia, two-thirds of the grants disbursed by the SCO were institutional grants and one-third were project grants. The institutional grants cover 50 per cent of the recipient CSO's annual budget for a three-year perspective. The renewal of the support each year is conditioned upon the CSO implementing its annual programme.[31]

It is important to emphasise that those donors who provide institutional grants also provide project grants because some CSO activities are time-limited and specific to a certain context. Luan Shllaku from KFOS argues that it is unprofessional to pre-define the amount of institutional versus project funding.[32] In his view, the point is to use both instruments to reach some goals. Visare Gorani Gashi from the SIDA office in Kosovo also considers that donors should resort to both project- and institutional grants because these two instruments serve different purposes. In her view, while institutional grants allow CSOs to get some liberty and stability, project grants are necessary for supporting *ad hoc*, goal-oriented initiatives.[33]

The main rationale for supporting CSOs with institutional grants is that this allows organisations to develop and implement their own ideas and projects instead of being donor-driven. A SIDA official in BiH stated that the main rationale for core funding is that 'it allows an organisation to be true to its own mission and mandate'. Supposedly, this type of assistance allows CSOs address the needs of their communities and establish strong links with their constituencies. The SCO representatives in Macedonia stated that they opted for this type of support because they 'would like to see civil society, all NGOs, working for their constituencies; that [CSOs] have a basis rooted in Macedonia and work for the citizens – to work for the citizens and not mainly work for the donors. This is the ideal'.[34]

31 Interview with officials at the SCO office in Macedonia.
32 Interview with Luan Shllaku, Executive Director of the KFOS in Kosovo.
33 Interview with Visare Gorani Gashi, Programme Officer for Development Cooperation at the Embassy of Sweden in Kosovo.
34 Interview with officials at the SCO office in Macedonia.

Besides giving ownership to CSOs, institutional grants also give them more long-term security, which allows organisations to have more creativity in their work. The Norwegian embassy in Belgrade opted for this type of support because it allows CSOs to work on long-term goals. According to Roger Jorgensen, 'the energy of reaching those goals can be reduced by overly focusing on project activities in a short term'.[35] The SCO in Macedonia also opted for institutional support in order to stimulate more creativity and give organisations a bit of security. They are aware that with project funding, CSOs spend most of their time applying for projects and reporting, which leaves them with little space for quality work. Institutional funding is thus deemed to reduce transaction costs, it gives CSOs much more time so that they could effectively use the grants.[36]

There is, nonetheless, a lot of reluctance to giving institutional funding among donors in the Western Balkans. The typical argument against this type of assistance is that it leads to inertia, inefficiency and waste of funds. This conviction is based on the view that institutional funding allocated by the state authorities has led to the emergence and maintenance of organisations that are completely inactive or inefficient. According to Džemal Hodžić, Programme Manager at the EUD in Sarajevo, organisations should not be funded just to exist. In his view, it is much more efficient to fund targeted projects that will deliver tangible results:

> *Here's a trivial example: there are often wartime associations in each municipality, and not one but five. They all receive grants from the municipal budget. It is mostly for offices, phone, personal assistants, etc... There are no project activities and, if there are any, these are some celebrations, some commemorations, and that's it. However, if the money was redirected to provide professional training for war disabled or demobilised, unemployed, former soldiers, this would create the conditions for their employment. For example, you have a hundred demobilized combatants, all of whom are unemployed. Out of this money, you take 10 of them and provide them with training and perhaps even some equipment that they need, for example, for greenhouse vegetable production. Those 10 [veterans] generate their own income, they cease to be unemployed, they are no longer a problem. You have this problem of 100 reduced by 10. This is an efficient use of resources. But to give them operating grants only to exist, that is not very efficient nor, let's say, desirable at the present time when there is not enough money.*[37]

Some donors consider that the time of institutional funding has passed. This view was prevalent among Open Society Foundation representatives who consider that institutional grants essentially serve for the creation and broadening of CSOs. Luan Shllaku thus argues that there is no point in giving grants for the mushrooming of CSOs in 2014. Instead, he considers that it is now time to identify what needs to be changed in society and support those organisations which can do the job.[38] According to Jadranka Jelinčić from FOS, a donor's tendency to resort to institutional grant-making depends on the ability of CSOs to elaborate long-term strategies and development plans. In her view, many CSOs lack this ability because they are dependent on donors who are not willing to align their priorities with those of civil society.[39] Many donors also consider that institutional grants

35 Interview with officials at the Norwegian Embassy in Serbia.
36 Interview with officials at the SCO office in Macedonia.
37 Interview with Džemal Hodžić, Programme Manager at the EUD in BiH.
38 Interview with Luan Shllaku, Executive Director of the KFOS in Kosovo.
39 Interview with Jadranka Jelinčić, Director of the FOS in Serbia.

make CSOs even more donor-dependent than project-grants and that this type of assistance would make it very difficult for them to monitor and evaluate the work of CSOs.

In spite of these reservations, an increasing number of donors is considering introducing institutional grant-making in their programmes. There are indeed some indications that the EU could resort to this type of assistance.[40] According to the EUD officials in Montenegro, the EU rules allow for institutional funding, but the EUD has chosen not do so because this 'has simply not been identified in the needs of the overall assistance package for this country'.[41] SIDA is also considering introducing institutional grant-making as a tool for supporting civil society in its new regional strategy. According to a SIDA official in BiH, core funding as a model of civil society assistance is quite common in African countries. However, this is not the case in the Balkans because 'there are not many donors here who have sort of a development perspective'.[42]

Civil society assistance through implementing partners

This type of assistance, which is progressively being phased out in the WB, involves donors delivering support to CSOs through an organisation from their home country, an international organisation or a private consultancy. These implementing partners usually have long-standing partnerships with local CSOs. The common procedure for the allocation of funding is that implementing partners develop projects in cooperation with local CSOs before submitting their applications to donors.

SIDA has thus implemented all its civil society programmes in the Western Balkans through partner organisations from Sweden and other countries. The same applies to USAID with the exception of BiH where USAID's office has been using local partners since 2001. Some donors have channelled only parts of their programmes through implementing partners. For instance, the EU's Technical Assistance to CSOs (TACSO) project is being implemented by the Swedish consultancy SIPU International. Bilateral donors have extensively resorted to international organisations such as UNDP and OSCE for implementing their programmes. These agencies are competing for donor funding with local CSOs because their own budgets are shrinking. In some countries, Open Society Foundations also act as implementing partners for other donors in addition to being grant-giving foundations.

Donors primarily resorted to this type of assistance because they considered that local CSOs did not have the capacity to absorb and administer funding. USAID resorted to American organisations because they were familiar with USAID procedures, which substantially reduced their transaction costs. SIDA's rationale for resorting to Swedish implementing partners in BiH and Kosovo was that there were few CSOs with developed capacities right after the conflict, so this was a mechanism to reach out to very small, not well-established, organisations.[43] SIDA officials consider that the situation is still 'quite fragile' in Kosovo in terms of CSOs that would be able to absorb the assistance according to the rules and regulations of Sweden.[44]

Another important argument in favour of this type of assistance is that it promotes the transfer of technical capacities, knowledge, experience and organizational thinking from well-established Western organisations to local CSOs. The continuous relationship between implementing organisations and local CSOs facilitates the development of knowledge and expertise which allows them

40 Interview with Resident Advisor at the TACSO offices in Serbia and Albania.
41 Interview with officials at the EUD office in Montenegro.
42 Interview with an official at the Embassy of Sweden in BiH.
43 Ibid.
44 Interview with an official at the SIDA office in Kosovo.

to offer innovative solutions. In Kosovo, Swedish organisations contributed to the building of local capacities, especially for women organisations which play a particularly important role there. Visare Gorani Gashi argues that channelling assistance through implementing partners was a win-win situation because these are organisations that have credibility both in technical terms and in terms of knowing the context which allowed them to support the development of local CSOs' capacities.[45]

In some cases, donors channel their support through implementing partners because they consider that it is politically too sensitive to do it via CSOs. A representative from the Dutch Embassy in Macedonia thus stated that they resort to implementing partners because it is sometimes 'politically too sensitive to channel it through the civil society, especially because civil society is very much aligned with the political parties'.[46] The Embassy is thus funding a Dutch-Belgian consultancy in order to advise the committee which has been established in order to overcome the political crisis in parliament. There are also some instances where donors resort to implementing agencies in order to avert corruption. In Albania, the EU's service contract for supporting children's rights was given to UNICEF which is in charge of the grant management in order to reduce the risk of misuse of funds.[47] Besides being more reliable, donors generally consider that international implementing partners provide better quality of service than local organisations.

In spite of this, most donors have decided to phase out this type of assistance for several reasons. First of all, the long-standing cooperation between implementing partners and selected CSOs limits the number of beneficiaries and the possibility to include new partners and new initiatives in the programmes. Most implementing agencies have their pool of partner organisations which limits the possibility for new organisations to benefit from assistance. In addition, this mode of assistance limits the ownership and developmental potential of local CSOs. Once the capacities of local organisations are built-up, their opportunities for further development are limited because they tend to stay 'below the radar' owing to the preponderance of implementing partners. As a result, the fact that donors resort to implementing partners occasionally creates tensions within civil society. As one official from the Open Society Foundation for Albania (OSFA) noted, 'sometimes we see that OSCE and UNDP is getting funding from the EU and this really creates tension within civil society and those organisations that strive to survive in this environment'.[48] Last but not least, donors are increasingly reluctant to draw on implementing partners because this is very costly.

The pace at which this modality of assistance is being phased out varies between donors and countries. As noted above, USAID in BiH has been implementing its civil society programmes through local partners since 2001. The local USAID office resorted to local organisations whenever there was capacity at the local level because they believe that local partners have a higher stake in projects than foreign organisations. USAID offices in the Western Balkans had the option of implementing their programmes through local organisations as long as they demonstrated that these organisations have the capacity to implement those activities.[49] Nevertheless, USAID's offices in the remaining Western Balkans countries have only recently started to resort to local implementers as part of the global USAID Forward reform. SIDA is also gradually phasing out the use of Swedish

45 Ibid.
46 Interview with an official at the Dutch Embassy in Macedonia.
47 Interview with Resident Advisor at the TACSO office in Albania,
48 Interview with an official at the OSFA office in Albania.
49 Interview with an official at the USAID office in BiH.

partner organisations, although at different speed in different countries. SIDA gives substantial importance to exit strategies in this process. The phasing out is gradual so that local organisations would not be left on their own without achieving a certain stage of maturity. According to the SIDA representative in Kosovo, this involves more focus on capacity building for local CSOs, especially in terms of assisting organisations in identifying priorities and needs, and strengths and weaknesses.[50]

CSOs as implementing partners

This is a widespread form of indirect support for CSOs through their engagement in the design or implementation of specific activities involving different stakeholders. It involves either commissioning CSOs to carry out specific tasks (research, training, monitoring, service delivery, advice, coordination, etc...) or consulting organisations in the implementation of projects with other actors.

There are important variations in the way donors engage with CSOs as implementing partners. For the implementation of specific projects or tasks, CSOs are usually selected through tenders in which they compete with public or private bodies. In this case, the ownership is entirely in the hand of the donors, CSOs have little or no say in the identification of priorities and the development of projects. However, in some cases, projects are allocated without tenders or CfP. For instance, the ERSTE Foundation develops projects in-house and enters into partnerships with CSOs that are deemed most suitable to implement specific projects or tasks.

UNICEF in Serbia has established strategic partnerships with organisations working in the field of child protection. In this case, CSOs are heavily involved both in the design and in the implementation of projects.

This form of engagement with CSOs is increasingly popular among donors as a result of the overall shift in donor agenda discussed above. In line with this, many donors have moved on from giving grants for capacity-building to CSOs to using CSOs for the implementation of specific activities. Donors engaging with CSOs in such a way believe that civil society should recognise donors as potential partners which can influence policy-making rather than seeing them as a source of funding. For example, the OSCE provides CSOs in Kosovo with privileged access to public institutions by involving them in activities focused on building the capacity of the Assembly.

While this type of assistance contributes to asserting civil society as a legitimate and fully-fledged partner in policy processes, there is no financial assistance attached to it. The CSOs involved in this type of cooperation with donors usually get funding from some other sources. Many donors prefer to support CSOs in a non-financial way in order to avoid financial dependency. The problem with this approach is that it assumes that civil society is fully developed, independent and financially sustainable. This is unfortunately still not the case in the Western Balkans and, as the next section will show, any donors are aware of it.

3. Donor Views on Civil Society

3.1. Common Issues across the Region

Civil society is donor-driven

The most common criticism donors across the region directed at civil society is that many CSOs are donor-driven. Accordingly, many organisations in the region are 'empty shells' in the sense that they do not have their own agendas but that they are exclusively

50 Interview with an official at the SIDA office in Kosovo.

implementing donors' programmes. In the view of many donors, these organisations do not constitute genuine civil society because they are not oriented towards tackling societal problems and addressing the needs of their communities. These are institutionalised organisations which 'pay a lot of attention to management, administration and reporting instead of doing something concrete'.[51] Allegedly, many of these organisations are opportunistically formed to implement specific foreign-funded projects and they often cease to exist once the projects end. As a result, various donors have pointed out that it is sometimes difficult to make a distinction between genuine CSOs and organisations that act as consultancies. Brigitte Heuel Rolf, the Country Director at the GIZ office in BiH, suggested that they would like to work more with civil society, but that it is not easy to find competent and reliable partners among CSOs:

> *We are interested to work with civil society but often there are no suitable actors. You don't find potential organisations. Many organisations here in Bosnia that call themselves CSOs are in the end consulting companies. (...) We are looking for possibilities to increase our cooperation with civil society; we are interested to work with them. It's not easy to find competent and reliable partners. You have organisations where in the beginning you think that it looks like a CSO but in the end it often boils down, because maybe this is also a consequence of funding difficulties, that they are finally rather consulting companies than CSOs.*[52]

Paradoxically, donors are generally aware that their practices have contributed to generating donor-driven civil society. Jadranka Jelinčić thus argues that there is an inherent tension between the changing priorities of the donors and the need of CSOs to specialise in a specific field and address the needs of the community. This is particularly problematic for institutionalised CSOs which require funding to cover their running costs and are therefore prompted to adapt their activities to the priorities of the donors. Jelinčić argues that this tension between donor priorities and CSO agendas is one of the main challenges for civil society sustainability.[53] Selma Sijerčić from USAID in BiH argues that donors have made CSOs donor-dependent by making them work on one-year projects in different fields, which inhibited the long-term strategic development of CSOs and the building of contacts between CSOs and local constituencies:

> *You have a project for a year, you complete it and you are over, you took the money and you are done. You did not work on the long-term and on cooperation. It is essential to think strategically. If an organization works on public procurement, do not put it in charge of projects for the protection of human rights. [...] They then do everything and nothing because they have no money, [they] have no other options. They have not oriented themselves towards local sources of funding. They forgot the citizens, [they forgot] to include the citizens. We now have a problem with civil society.*[54]

Note that donors generally consider that there is a 'two-track' civil society in the region. It is generally believed that there are, on the one hand, the established and professionalised organisations that are somewhere in between activism and the state and, on the other, the grass-root organisations which are deemed to be the healthier part of civil society because they are genuinely oriented towards their communities. Therefore, this criticism applies

51 Interview with an official at the East-West Management Institute in Montenegro.
52 Interview with Brigitte Heuel-Rolf, Country Director at the GIZ Office in BiH.
53 Interview with Jadranka Jelinčić, Director of the FOS office in Serbia.
54 Interview with Selma Sijerčić, Project Management Specialist at USAID in BiH.

only to the first segment of civil society, a segment which is nonetheless the biggest recipient of donor funding.

Civil society lacks legitimacy

The second most common criticism of civil society among donors is that it lacks legitimacy because it is disconnected from the local population. This criticism is closely related to the one discussed above. Civil society's disengagement from local communities is seen as a consequence of the professionalization and institutionalization of many organizations, and them being more oriented towards donors than towards the needs of the citizenry. A representative from the UK Embassy in Belgrade thus stated that CSOs have become 'professional in relation to donors and in terms of fundraising and unprofessional in terms of identifying the needs of the citizens, mobilising their support and transforming their hardships in political messages addressed to the authorities'.[55]

Donors see the lack of representativeness as a major issue for civil society. In their view, CSOs have to be accountable to someone if they want to represent the public interest. This is currently not the case because few CSOs in the region are membership-based organisations. Some donors expressed doubts about the ability of foreign-funded CSOs to enact social change because they are alien to 'ordinary people'. They consider that civil society needs to be grafted upon local culture and local ways of doing things in order to make a difference on the ground. Besides reducing the capability of CSOs to carry out their mission, donors see the lack of constituency as a major impediment to the sustainability of organisations. As a result, some donors are increasingly turning to membership-based organisations which they see as being more sustainable. The OSCE in Kosovo has chosen to focus on this type of organisations:

> *I have actually, and I hope they will do it, coached my colleagues in the new public participation actions to look to these organizations because those are sustainable organizations, those are organizations that actually are the grassroots; many of them are not very interested in participating in public life as organizations [...] and they are the grassroots so they would have something to contribute maybe. Maybe it's more sustainable in the future to work with these organizations and try to bring them closer to institutions and maybe not fund from a donor perspective. Donors fund think-tanks that may do good work but you may see staff circulating from one field to the other for the past ten years and once the donor money is gone they will probably not be sustainable anymore because the planned government funding will not be sufficient to sustain the activity of these organizations at the current level.*[56]

In some cases, donors are increasingly re-directing their support to ad-hoc civic activism. Vladimir Milchin, the Executive Director of FOSM, argues that there is increased civic engagement through informal groups in Macedonia as a result of a general dissatisfaction with 'traditional civil society'.[57] According to Milchin, 'traditional civil society' refers to the institutionalised, bureaucratised organisations which know how to write projects for the EU and the Americans, but never engage in politically-sensitive issues, while 'informal groups' are *ad hoc* coalitions that mobilise on specific issues. FOSM is planning to increase funding for *ad hoc*/ informal groups as they consider that their numbers will increase in the future. Other donors are funding programmes aimed at

55 Interview with an official at the UK Embassy in Serbia.

56 Interview with an official at the OSCE Mission in Kosovo.

57 Interview with Vladimir Milchin, Executive Director at the FOS office in Macedonia.

developing links between CSOs and their constituencies. The next phase of the SCO's 'Civicas Mobilitas' project in Macedonia will focus on constituency building. It is a big project – CHF 8 mil (approx. EUR 6.63 mil) for 4 years – which will be implemented by an Danish consultancy (NIRAS) and a local CSO (MCIC). According to the SCO representatives, this is an attempt to have a rooted civil society and to make a stronger connection with citizens and the social and political reality.[58]

Civil society is apathetic or politically imprudent

Some donors have criticised civil society for having failed to adapt and respond to changing political circumstances. The situation varies between countries. In Serbia, some donors consider that civil society is going through a crisis of identity because it does not know how to position itself towards the new authorities. While civil society was an opponent to the Milosevic regime in the nineties and an active supporter of the democratisation process in the 2000s, it finds itself in a precarious position now that the political elites from the nineties have come back to power. Several donors have thus noted that civil society is disoriented because the situation is no longer 'black or white'. Some donors pointed out that political elites in Serbia are not interested in the concept of public dialogue with civil society because they consider that democracy is a relationship between the authorities and the citizenry that functions exclusively through elections.[59] The precarious situation in which civil society finds itself prevents it from asserting itself and being in position to pressure the government.

On the other hand, in Macedonia, some donors have deplored the fact that civil society has become trapped in daily politics. Beti Bakovska from the Dutch embassy suggested that there is a huge divide in Macedonia between those organisations that are opposed to the government and cannot or do not want to get access to government funding, and those that are close to the government and get state funding without being accountable for what they are doing with these funds. Bakovska expressed her deep disappointment with civil society because it has not been able to 'outsmart the government':

> *I think that, to put it bluntly, they haven't been able to outsmart the government and I think [that this] was kind of an eye opener for many people, like myself, who supported civil society for a long time and thought that the capacities of the civil society were built – they were not, apparently. A lot of funds, efforts, etc. that was used to build the capacities of the civil sector, practically did not give yield or effect. The people who were really good in the civil society, when the money wasn't there anymore, they shifted to different areas of work. And what has remained, apparently, does not have sufficient political sense to make results [out of what] they are doing.*[60]

There is a similar pattern in Albania, where several donors have pointed out that many CSOs are politically affiliated. In BiH, there is a general impression that civil society is apathetic and unresponsive to the political crisis. The representatives of the UK embassy consider there is no interest on the part of CSOs to change the system. They deplored that 'we've got lame-duck CSOs which are not advocating the change we need'. In their view, CSOs should lobby for the interests of the citizens, which is not happening at the moment as 'there is no public reaction to political events'.[61]

58 Interview with officials at the SCO office in Macedonia.
59 Interview with an official at the UK Embassy in Serbia.
60 Interview with Beti Bakovska, Advisor on Good Governance and Culture at the Dutch Embassy in Macedonia.
61 Interview with officials at the UK Embassy in BiH.

Other issues

Some donors have highlighted the lack of expertise in specific areas as one of the most pressing issues for civil society in the region. This lack of expertise within civil society is particularly visible in the field of law and various aspects of EU integration. This is due to the fact that most of the capacity building and trainings over the past decade have had a very general focus, dealing with generic issues such as project management, strategic planning, advocacy, etc. In relation to this, various donors have criticised the EU's TACSO programme for providing generic trainings in writing projects, strategic planning or public advocacy whereas what is really needed are thematic trainings that would increase the expertise of organisations in their fields of activity. Some donors argue that, over the past decade, the increase in expertise in EU integration and human rights within the public administration has been accompanied by a decrease in expertise within civil society.[62] For instance, the representative of the UK embassy in Macedonia suggested that donors have worked for years on the development of civil society without working on the expertise of CSOs, apart in a few areas such as environment or human rights.[63]

Another issue that came up in the interviews is the lack of CSO visibility. This is particularly problematic in Serbia, where civil society inherited a negative image from the nineties when the Milošević regime portrayed CSOs as foreign henchmen. Since 2000, the situation has not improved much because there is little cooperation between CSOs and the media.[64] The lack of access to media is also a major issue in Macedonia, where several donors have reintroduced media programmes in response to the government crackdown on independent media (see above). Montenegro is a notable exception to this. Several donors have pointed out that there is a very good collaboration between CSOs and media in Montenegro. As a result, CSOs have a high degree of visibility and they are recognised as an important factor in society.

62 Interview with an official at the East-West Management Institute in Montenegro.
63 Interview with an official at the UK Embassy in Macedonia.
64 Interviews with officials at the USAID and BTD offices in Serbia.

3.2. Country-Specific Issues

Donor views on civil society vary considerably across the region. On the one hand, civil society is generally considered to be 'very developed' in Serbia and Montenegro. On the other hand, civil society is overall considered to be weak and fragile in Albania and Macedonia, and to some extent in BiH and Kosovo.

In both Serbia and Montenegro, civil society is deemed to play a key role in monitoring the government and holding state institutions accountable. Jadranka Jelinčić from FOS thus argues that, although the perceived level of corruption in Serbia is very high, there is a civil society that has the capacity to call for accountability and hold the government responsible.[65] Donors have particularly praised the role of CSOs in addressing corruption in Montenegro. Some have suggested that civil society there plays such an important role in monitoring and pressuring the government that it has partly taken over the role of the judiciary. Montenegrin CSOs have indeed instigated several investigations that have led to high-profile arrests. Several donors have suggested that there is a good cooperation between CSOs and media in Montenegro, which substantially contributed to CSO visibility and prominence in society.[66]

In Albania, there is a common view that CSOs still lack capacity and that they are overly dependent on donor funding which is shrinking. An OSFA representative described civil society

65 Interview with Jadranka Jelinčić, Director of the FOS in Serbia.
66 Interview with an official at the East-West Management Institute in Montenegro.

in Albania as 'a tree with the roots in the air'.[67] According to this view, donors put a lot of money to build CSO capacities and increase CSO's human resources between 1993 and 2003. However, these resources were suddenly redirected to the government and this 'has been happening again and again'. Several donors have pointed out that CSOs are often politically affiliated and some have suggested that they are very often a one-man show and that they are very much business-oriented. Others gave a more positive assessment. The representative from the Dutch embassy suggested that Albanian civil society is quite colourful: there are some organisations which donors consider to be reliable in terms of implementation of projects and management of funds and there is another 'grey area' of new organizations popping in and organizations surviving only on projects.[68] The USAID officials suggested that, while civil society in Albania is less developed than in other countries, it is growing, developing and 'more advanced than a lot of people think'.[69]

In Macedonia, civil society is heavily affected by the political situation. Several donors have pointed out that the state-civil society relations are very tense since the change of government in 2006. Accordingly, there is no willingness on the part of the executive to cooperate with civil society and those organisations that are criticizing the government are systematically exposed to attacks via the media. This is also the case for some donors, such as FOSM which has taken a more politically engaged stance in their work. Some donors are critical of civil society for having become trapped in daily politics. A representative from the Dutch embassy suggested that CSOs 'have not managed to be above what is happening in society, but have rather been a reflection of what is happening in society'.[70] Donor assistance is alleged to have produced an over-populated but under-empowered civil society which has been brought close to extinction due to the withdrawal of donors. This view is shared by the FOSM representatives who stated that civil society in Macedonia is falling apart in view of the fact that the official number of organisations has fallen from 11,000 to 3,500, out of which 10 per cent are active and able to get funding.[71]

In BiH, several donors have pointed out that, while many CSOs see themselves as important and influential, civil society is actually quite weak. In their view, CSOs lack capacity and they have a low impact and low levels of accountability. Most donors attribute this state of affairs to the fact that CSOs are overwhelmingly donor-driven. A SCO representative suggested that Bosnian civil society is not 'ripe' because most organisations have emerged in response to the availability of foreign funding rather than in response to local needs.[72] As a result, these organisations lack a broader view on the role of civil society in societal development. Some donors have pointed out BiH's political context as an impediment to civil society development. According to a USAID representative, civil society lacks influence because the authorities in BiH do not even know what civil society is – they perceive civil society as nothing more than foreign-funded CSOs that can bring some project money.[73]

Although donors recognise that civil society has achieved significant progress in Kosovo over the past 15 years, there is a common view that it is overwhelmingly donor-driven and that it is still at an early stage of development. Luan Shllaku from KFOS noted that, after 99', CSOs mushroomed in response to the availability of funding and lack of employment. Now, the

67 Interview with an official at the OSFA office in Albania.
68 Interview with an official at the Dutch Embassy in Albania.
69 Interview with officials at the USAID office in Albania.
70 Interview with an official at the Dutch Embassy in Macedonia.
71 Interview with officials at the FOSM office in Macedonia.
72 Interview with officials at the Swiss Cooperation Office in BiH.
73 Interview with an official at the USAID office in BiH.

availability of funding has decreased, there is 'few money for many ideas'.[74] There is also less activism as the state has taken over many of the tasks performed by civil society earlier. Several donors have highlighted organisational issues and the lack of strategic orientation as major challenges to civil society development in Kosovo. The SIDA official thus stated that few organisations in Kosovo have built their profile in terms of scope of intervention and that many are struggling with organizational management and internal democracy.[75] An official from the UK embassy suggested that many CSOs 'are still wandering' but that these CSOs have nonetheless played an important role and that donors 'could not have done their jobs without them'.[76]

3.3. Civil Society Sustainability

While they are aware that civil society is dependent on donor funding, donors are divided on the question of civil society sustainability. Some donors consider that the question of CSO sustainability is inadequate when the lifecycle of civil society projects lasts one or two years. In this context, it is impossible to talk about long term impact, let alone sustainability. Others consider that the question of financial sustainability is misplaced: CSOs are obsessed with how they are going to fund themselves instead of looking at how to develop links with the community and thus become genuinely sustainable. For example, Vladimir Milchin from FOSM opposes the very idea of civil society sustainability because he considers that this leads to the institutionalisation/bureaucratisation of civil society. In his view, sustainability should be about whether an organisation is achieving its mission, not about whether it is managing to get funding from year to year as donors usually see it.[77]

Donors generally consider that the number of CSOs is bound to shrink because civil society has been inflated by the availability of foreign funding. There is a common view that CSOs need to professionalise and specialise themselves in specific sectors in order to become sustainable. In addition, donors consider that CSOs need to become more visible by publicising their work and involving the community so that people know what they are giving money for. Generally, donors see the solution to the financial sustainability of civil society in the diversification of sources of funding through:

- Increased access to state funding;
- The development of philanthropy;
- CSOs developing profitable activities;
- CSOs developing links with the community and becoming membership-based organisations;
- The development of CSO networks at the local, national and regional level.

The question of state funding is key because, in most countries, the state is the primary source of funding for civil society. For example, in Serbia, state funding for civil society in 2012 was about EUR 67 mil, which is much more than the totality of donor funding for civil society.[78] However, this figure includes funding for political parties, sports clubs, churches, etc. Very little funding actually goes to CSOs. In addition, state funding is allocated in a non-transparent manner: the current Serbian regulations allow the administration to allocate funding without opening a CfP or a tender. The situation is similar in the other Western Balkan countries. In BiH, state funding for CSOs amounts to approximately EUR 70 mil per year, half of which is disbursed by the municipalities.[79] However, 47 per cent of the

74 Interview with Luan Shllaku, Executive Director of the KFOS office in Kosovo.
75 Interview with an official at the SIDA office in Kosovo.
76 Interview with an official at the UK Embassy in Kosovo.
77 Interview with Vladimir Milchin, Executive Director at the FOSM office in Macedonia.
78 'Annual Summary Report on Budget Expenditures for the Associations and Other Civil Society Organisations in 2012 as Support to Programmatic and Project Activities', Government of the Republic of Serbia, retrieved from http://civilnodrustvo.gov.rs/media/2012/10/en-mini-zbirni-za-sajt.pdf on 7 May 2014.
79 Interview with Džemal Hodžić, Programme Manager at the EUD in BiH.

beneficiaries are sports organisations, 34 per cent veteran associations, and a lot goes to religious organisations. According to Džemal Hodžić from the EUD in Sarajevo, less than 2 per cent of the beneficiaries are human rights organisations or CSOs dealing with social issues.[80] In Montenegro and Kosovo, the levels of state funding for civil society are substantially lower. The Montenegrin case is specific in the sense that a substantial part of the state funding has been suspended as a result of the government's initiative to centralise the allocation of funds for civil society which was initiated in 2011 but never completed. This is a major problem for Montenegrin CSOs because most of the donors have withdrawn and the levels of EU funding have remained the same.

Donors generally consider that CSO sustainability should ideally be ensured through the establishment of genuine partnership between government and civil society. According to Torgny Svenungsson from the Swedish Embassy in Belgrade, this requires more than just regulating the allocation of state funding to civil society:

> *So I think, to us, I would say the strategic thinking on how you would in the long run be sustainable as civil society passes by establishing a functional relation between civil society and government at its different levels, recognizing each other's different roles. So it is not creating a civil society dependant on the state, but it is a civil society that is in constructive dialogue with government and is pushing the government and is scrutinizing the government but also supplying proposals, constructive proposals.*[81]

Donors generally agree that, at the current stage, cooperation is most advanced between CSOs and independent institutions (Ombudsman, Office for Human Rights, etc.), not so much with core government institutions. The state-civil society relations are deemed to be the most advanced in Montenegro where CSO participation in policy-making has been institutionalised. Montenegro is indeed the only country where CSOs are formally involved in the negotiations with the EU.

Although most donors recognise the need to develop state-civil society relations, few of them actually pursue this objective in their programmes. The officials from the SCO in Macedonia stated that, for the moment, they are focusing on the efficiency and effectiveness of CSOs, and the sustainability of the results.[82] The question of CSOs' financial sustainability is left for a later period – the SCO is waiting to see the mechanisms deployed by the EU in this respect. The only notable international initiative to reform state funding for civil society is being carried out by the EU and the UNDP in BiH through the Reinforcement of Local Democracy (LOD) project which seeks to promote transparency in local funding for civil society. The project, which is funded by the EU and implemented by UNDP, focuses on municipalities because they are the biggest provider of funding for CSOs in BiH (around 50 per cent of total state funding).[83] The objective is to build the capacities of municipalities to identify priorities in consultation with civil society and allocate funding in an impartial and transparent manner. The project also aims to raise awareness among CSOs that municipalities are potential donors.

Municipalities applying for participating in the LOD programme are required to have established contacts with local CSOs. Those selected get technical assistance for organising public calls and selecting beneficiaries. This is done according to the LOD methodology which has been developed as a tool for an inclusive and transparent allocation of municipal funds

80 Ibid.
81 Interview with officials at the Swedish Embassy in Serbia.
82 Interview with officials at the SCO office in Macedonia.
83 Interview with Samir Omerefendić, Project Manager at the UNDP office in BiH.

to CSOs in line with the procedures used by the EUD. Once the municipality has established its team and procedures, it launches CfPs whose priorities are defined in cooperation with local CSOs. The selected projects are financed by the EUD and co-financed by the municipality. Any CSO from BiH is eligible to apply, but the project must be implemented in the municipality which issued the Call. LOD is thus a form of sub-granting whose primary objective is to standardise the procedures for allocating funding for CSOs at the municipal level. In the period 2007-2013, the project had 3 phases with over 200 projects funded. The EU has contributed to the funding of these projects with EUR 5 mil, the municipalities with EUR 500,000. The fourth phase of the project started in June 2014.

LOD has been recognised as an example of good practice across the region. Samir Omerefendić, Project Manager for the LOD programme at UNDP, argues that this project has contributed to a greater recognition of civil society among state officials. At the municipal level, state officials regularly enter in cooperation with CSOs, which was unimaginable a few years ago:

> *The understanding of, and approach to, working with civil society is changing. Municipalities now reserve some budgetary funds dedicated to the co-financing of projects that NGOs receive from some other sources. That was not the case a few years ago. This is a quite serious matter where municipalities stand behind local NGOs, give them letters of support, want to work with them as well as situations where municipalities tend to monitor how their funds are being spent by NGOs, and they expect feedbacks, reports and in general greater involvement.*[84]

In spite of these encouraging developments, resolving the problem of public funding for CSOs in BiH will require further actions, including legal measures in order to create a distinction between sport clubs and CSOs. In a separate project, the EUD provides technical assistance to the government for the creation of institutional mechanisms for cooperation with civil society. USAID has a complementary project which seeks to assist CSOs in their relationship with the government. However, there has been little progress on establishing state-civil society cooperation mechanisms because there is a lack of political will and understanding on why the government should consult with civil society.

Most obviously, state funding is not the panacea for all CSOs. Donors are generally aware that those organisations dealing with politically sensitive issues, such as human rights, watchdog and monitoring organisations cannot count on state funding. However, it is considered that some of these organisations will always have access to global funds for human rights organisations such as the OSI's global programmes. Some donors have emphasised the importance of bigger CSOs helping the smaller ones to get access to EU funding and to international CSO networks. The representatives from the EUD in Skopje thus stated that it is not only the government that should be in charge of developing civil society, but that this should also be the task of the more mature CSOs.[85] They argue that there is a lack of awareness among bigger CSOs in 'sharing and structuring together' and that the EU has sought to promote such practices by requesting the bigger CSOs to include smaller ones as partners in their projects. Donors thus perceive the established CSOs as a key element for the development and sustainability of civil society in the region.

84 Ibid.

85 Interview with officials at the EU Delegation in Macedonia.

Part II Country Outlook

4. Albania

4.1. Levels of Donor Support

Albania has a relatively limited number of donors supporting civil society. Overall, the EU is the most important donor with a yearly budget of around EUR 93.2 mil out of which EUR 1.5 mil is earmarked for the Civil Society Facility (CSF). The CSF's budget could be increased to EUR 2 or 2.5 mil in the future, and Albanian CSOs also could benefit from the EIDHR and CBC programmes (see section 4.6). The second most important donor is Germany with EUR 31.5 mil allocated for the period 2012-2014. However, most of the German aid consists in loans and does not directly benefit civil society. Switzerland is also heavily involved in Albania in terms of development cooperation. The Swiss Cooperation Office (SCO) in Albania has a budget of around CHF 88 mil (approx. EUR 73 mil) for 4 years. Civil society is included in the democratisation and local governance programme whose budget is CHF 25 mil (approx. EUR 20.7 mil) and the health programme with a budget amounting to CHF 10 mil (EUR 8.3 mil). One of the biggest supporters of civil society in Albania is the Embassy of Sweden, which implements civil society assistance through Swedish organisations. These organisations are Kvinna till Kvinna, the Olof Palme Centre and Civil Rights Defenders and their respective budgets are SEK 14, 15 and 16 million (approx. EUR 1.5 mil, EUR 1.6 mil, EUR 1.7 mil) for three years. SIDA also supports environmental CSOs through the Regional Environmental Centre (REC) with SEK15 mil (approx. EUR 1.6 mil) for three years. As in other WB countries, the Dutch Embassy runs the MATRA programme whose budget is EUR 350,000, while the US Embassy administers the Democracy Commission Small Grants Programme with a yearly budget of USD 500,000 (approx. EUR 395,000). Finally, the Open Society Foundation for Albania (OSFA), which is one of the biggest private foundations in the country, has a civil society programme whose budget is around USD 150,000 (approx. EUR 118,000) per year.

Several donors suggested that their budgets have been steadily decreasing over the past years. For example, the interviewee from USAID said that the amounts have been reduced by around two-thirds, from approximately USD 30 mil (approx. EUR 23.7 mil) in 2002, to USD 10 mil (approx. EUR 7.9 mil) just over a decade later.[86] More worryingly, there is evidence of 'donor flight' from Albania. According to the interviewee from the SIDA office in Tirana, 'It is not the same environment for donors as it used to be 5-6 years ago, and this is particularly evident in the civil society donor group, I would say, but this is only my perception'. Furthermore, 'there are no major donors of that group, the international organizations such as the OSCE, UNDP, the Swiss are not providing the same support as they used to provide before so, apart from the EUD, it's not the usual dialogue partners that we used to have to discuss about support to civil society, but that's my impression'.[87]

4.2. Motives for Donor Presence

One of the main donor priorities in Albania is the rule of law, with the Dutch Embassy (after 2011)[88], OSFA[89], and USAID targeting this area. The other issue that was specifically prioritised by the respondents was good governance, which was identified by OSFA[90],

86 Interview with officials at USAID office in Albania.
87 Interview with officials at SIDA office in Albania.
88 Interview with an official at the Dutch Embassy in Albania.
89 Interview with an official at the Open Society Foundation for Albania.
90 Interview with an official at the Open Society

SDC[91] and USAID.[92] Most importantly, however, international donors have highlighted that the over-arching long-term objective is that of European integration, which was explicitly referred to by the interviewees from OSFA, SDC, and USAID. An official from the USAID stated that their 'number one goal is to assist in European integration and that's Albania number one challenge'.[93] From the EU perspective, the leading actor in the programming of aid is DG Enlargement and, according to the interviewee from the EUD in Tirana, 'the aim of every euro spent is accession support'.[94]

4.3. Plans for the Future

The donors' plans for the future are shaped by the prospects of Albania's integration in the EU. An interviewee from USAID drew on the examples of the CEE countries that joined the EU in 2004 and the SEE countries that joined in 2007 to suggest that there will be more funding from the EU as Albania nears accession. The interviewee reports that the USAID offices in Bulgaria and in Romania were closed in 2008, the year after they joined the EU. The driving force in exiting these countries was EU accession, and the USAID official in Tirana extrapolated that this would be the case for Albania as well. However, for USAID, 'at this time there is no discussion about phasing out or exit strategies in Albania'.[95] This long-term commitment was also echoed by other donors, such as OSFA. As opposed to the scenario proposed by USAID, the interviewee from OSFA said that, for them, Albania's accession in the EU would not involve an immediate exit from the country. The Open Society office in Slovakia thus closed in 2013, despite the fact that the country joined the EU a decade ago, in 2004. However, the respondent also noted that, levels of assistance would not increase due to the poor absorption capacities of Albanian organisations.[96]

4.4. Modalities of Aid Planning and Programming among Donors

Most of the international donors active in Albania involve the Government in the planning and programming of their activities. This prevailing top-down way of creating strategies is best captured by the interviewee from the German Embassy, which has close cooperation with several Ministries: 'the idea of financial cooperation is always that a government cooperates with a government so we have our yearly government consultations or government negotiations when we agree with the democratically elected government of the country on which projects we are going to pursue'.[97] For some donors, this is done explicitly through a bilateral agreement between the Albanian and foreign Governments. This is the case for Swiss[98], Swedish[99], and American[100] donor activities in Albania. The identification of World Bank priorities and projects in the country is approved by an Act of Parliament in Tirana, so the World Bank office has close contacts with the relevant Parliamentary Committees.[101]

Both donors and the Albanian authorities have pursued a sectoral approach in developing assistance strategies. OSFA conducts a number of meetings with certain

Foundation for Albania.
91 Interview with an official at the Swiss Cooperation Office in Albania.
92 Interview with an official at USAID office in Albania.
93 Interview with an official at USAID office in Albania.
94 Interview with an official at the EU Delegation office in Albania.
95 Interview with an official at USAID office in Albania.
96 Interview with an official at the Open Society Foundation for Albania.
97 Interview with an official at the German Embassy in Albania.
98 Interview with an official at the Swiss Cooperation Office in Albania.
99 Interview with an official at the SIDA office in Albania. The 3-4 year country strategies are set with the Albanian Government.
100 Interview with an official at the USAID office in Albania.
101 Interview with an official at the World Bank office in Albania.

policy sections in the Albanian Government. USAID and other donors have fostered good relationships with the Albanian Government by sector. For example, there is particularly good cooperation between the USAID office and the Albanian Ministry of Justice around issues of rule of law[102]; SIDA has good cooperation on relevant initiatives with the tax authorities, statistics bureau, and the Ministry for Environment[103]; and for the EUD, the priorities are identified by the Albanian Government with the EU 'there to fill in the gaps'.[104]

Many respondents mentioned their involvement in the donor sectoral Working Groups (WGs), which are attended by representatives from international donors and relevant Ministries, and which is coordinated by the Albanian Department of Strategy and Donor Coordination (DSDC). The interviewee from USAID indicated the importance of these WGs: '[they are] taking on a real coordination role to make sure that government is not only informed of what the donors are doing but that it takes an active part in the conversation'.[105] The Dutch Embassy is involved in the WG organized by the Ministry for Local Affairs to share information and coordinate around anti-corruption strategies.[106] SIDA is active in the gender and civil society WGs[107], whilst the Swiss are the lead donors in the areas of decentralization, regional development, and vocational training.[108] The interviewee from SDC also indicated that there is significant variation amongst the WGs on the effectiveness of WGs, depending on the lead Ministry from the Albanian Government, an observation that was echoed by USAID.[109] SIDA also indicated that another source of information about donor activities can be found on the DSDC website, which, along with the Albanian Donor Technical Secretariat (DTS), has compiled an up-to-date database of donor activities in the country.[110]

Some international donors also engage stakeholders at lower levels of government in the process of aid programming. The Swiss Cooperation Office includes consultations with local government in this process[111], whilst OSFA has involved municipal authorities by bringing together local civil society organisations and city hall officials to form 'local action plans' to lobby for local funding based on the priorities identified.[112] Another type of involvement of local government was a form of sub-granting implemented by the Dutch Embassy. In Diber qark (county), the money was given to the local government to decide priorities and make a call for proposals.[113] On the other hand, on issues of gender, OSFA works with Local Action Groups (LAGs), which cover more than one local government unit in rural areas and consist of government / civil society / private sector coordination. Oxfam and SNV set up the LAGs in Albania.

Although these are 'top-down' modes by which priorities are identified in aid programmes, there are also several 'bottom-up' ways in which international donors involve local actors. When programming the Civil Society Facility (CSF), the EU explicitly bypasses the Government.[114] OSFA identifies the priorities

102 Interview with an official at the USAID office in Albania.
103 Interview with an official at the SIDA office in Albania.
104 Interview with an official at the EU Delegation office in Albania.
105 Interview with an official at the USAID office in Albania.
106 Interview with an official at the Dutch Embassy in Albania.
107 Interview with an official at the SIDA office in Albania.
108 Interview with an official at the Swiss Cooperation Office in Albania.
109 Interview with an official at the USAID office in Albania.
110 See: http://dsdc.gov.al/dsdc/Donor_Database_33_2.php (last accessed: 19 May 2014)
111 Interview with an official at the Swiss Cooperation Office in Albania.
112 Interview with an official at the Open Society Foundation for Albania.
113 Interview with an official at the Dutch Embassy in Albania.
114 Interview with an official at the TACSO office in Albania.

of civil society through formal and informal consultations with local CSOs. The resulting draft goes to the Executive Board of the Foundation, where it is reviewed, before the programme document is finalized.[115] SIDA programming is ultimately decided by the Ministry for Foreign Affairs in Stockholm, but according to a SIDA official in Tirana, identifying priorities 'starts with consultations with our [SIDA's] civil society partners, like what do they think are the problems, are we [SIDA] doing the right things, what should be done, what are their impressions'.[116]

The prioritization within aid programmes, however, is often formulated by actors that are not based in Albania. As mentioned above, SIDA assistance is implemented through the sub-granting of three Swedish framework organisations, which, in turn have responsibility for the programming: Palme Center, Kvinna til Kvinna, and the Civil Rights Defenders. Similarly, the Dutch Embassy relies on the Dutch organization SNV, since the organisation has been in the region for 18 years and is a 'guarantee' that the mentoring programmes at a qark level would go smoothly. According to the interviewee from the Dutch Embassy: 'they [SNV] were also operating there and had a more advisory role. They were advising them [local governments] on setting priorities, budgeting; they were kind of facilitating the whole procedure'.[117]

For many of the bilateral donors active in Albania, the decisions about programming are ultimately taken back in the 'home country'. The Dutch Embassy feeds into decisions about programming, but the final decision is made at the Hague, such as the prioritisation of the rule of law in its strategies.[118] The Swiss Cooperation Office strategies are agreed by an Act of Parliament in Switzerland.[119] For the US Embassy, Washington goes through the process of technical approval, because they look at the budget lines, though in most cases what is approved by the locally-based Democracy Commission is approved in Washington.[120] USAID priorities are approved by US Congress, but crucially, there is flexibility to change strategies as needs dictate:

> *'It's a strategy, so it gives us a fair amount of flexibility to work under, if needed, to develop situation changes, we have flexibility to design new programmes, to change existing programmes so within the strategy... [We] can have unilateral projects in the country if there is something that didn't fit in the strategy or it wasn't foreseen'.*[121]

There may be a similar devolution with SIDA, where the programming is currently determined more in Sweden than in the field, but by 2015, they expect to be able to make decisions in local offices, and they will not need to consult SIDA headquarters, though HQ approval may be required for big projects.[122]

A few donors also underlined the importance of conducting research or monitoring as part of the programming process. OSFA carries out extensive desk research before consulting stakeholders, so the organisation is 'also working as a think-tank on various issues that are important to the development of society. So it's a dual function of the organisation; we [OSFA] are a donor and an implementer'.[123] For the EU, each Delegation has a Political, Economic and Information (PEI) section, whose monitoring is the basis for the Progress Reports and Operations

115 Interview with an official at the OSFA office in Albania.
116 Interview with an official at the SIDA office in Albania.
117 Interview with an official at the Dutch Embassy in Albania.
118 Interview with an official at the Dutch Embassy in Albania.
119 Interview with an official at the SCO office in Albania.
120 Interview with an official at the US Embassy in Albania.
121 Interview with an official at the USAID office in Albania.
122 Interview with an official at the SIDA office in Albania.
123 Interview with an official at the Open Society Foundation for Albania.

section (that implements EU support).[124] These Progress Reports are crucial in formulating programmes. For example, according to a TACSO Resident Advisor, 'the Progress Report has demonstrated ... there is much to be done, support to Roma groups remains a very critical issue because Roma and Egyptian rights are still not taken into account, and that's enough for the EUD here to mobilize additional systems in supporting such causes through making priorities for Roma and Egyptian communities under the current Call'.[125]

4.5. Donor Coordination

Although the donor coordination structures in the form of DSDC WGs (outlined in the previous section) require the Albanian Government to lead, respondents expressed concern about the capacity of the new Government in Tirana to do so. For example, the Open Society respondent said:

> *'I am not very impressed with this kind of coordination and this particular time there is very little coordination, because the government has been two months in place so, as part of their structure, it is not very clear how they are going to handle that, there is a sort of confusion like who is doing what at the current moment'.*[126]

With weak coordination from the state, there are instances of *ad hoc* coordination amongst donors in Albania. The German Embassy, for example, had attended an informal lunch meeting with other donor representatives on the day of the interview to discuss coordination around the water sector. This meeting was conducted because of low Albanian Government capacities, since the relevant Ministry would not be able to manage 20 donors all coming at once. Before the establishment of sector WGs, donors met with each other, and Albanian partners did not attend, even though they were invited to do so. The informal meeting was quite fruitful, and donors 'agreed on five points that are going to be put on the agenda for the next official meeting with the Ministry for Infrastructure that is responsible for water supply'.[127] The Dutch Embassy has attended meetings, organized by the donors themselves, on the coordination of activities related to prison reform and civil society.[128] OSFA highlighted the informal contact with the EUD in Tirana: 'we basically exchange information and also with the Delegation; it's based more on our will than on some mechanism in place which you convene and you discuss'.[129] The US Embassy interviewee also explained the Democracy Commission, which is a consultative body that includes civil society representatives and officials from other donors in Albania:

> *'[We] try to discuss about all the proposals that we [the US Embassy] have received, if there are similar projects that have been supported in the past, getting also information on the organisations and also getting information for co-funding. If we are not able to fund some of the proposals, they may also jump in and help with that; in a way overlap with funding but also trying to coordinate if possible, the funding part as well'.*

Coordination in this way also ensures that there is no duplication in donor activities.[130] The interviewee from the German Embassy also cited the example of VAT redistribution as an example where there has been good coordination amongst donors.[131] One model that was suggested by the World Bank

124 Interview with an official at the EUD office in Albania.
125 Interview with an official at the TACSO office in Albania.
126 Interview with an official at the Open Society Foundation for Albania.
127 Interview with an official at the German Embassy in Albania.
128 Interview with an official at the Dutch Embassy in Albania.
129 Interview with an official at the OSFA office in Albania.
130 Interview with an official at the US Embassy in Albania.
131 Interview with an official at the German Embassy in Albania.

interviewee to avoid confusion amongst donors was to establish a 'country system' through which the procedures for assistance (e.g. procurement and financial management) will be standardised, making things easier for both donors and the Albanian government.[132]

The interaction amongst donors in Albania has led to a certain amount of exchange on best practice. For example, the German Embassy respondent said that 'each donor brings in something they have from their scientific institutions or from their own countries or something they have cooperated on with an Albanian institution and they bring it in the circle of donors and for sure this influences our strategy'.[133] According to SIDA, their approach to civil society development has been received favourably by the EU, which 'presented some components of the EU Guidelines for Support to Civil Society; they talk about operation grants, core support, grass root organizations, I mean concepts that were not new to me, because in an open discussion with colleagues from the EUD they said that they found the Swedish model really very good'.[134]

Certain donors are understood to be the agenda setters in specific sectors. In the area of civil society development, the EUD sees itself as the donor that has taken the initiative to coordinate civil society support[135], which is corroborated by SIDA:

> *'There was a ... presentation by the DG Enlargement of the support to civil society which was very useful especially for us who are in this process of how to make operational our strategy, so what will happen with our current CS programmes and then the discussions that we had is that it should follow and complement the EU support'.*[136]

The TACSO Resident Advisor reported that although the WG on civil society started with an OSCE initiative with a rotating leadership, 'it has become evident that EU assistance is the one that predominates. They are using our projects as technical secretariat, just keeping data on financial support so in that sense everybody is able to see their own support or to compare it with the support of other organisations'.[137] The respondent from the German Embassy added that the lead donor depended on the sector. In the water sector, Germany and the World Bank are active. For example, Germany (including GIZ and KfW) has 110 staff in Albania, so they have the capacity to write strategic papers and have more influence. Sweden is strong on professional education and good governance. The World Bank, the EU, and OSCE are strong in other sectors, and the Austrians are influential as well.[138]

One aspect of the SIDA model for developing aid programmes that was not mentioned by other respondents was that of intra-donor coordination, i.e. how different field offices in the region exchange and consult with each other. For donors that do not have such a model, it may be useful to develop this type of cross-country exchange. According to the interviewee from SIDA:

> *Internally, we have had working groups working in the same area - civil society, gender, human rights. They were sitting together and working, from the countries of the region, based on the input that each country had from the consultations with their own partners, with their own context analysis, with their evaluations, reports, and we sat together in working*

132 Interview with an official at the World Bank office in Albania.
133 Interview with an official at the German Embassy in Albania.
134 Interview with an official at the SIDA office in Albania.
135 Interview with an official at the EU Delegation office in Albania.
136 Interview with an official at the SIDA office in Albania.
137 Interview with an official at the TACSO office in Albania
138 Interview with an official at the German Embassy in Albania.

groups... [All] the Embassies and SIDA discussed concretely how to work with CS in the result area that we have proposed to the Government, what will that mean for each of the Embassies, should we try to change the modalities, how we should complement with the EUD, with the EU support in the country, so these are the internal discussions we are having.[139]

4.6. Donor Assistance to Civil Society

Donors in Albania provide assistance to civil society through direct project grants, implementing partners and non-financial forms of support. The EUD supports civil society through the CSF and EIDHR programmes, but also through the IPA Cross-Border Cooperation (CBC) programme within which 100 contracts worth EUR 28 mil have been signed in the last five years. While the CBC is designed to support local government units in bordering areas, it is also open to CSOs which are actually the main recipients of funding from this programme. According to the TACSO representative in Tirana, 80 per cent of the CBC funds are channelled through CSOs.[140] Albanian CSOs are also eligible for the EU's Youth in Action, Culture and Europe for Citizens programmes which are administered by the Albanian government. The EUD in Albania seeks to put more emphasis on supporting smaller organisations by encouraging them to enter in partnership with established CSOs when applying for EU funds. Also, most of the beneficiaries of the CBC programme are smaller, peripheral, organisations.

Besides the EU, several other donors provide direct project grants for civil society. Although it does not have a stand-alone civil society programme, USAID supports CSOs through its Rule of Law, Good Governance and Competitiveness programmes. The USAID grants range between USD 7,000 (approx. EUR 5,500) and USD 2.5 mil (approx. EUR 1.96 mil) and last for up to three years. In Albania, USAID chose to work directly with local CSOs in order to help them build their capacities and avoid the extra costs associated with international intermediaries.[141] In addition, the US Embassy administers the Democracy Commission Small Grants programme for which local CSOs are eligible. The Swiss Cooperation Office also has a Small Action Fund for CSOs with an annual budget of CHF 200,000 (approx. EUR 166,000), while the Dutch Embassy supports CSOs through the MATRA programme focusing on the rule of law and EU integration. OSFA, which used to provide institutional funding for CSOs 'a long time ago', is now exclusively supporting civil society with project grants. Finally, the World Bank closed its Civil Society Fund in 2012, but it still has a small programme with a budget of USD 50,000 (approx. EUR 39,000) focusing on empowering vulnerable groups.

A number of donors resort to implementing partners for delivering civil society assistance. The Dutch Embassy channels its assistance to environmental organisations via the Regional Environmental Centre (REC) in order to reach smaller organisations operating outside Tirana. As mentioned earlier, REC also administers project grants for environmental CSOs on behalf of SIDA, which has so far delivered its civil society assistance through the Swedish organisations cited above. This is bound to change as SIDA's contract with the Swedish framework organisations engaged in building the capacities of Albanian CSOs was due to expire in 2014.[142] As mentioned in the regional section of the report, some donors resort to implementing partners in order to minimise the risk of misuse of funds and corruption. For this reason, the EU is supporting organisations dealing with children's rights through UNICEF

139 Interview with an official at the SIDA office in Albania.
140 Interview with an official at the TACSO office in Albania.
141 Interview with an official at the USAID office in Albania.
142 Interview with an official at the Swedish Embassy in Albania.

and those dealing with Roma and Egyptian communities through UNDP.[143]

Finally, several donors stated that they provide non-financial support for civil society in different kind of ways. For example the OSFA officials stated that recent assistance was not in the form of direct project grants, but rather in providing support for organising protests and meetings on environmental issues.[144] Besides giving grants, the EU provides technical assistance through its TACSO project, while the People to People programme gives the opportunity for CSO representatives from all the WB countries to go to Brussels to be trained on a given subject and meet with EU representatives. USAID also provides some technical assistance for helping CSOs to develop organisational capacities and work on internal governance.

5. Bosnia-Herzegovina

5.1. Levels of Donor Support

Over the past 20 years, BiH has been one of the biggest recipients of international aid in the world. It is estimated that USD 14 billion (approx. EUR 11.3 billions) in international aid was poured into reconstruction efforts in BiH between 1996 and 2007.[145] This post-conflict reconstruction effort was coupled with post-socialist democratisation and marketisation policies that were in place throughout the region. During the last decade, the involvement of international donors in BiH has been substantially reduced. Since BiH is no longer considered to be a post-conflict zone, many multilateral agencies that were heavily involved in the country have either left or scaled down their activities. This applies to most UN agencies, except UNDP which nowadays counts for approximately 60 per cent of UN intervention BiH with a budget of USD 25 mil (approx. EUR 19.6 mil) in 2013.[146]

Nevertheless, BiH remains a priority for a number of bilateral donors. For example, unlike other places in the Western Balkans, BiH remains a beneficiary of German bilateral development cooperation. In 2013, Germany's assistance to BiH amounted to EUR 56 mil, with EUR 4.5 mil for technical cooperation and the rest for financial cooperation, mainly in the form of loans.[147] Following Germany, Sweden is the second most important bilateral donor in BiH with a budget of EUR 20 mil, which is likely to decrease slightly in the future. Over the last few years, Swedish assistance to civil society amounted to approximately EUR 1.5-2 mil annually.[148] Switzerland has traditionally had a strong presence in BiH. The SCO has been active since 1996. Its activities have evolved from humanitarian aid in the 1990s to development cooperation in the 2000s. The SCO currently has a budget of around CHF 20 mil (approx. EUR 16.6 mil) annually, with an additional CHF 1.5 mil (approx. EUR 1.2 mil) coming from the Human Security Programme which deals with transitional justice and coming to terms with the past.[149] While it is scaling down its programmes in neighbouring countries, USAID remains heavily involved in Bosnia with a total budget of USD

143 Interview with an official at the TACSO office in Albania.
144 Interview with an official at the Open Society Foundation for Albania.
145 Howard, Ivana. Mistakes Donors Make: Civil Society and Democracy Assistance in the Balkans. (Belgrade: Heartefact Fund, 2011), 31
146 Interview with an official at the UNDP office in Bosnia-Herzegovina. In 2012, UNDP allocated 4.7 million USD to CSOs.
147 Interview with an official at the GIZ office in Bosnia-Herzegovina.
148 Interview with an official at the Embassy of Sweden in Bosnia-Herzegovina.
149 Interview with officials at the Swiss Cooperation Office in Bosnia-Herzegovina.

20 mil (approx. EUR 15.7 mil) per year.[150] So does Norway, whose overall assistance to Bosnia amounts to EUR 13 mil. The Embassy of Norway in Sarajevo administers the Civil Society Fund whose budget is approximately NOK 10 mil (approx. EUR 1.2 mil) and the Embassy Fund that counts for another NOK 6 mil (approx. EUR 726,000).[151] Finally, the British Embassy has an envelope of GBP 1.75-2 mil (approx. EUR 2.2 mil-2.5 mil), but these funds are never entirely implemented. Approximately one quarter of the budget goes to civil society. In 2013, GBP 150,000 (approx. EUR 190,000) was allocated to capacity building for CSOs, this figure is set to increase in the future.[152]

Note that, at the time of research, the EU had cut the IPA funds for BiH by half and suspended the preparation of the Country Strategy Paper for IPA II as a means to pressure the Bosnian authorities to endorse the decisions of the European Court of Human Rights and to establish a functional state administration.[153]

5.2. Motives for Donor Presence

The Open Society Foundation (OSF) first opened its office in BiH in 1993 and initially funded humanitarian, media, and culture programmes implemented by organisations from different parts of the political spectrum. However, since the end of the war in 1995, OSF has returned to its core objectives of promoting the development of an 'open society', which requires a more selective approach to funding.[154] The prioritisation of governance was explicitly mentioned by the respondents from the German Embassy (along with energy, adult education, and public administration reform) and the SCO (along with health, economy, gender, and a separate transitional justice programme). The interviewee from USAID mentioned two earlier programmes: the Office of Transition Initiative (OTI) promoted the creation of CSOs; and the Democracy Network (DemNet), which ran to 2004, successfully strengthened the organizational capacities of 100 active BiH organisations.[155] There is overarching priority among donors to support the EU integration process, which has an effect on the long-term plans for donor involvement in the country (see below). For example, the interviewee from SIDA said:

> *'The EU and the accession process is a sort of a powerful instrument for development in this region and Sweden has something to contribute to that accession process as a donor, as a development assistance agent. So I think, even if this region is not from an economic or poverty level the neediest region in the world, it's a conviction that Sweden can make a difference here and some sort of extra push here. I mean, a number of other donors have left already but Sweden remains here because I think they feel [that] a big push now in the next few years can make a big difference and create a big return on investment in terms of these countries becoming EU members, strengthening the EU more generally, and stabilising the region'.*[156]

The SIDA regional strategy is designed to parallel the EU's IPA 2014-2020 support.

5.2. Plans for the Future

As mentioned in the previous section, donors recognise that EU integration is a priority area, but that also affects the long-term strategies

150 Interview with an official at the USAID office in Bosnia-Herzegovina.
151 Phone interview with an official from the Norwegian Embassy in Bosnia-Herzegovina.
152 Interview with officials at the UK Embassy in Bosnia-Herzegovina.
153 See section 1.3 in the regional part of the report and section 5.3 in this part of the report
154 Interview with an official at the Open Society Fund – Bosnia-Herzegovina.
155 Interview with an official at the USAID office in Bosnia-Herzegovina.
156 Interview with an official at the SIDA office in Bosnia-Herzegovina.

of donors in the country. The current USAID strategy expires in 2016, and there will be a strategy following this, but a longer term presence in BiH will depend on the status of EU integration.[157] The British DFID (Department for International Development) closed, because British aid is being channelled through the EU.[158] SIDA has employed the aforementioned regional strategy (covering Albania, BiH, Kosovo, Macedonia, and Serbia) for 2014-2021 that will allow flexibility for the Swedish agency to pull out of some countries if necessary, depending on the pace of EU integration:

> *'If some countries, Serbia for example, makes quick progress then we won't support Serbia for 7 years. We will support through this strategy for only 3-4 years. It gives us some flexibility and then we can shift the funds to other countries. Nobody is expecting Bosnia to be progressing too quickly on their path, or Kosovo - Albania maybe, Serbia certainly, and then obviously Montenegro and Macedonia'.*[159]

5.3. Modalities of Aid Planning and Programming among Donors

The donor representatives interviewed for this study suggested that the fate of aid programming depends on clearing the impasse in the planning of EU assistance. As mentioned above, at the time of research, the EU had cut the IPA funds for BiH by half and suspended the preparation of the Country Strategy Paper for IPA 2014-2020. The EU has conditioned IPA 2014-2020 upon the establishment of a national coordination body for the implementation of IPA. As a result of the change in approach to drafting strategies between IPA I and IPA II, the administrations of the recipient states have more responsibility in developing the strategies for each sector. However, there is insufficient capacity for planning among governmental actors in BiH due to the fragmented governance structure. The EU wants to have one interlocutor in BiH, which is currently not the case since the Department for European Integration has no authority over governments at the entity level.[160]

Several bilateral donors have highlighted the lack of capacities and political will for policy planning at the central government level as a major problem. The GIZ Country Director suggested that there is a lack of political will to develop common strategies:

> *It's a lack of political will, it's a lack of coordination, the lack of political will to develop strategies that are then valid for the whole country. Or at least develop something in both entities and bring them together. In energy for example, you cannot develop a Republika Srpska and a Federation strategy, it needs to go together. The country is so small. (...) Or economic development; You need to consider economic potential not only at the level of an entity or the level of BiH. You need to see it as part of the region. Strategies need to be developed on this basis. Of course you can start at entity level but then you need to bring it together at higher levels and there is a lack. Discussions are already difficult because competencies are not too clear.*[161]

Despite the weak capacities of the Bosnian state, donors continue to draft their strategies by consulting with Bosnian governmental authorities. Aid planning at the UN is based on the UN Development Assistance Framework (UNDAP), which covers a 4-5 year period and is developed through cooperation with state,

157 Interview with an official at the USAID office in Bosnia-Herzegovina.
158 Interview with an official at the British Embassy in Bosnia-Herzegovina.
159 Interview with an official at the SIDA office in Bosnia-Herzegovina.
160 Interview with an official at the EU Delegation office in Bosnia-Herzegovina.
161 Interview with Brigitte Heuel-Rolf, Country Director at the GIZ Office in Bosnia-Herzegovina.

entity, and local government officials.[162] GIZ primarily consults with state bodies in the development of projects.[163]

Although most donors have offices in Sarajevo, aid planning is substantially informed by decisions made at the donor headquarters. For instance, aid planning at SIDA has moved away from the sectoral approach towards a more regional, results-oriented approach in which the Swedish government sets objectives. While the field offices used to have a lot of autonomy, there has been a shift to a more top-down approach, where the Swedish Government is more involved. However, the country offices still have freedom to do what they want within the areas prioritised by the government.[164] Similarly, there are general guidelines for assistance for the entire Western Balkans region sent from Oslo to the Norwegian Embassy in Sarajevo. From these guidelines, the Embassy prioritises activities based on continuous work on the ground and on consultations with diplomats, civil society actors, and politicians.[165] The UK assistance is also decided centrally, in London. There is no country strategy, per se, but rather a general strategy, which makes it difficult to coordinate with other donors active in Bosnia-Herzegovina. The British Embassy consults with local authorities and CSOs to formulate projects which are then proposed to the headquarters in London.[166] SCO develops its strategies on the basis of an assessment of the results of the previous country strategies and broader strategies for the Western Balkans, and on the basis of a needs assessment of different sectors on the ground (which do not change often, since the engagement is long-term). This allows SCO to develop strategic goals and priorities.[167]

Besides consulting the government, some donors involve local civil society actors in the formulation of strategies. According to Center for Promotion of Civil Society (CPCS), USAID has the widest consultation with civil society. The interviewee from USAID said that the American agency sends their proposals to CSO networks in the country, but that CSOs do not provide good feedback, and are not constructive in helping out with project design.[168] The EU's attempt at setting up a formalised consultative mechanism with civil society has not been successful so far. Although the EU suspended the drafting of the Country Strategy Paper (CSP), it conducted one round of consultations with CSOs. There was a call for applications to set up a sectoral CSO structure akin to SEKO in Serbia (with seven sectors and three leading organisations in each sector), but for the time being, the CSO consultations were limited to gathering information for the CSP.[169] SIDA only consults with key partners when devising strategies. According to the interviewee from SIDA:

> *We sort of know more or less who to invite but we haven't had sort of wide ranging consultations with civil society. We have some key civil society partners that we work with and that we know and we invite them. But we haven't had like an open invitation for anybody to come and give their input on the strategy.*[170]

On the other hand, the UNDP has its own database of 300 CSOs with whom it has cooperated in the last 5-6 years. For UNDP, the input of small, rural, organisations is as important as the input of established,

162 Interview with an official at the UNDP office in Bosnia-Herzegovina.
163 Interview with an official at the GIZ office in Bosnia-Herzegovina.
164 Interview with an official at the SIDA office in Bosnia-Herzegovina.
165 Phone interview with an official from the Embassy of Norway in Bosnia-Herzegovina.
166 Interview with an official at the British Embassy in Bosnia-Herzegovina.
167 Interview with an official at the Swiss Co-operation office in Bosnia-Herzegovina.
168 Interview with an official at the USAID office in Bosnia-Herzegovina.
169 Interview with an official at the EU Delegation office in Bosnia-Herzegovina.
170 Interview with an official at the SIDA office in Bosnia-Herzegovina.

urban, CSOs. The level of consultation with various stakeholders depends on the sector of intervention.[171] The World Bank, though it mainly works with the Bosnian government officials, carries out consultations with civil society, media and the academic community in the development of its strategy. These consultations can be more or less formal. In BiH, these consultations were organised through five roundtables on different topics which involved all the local stakeholders.[172]

5.4. Donor Coordination

The research identified several mechanisms for donor coordination in BiH: the Donor Coordination Unit attached to the Ministry of Finance (s.c. high-level coordination); sectoral coordination meetings organised by some ministries; Informal meetings among donors; and project-level coordination. However, the same fragmentation of Bosnian authority that plagues day-to-day politics in the country also stymies donor coordination. One example is that of ammunition destruction, where EUFOR cooperates with the OSCE and UNDP, on an *ad hoc* basis. However, the process of de-mining is stuck because the law on de-mining has not been enacted. According to the respondent from GIZ, donor coordination should be led by the government, which is unfortunately not the case in BiH:

> *'The Bosnian partners are not involved; because they are the ones who should be in the lead when it comes to sector strategies. It's not for the donor to decide which strategy BiH should follow in the energy sector. But these mechanisms don't really work in this country'.* [173]

The Ministry of Justice should be responsible for high-level donor coordination, but there was only one meeting in 2013. There are only meetings where some donors present their projects without linking them to the work of other donors.[174] The interviewees from the British Embassy added that the complexity of the state makes coordination very difficult. The state has not taken the role of lead coordinator as it lacks capacity, and there is no European coordination mechanism. In addition, there is no overall country development strategy on which donors can align their activities.[175]

The interviewee from SIDA distinguished between the utility of the general and sectoral meetings, stating that the latter were far more effective:

> *The bigger high-level ones ... are very, very generic. Often you have these meetings where there are quite a lot of people there, there could be forty, fifty, sixty people there and then usually what they do is they invite somebody to present what their current activities are. It might be the Swiss Government, or the EU, or us. It's just to me they are quite slow, they're quite uninteresting. But, of course, but this is at the high-level ones. At the sector level - for example, the one led by the EU at the justice sector- that's actually a very sort of functional one. It works well. It's relatively focussed, it's once every two or three months, it's a useful exchange of information, and it's a small enough group - only about 10-15 people who are part of that.*[176]

The interviewee from the Norwegian Embassy concurred that a sectoral approach may be more fruitful.[177] As mentioned above, there is also project-level coordination through steering committees, but the EUD

171 Interview with an official at the UNDP office in Bosnia-Herzegovina.
172 Interview with an official at the World Bank office in Bosnia-Herzegovina.
173 Interview with Brigitte Heuel-Rolf, Country Director at the GIZ Office in Bosnia-Herzegovina.
174 Interview with an official at the EU Delegation office in Bosnia-Herzegovina.
175 Interview with an official at the British Embassy in Bosnia-Herzegovina.
176 Interview with an official at the SIDA office in Bosnia-Herzegovina.
177 Interview with an official at the Norwegian Embassy in Bosnia-Herzegovina.

respondent said that this was not a sustainable mechanism, since it mainly consists of Bosnian institutional representatives who do not come to any agreement.[178]

Since the state is not able to shape donor coordination, donors pursue more informal channels of coordination, which was mentioned by the interviewees from SIDA, the British Embassy, the World Bank, and GIZ. For example, SIDA organizes a meeting every three months to coordinate around environmental protection, to fill the gaps of the official sectoral mechanisms.[179] The UNDP said that there are coordination bodies for the civil society projects funded by the EU, which include representatives of the government. This has allowed UNDP to work together with TACSO on building the capacity of CSOs to write project proposals in municipalities benefiting from the LOD project. However, the EUD interviewee said that much of the coordination around civil society is done informally. According to the EUD respondent, USAID is the lead donor in the informal coordination of civil society programming in BiH, where the EU, USAID, and the Embassies of the Netherlands, Sweden, and Norway are most involved.[180] The Norwegian Embassy interviewee added that this *ad hoc* coordination is done at the project level 'if we find that there are other donors involved either with the same organization or the same topic- for example, gender is something that there are a lot of initiatives to coordinate on, and also LGBT'.[181] The downside of this is that, since there is no formal mechanism, CSOs do not cooperate in the implementation of projects. Donors are aware that it is necessary to have better cooperation around civil society programming.[182] Part of the complexity of civil society programming is that it is often a cross-cutting issue, so it is not reduced to coordination in one sector. For this reason, this has led to instances when a donor implemented a project and, two or three years later, another donor initiated a project to tackle the same problem with a different approach, which created confusion among local stakeholders. The danger of having less structured, informal meetings is that it is difficult to have a complete picture of donor activities and priorities in the country, even with the database of donor projects in the country compiled by the Bosnian Donor Coordination Forum (DCF). The interviewees from the British Embassy were concerned that there is no clear data on where the funds are going. The donor mapping system is not complete and up to date. The database has always been retroactive, which raises questions about its purpose. It does not allow donors to identify partners.[183]

Overall, the objective of EU integration drives donor activities, so it is no surprise that the EU is seen as the main agenda setter in donor assistance in the country. USAID stated that they align their activities with the EU, because their objective is to have BiH on the European path. They seek to be complementary with the EU.[184] For these reasons, SIDA works closely with the EU:

> *We work very closely with the EU. We work with them closely on the ground here but also as a member state we influence the EU a lot. We follow-up quite closely on what they do here and we sort of sent via Stockholm guidance and information that then our Swedish colleagues in Brussels will then raise at various meetings, etc. That is something we prioritise, that follow-up of the EU.*[185]

178 Interview with an official at the EU Delegation office in Bosnia-Herzegovina.
179 Interview with an official at the World Bank office in Bosnia-Herzegovina.
180 Interview with an official at the EU Delegation office in Bosnia-Herzegovina.
181 Interview with an official at the Norwegian Embassy in Bosnia-Herzegovina.
182 Interview with an official at the USAID office in Bosnia-Herzegovina.
183 Interview with officials at the British Embassy in Bosnia-Herzegovina.
184 Interview with an official at the USAID office in Bosnia-Herzegovina.
185 Interview with an official at the SIDA office in Bosnia-Herzegovina.

On the other hand, surprisingly, the British Embassy actually works quite closely with the Americans, not the EU, and the interviewees mentioned that there was a possibility for the Embassy to merge funds with USAID.[186] Although the donors recognize the key role of the EU as the agenda setter, they remained split on the EU strategy of pushing reform via strong conditionality, namely freezing IPA funding. According to the SIDA respondent, Sweden is remaining 'on the fence' for the time being:

> *There's a very split opinion between the member states as to how to deal with that. Some people want to do much more conditionality and put funds on hold to send a message to the government here to say that this is not OK. Others say that it's not going to work, don't bother. It's a very split thing and at the moment Sweden is on the fence. Sweden doesn't totally believe that that is an effective approach but at the same time they are concerned that is a problem that we just keep disbursing funds to these government agencies and institutions while at the same time their politicians are not doing what they are promising to do.*[187]

By contrast, the USAID interviewee said that freezing the IPA funds will hit the beneficiaries rather than the government representatives, and was concerned that this measure will not affect political elites, who are the source of the problem.[188]

5.5. Donor Assistance to Civil Society

Although foreign aid to BiH has decreased over the past decade, the level of donor assistance to civil society remains relatively high for the region. According to Milan Mrđa from CPCS, there has never been so much funding for civil society in BiH as there is now. In his view, the problem of civil society in BiH is not the lack of funding but the lack of competencies.[189]

Most donors in BiH support civil society through project grants. With a budget of EUR 4 mil in 2011 (EUR 3 mil for CSF and EUR 1 mil for EIDHR), the EU is the most important foreign source of funding for CSOs. However, unlike in other WB countries, the EUD channels most of its aid through local municipalities as part of the Local Democracy (LOD) project. As described in the regional part of the report (section 3.3), LOD is a sub-granting mechanism which seeks to build the capacity of the municipalities to support CSOs in an impartial and transparent manner. The EU co-finances projects which have been selected by the municipalities according to a standard set of procedures developed in cooperation with UNDP which administers the LOD project. Besides supporting CSOs through the LOD programme, the EUD seeks to promote networking among CSOs through a grant scheme that is exclusively aimed at CSO networks. The grant scheme for CSO networks and EIDHR are directly administered by the EUD in Sarajevo.[190]

Aside from the EU, USAID, Sweden and Norway provide substantial support to civil society. Most of these donors have focused their assistance on developing the capacities of a limited number of CSOs that are already established in their field. For example, the next USAID civil society programme involves USD 8.8 mil (approx. EUR 6.9 mil) for 5 years, half of which is aimed for re-granting administered by local partners (CPCS and CCI). This programme seeks to provide assistance to a select number of CSOs for 5 years in order to give them

186 Interview with an official at the British Embassy in Bosnia-Herzegovina.
187 Interview with an official at the SIDA office in Bosnia-Herzegovina.
188 Interview with an official at the USAID office in Bosnia-Herzegovina.
189 Interview with Milan Mrđa, Program Manager at the Center for Promotion of Civil Society (CPCD).
190 Interview with an official at the EU Delegation in Bosnia-Herzegovina.

some security and allow them to develop their capacities. According to the USAID representative, the objective is 'that, in 5 years, there are 10-12 organisations that are active in this sector, as someone who can do something in the name of civil society and in cooperation with others'.[191] In partnership with USAID, the UK Embassy provides support for CSOs to become leaders in specific sectors, secure sustainability, and build capacities for lobbying and advocacy. The Norwegian embassy focuses its support on advocacy oriented CSOs through both project grants and institutional funding. The interviewee from the Embassy of Norway suggested that they have a preference for giving large grants (up to NOK 1mil or approx. EUR 790,000) because they 'would like to support projects and organisations of a certain size rather than very small ones'.[192] SIDA only provides institutional grants to the Centre for Investigative Reporting, but it is considering introducing core funding for other organisations.[193]

Donors in BiH are pioneers in terms of shifting from international to local partners for administering civil society programmes. As mentioned in the regional part of the report (section 2.1), USAID has been implementing its civil society assistance in BiH through local partners since 2001. SIDA is also phasing out the use of foreign intermediaries faster than in other countries. According to a SIDA official in BiH, channeling assistance through local organisations is more beneficial 'because these CSOs work together as partners, they see themselves as part of a common network, they support each other and stand side-by-side'.[194] As part of their organizational overhaul, SIDA is considering different models of support for civil society, such as establishing an advocacy fund for advocacy CSOs like the one established by the Centre for Civic Initiatives (CCI).

Finally, a number of donors support civil society in an indirect way by including CSOs in the implementation of projects. For example, GIZ engages with civil society in its local governance and local government programme in the context of public-private partnerships. They also consult with civil society for adult education. Nevertheless, the GIZ representative stated that it is very difficult for them to engage with civil society because they cannot find adequate partners.[195] The SCO engages with civil society in the planning and/or the implementation of most of its activities. For example, the local governance programme includes support for the Mesne Zajednice (local communities), while the justice programme involves support for CSOs working in the field of judicial transparency.[196] The World Bank also implements some projects directly through CSOs, such as the Youth Programme which was implemented by the Mozaik foundation. Occasionally, CSOs are selected as implementors through tenders funded by the World Bank but administered by the state. To sum up, the World Bank official interviewed for this study suggested that CSOs should recognise the World Bank as a partner that can influence policy-making rather than a source of funding.[197] In a similar spirit, the UNDP representative suggested that he sees CSOs as partners for service-delivery, for providing advice on specific issues and for coordinating activities.[198]

191 Interview with an official at the USAID office in Bosnia-Herzegovina.
192 Interview with an official at the Embassy of Norway in Bosnia-Herzegovina.
193 Interview with an official at the Swedish Embassy in Bosnia-Herzegovina.
194 Ibid.
195 Interview with an official at the GIZ office in Bosnia-Herzegovina.
196 Interview with officials at the Swiss Cooperation Office in Bosnia-Herzegovina.
197 Interview with an official at the World Bank office in Bosnia-Herzegovina.
198 Interview with an official at the UNDP office in Bosnia-Herzegovina.

6. Kosovo

6.1. Levels of Donor Support

Like in BiH, the international community has deployed a major reconstruction effort in Kosovo following the 1999 conflict. It is estimated that the international aid outpaced the Marshall Plan in terms of dollar per capita amounts of aid 7 times in BiH and 4 times in Kosovo.[199] According to Luan Shllaku, the Director of the Kosovo Foundation for Open Society (KFOS), the early 2000s were a time when there were many donors but few CSOs. The situation has drastically changed since then insofar as the availability of funding has decreased – there is now 'few money for many ideas'.[200]

In spite of this trend, Kosovo remains at the top of the agenda for both multilateral and bilateral donors in the WB. Besides hosting the EU's largest civilian mission abroad (the EULEX), Kosovo also hosts the biggest OSCE Mission in the history of this organisation. The EU's total annual commitment in Kosovo is around EUR 67 mil, out of which approximately EUR 2.6 mil are allocated to civil society.[201] The OSCE Mission to Kosovo counts about 500-600 members and a budget of around EUR 20 mil.

Among bilateral donors, USAID has maintained a strong presence in Kosovo with a budget of around EUR 38 mil EUR (USD 54 mil) in 2010, out of which EUR 2.7 mil were allocated to civil society.[202] The SCO is also heavily involved with a budget of CHF 80 mil (approx. EUR 65 mil) for the period 2013-2016.[203] As in other WB countries, the Scandinavian countries are very active in terms of development cooperation. Since 2008, SIDA's budget has been SEK 80 mil (approx. EUR 8.9 mil), out of which 30 -35 per cent has been dedicated to civil society support. In 2011, Norway's assistance to Kosovo amounted to EUR 16 mil, out of which EUR 2 mil were allocated to civil society.[204] Finally, the UK has the same programmes in Kosovo as in the other WB countries: the Conflict Prevention Programme with an annual budget of around GBP 2.5 mil (approx. EUR 3.2 mil) and the Re-uniting Europe whose budget for 2013-2014 was about GBP 300,000 (approx. EUR 380,000).[205]

Several private foundations are operating in Kosovo. The most important of them is the Open Society with a total budget of EUR 3 mil, out of which EUR 2 mil are channelled through the Foundation's local branch – KFOS. KFOS gets an additional EUR 1-1.5 mil for implementing projects on behalf of other donors, mainly within the scope of the Roma programme.[206]

6.2. Motives for Donor Presence

As mentioned above, there is still a large donor presence in Kosovo, although not at the same level as there used to be during the post-conflict period. Big donors have stayed in Kosovo because they still consider it as a crisis zone. From 1998 to 2000, SCO focused on emergency relief, after which the agency has focused on: water and waste; economy and

199 Howard, Ivana. Mistakes Donors Make: Civil Society and Democracy Assistance in the Balkans. (Belgrade: Heartefact Fund, 2011)
200 Interview with Luan Shllaku, Executive Director of the Kosovo Foundation for Open Society.
201 These figures are for 2010, they were obtained during the pilot phase of the research.
202 These figures are for 2010, they were obtained during the pilot phase of the research.
203 Interview with an official at the Swiss Cooperation Office in Kosovo.
204 These figures are for 2010, they were obtained during the pilot phase of the research. Note that the overall budget was expected to remain constant for the next 3 years.
205 Interview with an official from the UK Embassy in Kosovo. Note that, on top of this, the UK disburses around 2 million GBP for the secondment of personnel to EULEX.
206 Interview with Luan Shllaku, Executive Director of the Kosovo Foundation for Open Society.

employment; governance and decentralization; health; and migration. There is a special 'value added' aspect to the Swiss involvement in Kosovo, since there is a large diaspora in Switzerland, though Kosovo is an SCO priority as much as other places in the Western Balkans.[207] In addition to the two programmes mentioned above, the British Embassy also has a Drugs and Crimes fund that supports small projects for training the police and other state administration.[208] KFOS opened its office in Pristina in 1994. Until 1999, it was the branch office of the Foundation for FRY. In the context of the repression orchestrated by the Belgrade government during the 1990s, the foundation focused on educational activities as Kosovo had a parallel education system at the time. After 1999, the focus became reconstruction and civil society development (creation of CSOs), as well as other activities, such as culture.[209] The OSCE in Kosovo used not only to monitor elections, but also to organise them. Also, the OSCE served as part of the UNMIK administration.[210] SIDA has been present in Kosovo since 1999, and until 2004-2005, the focus was on reconstruction and infrastructure, though there is more of a focus on civil society and other issues since then.[211]

6.3. Plans for the Future

From the interview data collected for Kosovo, the respondent from SIDA said that the agency is planning to remain in Kosovo until at least the year 2020.[212] However, other interviewees stated that the involvement of their organisations would depend on the pace of EU integration in Kosovo. DFID left Kosovo as the last mission in Europe in 2012. In the coming years, the respondent from the British Embassy expected the 'Reuniting Europe' programme would expand, while the 'Conflict Prevention Programme' will be reduced – echoing the move away from peacebuilding towards Europeanization. These programmes will be gradually closed as the country gets closer to the EU.[213] The OSCE has a substantial presence in Kosovo. As mentioned above, it is the biggest mission in the history of the organization, though the staffing in Kosovo has been steadily decreasing over the years. According to an official at OSCE, the organisation's presence will depend on Kosovo's fulfilment of the Copenhagen criteria on the path to EU integration.[214]

6.4. Modalities of Aid Planning and Programming among Donors

General EU programming is developed through the triangular relationship between the EU Office in Kosovo (EUOK), the European Commission in Brussels, and the Kosovo Government. Programming is determined by the political documents alongside the dialogue between the EU, the Kosovo Government, and civil society actors. The Kosovar line ministries propose ideas for programming based on political documents, which are then collected by the Ministry for European Integration - the Kosovar counterpart to EUOK. The EUOK has specific task managers which cooperate closely with each line ministry in order to assist them in preparing their proposals for EU support. In contrast to the general programming, the planning of the two programmes focused on strengthening civil society – CSF and EIDHR – does not include Government to the same extent and involves more consultations with CSOs. For the CSF, a strategic document is drafted in Brussels for the entire Western Balkans, while national allocations priorities are determined by EUOK. The EUOK regularly consults with civil society through the Local Action Group (LAG) for Kosovo. For EIDHR, the

207 Interview with an official at the SCO office in Kosovo.
208 Interview with an official at the British Embassy in Kosovo.
209 Interview with an official at the KFOS office in Kosovo.
210 Interview with an official at the OSCE office in Kosovo.
211 Interview with an official at the SIDA office in Kosovo.
212 Interview with an official at the SIDA office in Kosovo.
213 Interview with an official at the British Embassy in Kosovo.
214 Interview with an official at the OSCE office in Kosovo.

strategic document is drafted in Brussels for the entire world (EIDHR is a global instrument), while EUOK can choose which global objectives will be selected for Kosovo. In addition to these instruments, civil society actors are also present in providing information as part of the Stabilisation and Association process (SAp).[215]

A representative from KCSF, which commissioned a previous study on donor strategies in Kosovo, stated that the Government in Kosovo has only had the capacity to become involved in the planning of IPA in the past 2-3 years, because of insufficient capacity before that. The problem, however, with IPA programming is that there is little local ownership, which represents a big problem when it comes to the implementation of legislation. Moreover, KCSF representative added that documents are in English and they are too technical for CSOs to read, understand and contribute: 'it's just about an email sent to NGOs saying that this is the strategic paper and you have 7 or 10 days to comment'.[216] The respondent from KCSF added that there is a more structured consultation as part of SAp, where there are sectoral groups that include consultation with civil society actors and Government. By contrast, there are no formally structured consultation processes as part of CSF or IPA programming, a gap that KCSF is advocating to address.[217]

These weaknesses in consultation notwithstanding, the status of Euro-Atlantic integration and EU integration determine the priorities of other donors in Kosovo. For the Norwegians, EU progress reports are checked when making a strategy for the region and country. The Norwegian agenda in Kosovo is a political one: they support the Euro-Atlantic integration of Kosovo. The Ministry of Foreign Affairs (MFA) in Oslo with the consultation from the Embassy writes its country by country strategy as well as a regional strategy. The Western Balkans regional strategy has to get the approval of the Parliament. Hence the annual budget is decided by the MFA and the Parliament. However, the Embassy's input and comments are taken into consideration based on their experience and their evaluated needs.[218] Consultation with CSOs has not been fruitful for the Norwegian Embassy – the respondent felt that CSOs do not have broad views on issues and that they tend to only concentrate on funding. Furthermore, most of the views from civil society are conflicting, so it is very difficult for donors to get the right perspective on issues from CSOs.[219]

SIDA and SCO also have this type of coordination between the home country and the field offices, with further information provided by local stakeholders. The Embassy gathers information on the ground, which is processed by the headquarters and sent to stakeholders for feedback. This subsequent needs assessment involves extensive consultations with local stakeholders. There were meetings with government representatives, CSOs and various interest groups, and not only with beneficiaries: 'I was especially careful not to ask only our beneficiaries, because there is always the tendency to praise, and to give you, let's say, not maybe that kind of realistic picture of the needs, so it was quite highly broad consultations period'.[220]

The SCO has three stages of aid programming. It starts with a situation analysis which includes a review of previous actions and a context analysis. This is usually done by consultants who carry out consultations with government, civil society, donors and other stakeholders. The second phase consists in a 'digestion' of findings in consultation with all stakeholders. The third phase is an elaboration of the actions that will be undertaken and

215 Interview with an official at the EU Office in Kosovo.
216 Interview with an official at the KCSF office in Kosovo.
217 Interview with an official at the KCSF office in Kosovo.
218 Interview with an official at the Norwegian Embassy in Kosovo, from the previous KCSF study..
219 Ibid.
220 Interview with an official at the SIDA office in Kosovo.

included in the strategy. Once the sectors and the sector objectives are identified, there is another round of consultations with the government at the project level.[221] The primary local stakeholders consulted during the strategy are Pristina-based think-tanks, whilst CSOs are consulted in locations where the proposed projects are to take place. For example, non-formal consultations with a number of CSOs have been carried during the drafting of the Credit Proposal, while an External Review has conducted broad discussions with different CSOs in order to propose adjustments on this programme. For the Small Credit Line, the planning is based on SCO staff's experience and information from the colleagues within the office, while sometimes there are also non-formal meetings with different CSOs.[222]

By contrast, the British aid programming is determined in London by the Foreign and Commonwealth Office (FCO). The Embassy develops its business plan according to the objectives set in London and local needs. The business plan forms the basis for the calls for proposals. The priorities set in London are usually broad enough to accommodate local needs.[223] The UN mission in Kosovo has a similar procedure. The UN Millennium Development Goals (MDGs) are translated into local priorities. The MDGs are broad, so the country office has quite a bit of flexibility in setting Kosovo priorities. In general, this process is highly consultative and participatory, and draws from the Human Development Reports (HDR) and evaluation of past programmes. HDR is usually done by local experts and organizations, while the topics of each HDR are consulted in advance with government and civil society. HDR serves as a context analysis. As an example of post-programme evaluation, UNDP has gone through a Program Outcome Evaluation of the UNDP Kosovo work during the last five years, where local stakeholders have participated. In addition to these mechanisms, UNDP has a joint agreement with the government in its main program assistance. There are focal points in line ministries which participate in drafting the joint document since early stages, while a final agreement is reached also at the level of government as a whole. In the final stage of programming, each topic/area has its own consultation process through other tools such as meetings, roundtables, focus groups, interviews, and surveys, where local stakeholders discuss the initial proposal.[224]

The OSCE programming process is more centralized. According to the interviewee from OSCE:

> *The planning of the programmatic priorities is a centralized process which actually starts in the mission but it has to go on review and clearance on the Secretariat level, including the review of all participating states. So when the mission comes up with the programmatic priorities, they are communicated through two different documents to the participating states: first it is the programme outline which outlines the mid- and long-term objectives, and then there is the annual unified budget proposal which is then the one-year plan or one year resource plan; what resources are needed to implement the one year programme towards those medium and long-term objectives.*[225]

The OSCE consults with primary beneficiaries, both in government and CSOs, in developing programmes. The organization also has a wider consultative process, as described by the interviewee from OSCE:

221 Interview with an official at the SCO office in Kosovo.
222 Interview with an official at the SCO office in Kosovo, from the previous KCSF study.
223 Interview with an official at the British Embassy in Kosovo.
224 Interview with an official from the UN office in Kosovo, from the previous KCSF study.
225 Interview with an official from the OSCE office in Kosovo.

'Based on these needs and the strategic priorities of the stakeholders, then we base and plan our programme. When I mention stakeholders, it's not only necessarily the beneficiary who is getting the assistance or the support from us but also the other actors in the field, other international organizations, including the member states of OSCE.'[226]

At the other end of the spectrum, KFOS has full independence in the development of its strategy. The KFOS Board, which is mainly composed of seven representatives from CSOs, determines the programme.[227] The template for annual strategy is provided by the OSI Headquarters in New York. The local staff (Executive Director and Program Coordinators) propose the strategic objectives. The draft strategy is presented in front of Local Board in Pristina and OSI Board in New York. The Local Board is involved also in defining the strategic priorities. The OSI Board in New York does not change or revise the Strategy; it is either approved or rejected. The Local Board is also mandated to propose new programs, which have to be approved by the OSI Board in New York.[228]

6.5. Donor Coordination

The EU integration process is seen as the common objective around which donors coordinate, making the EU the agenda-setter. For example, the new SIDA strategy in Kosovo is in line with IPA II.[229] For KFOS, EU documents are more important with regards to policy objectives than funding specific mechanisms. However, if KFOS is informed that a specific donor (particularly major donors) allocates a high amount of funds for a specific topic, KFOS tends to finance other things, in order to avoid duplication as well as have more 'recognition of their funds'. In other words, if smaller amount of KFOS funds are put in the same objective with large EU/USAID funds, KFOS funds will be deemphasized.[230] The respondent from the UN office in Kosovo also said that the EU is the main agenda-setter in Kosovo. Although the UN is a global intergovernmental organization, due to the EU accession process, the wording of MDGs for Kosovo has been translated into the EU language. EU accession process is also a governmental priority, so UN agencies try to be in line and contribute to EU accession process.[231]

However, the USAID added that it is also seen as an agenda-setter, due to its presence in Kosovar civil society. The 2002 USAID Advocacy Program was the first programme supporting advocacy CSOs and thus has had a strong influence on civil society in Kosovo. In addition, because most of USAID supported projects have been rather small, the number of organizations and individuals involved in USAID funded projects was higher, compared to other donors. By contrast, the EU had similar levels of funding, through bigger but fewer projects, so the number of organizations and individuals involved was lower.[232]

According to the SCO interviewee, there are a number of donor coordination mechanisms. The Kosovar Ministry of European Integration is responsible for coordination at a general level, but there are also a number of sectoral working groups within the Government with a lead Ministry and lead donor. In parallel, there are donor meetings organized by donors.[233] One of the respondents from OSCE cited the Assembly donor conference as a good example of donor coordination:

226 Ibid.
227 Interview with an official from the KFOS office in Kosovo.
228 Interview with an official from the KFOS office in Kosovo, from the previous KCSF study.
229 Interview with an official from the SIDA office in Kosovo.
230 Interview with an official from the KFOS office in Kosovo, from the previous KCSF study.
231 Interview with an official from the UN office in Kosovo, from the previous KCSF study.
232 Interview with an official from the USAID office in Kosovo, from the previous KCSF study.
233 Interview with an official from the SCO office in Kosovo.

The Assembly had a donor conference where they invite all donors to provide their inputs, provide their plans of activities and areas of support and the Assembly and different directorates of the administration present their needs – that's the first round. And then, we had a meeting with the Secretary General and the Donor Relations Officer there to present, in the light of what other donors have presented there, and in the light of the demands we have received, we adjusted our activities and presented those again and tried to accord them. And now in the final round, it's a big round again, there will be a presentation of the final areas of support and supported activities and so far I think it is a good modus for this.[234]

In light of the Paris Agreement on aid effectiveness, SIDA has organized donor coordination around civil society since 2011. The meetings take place on a quarterly basis, involving 10-14 organisations, which excludes private donors. Occasionally, CSO representatives give presentations on the realities on the ground or around some specific issues.[235] This forum also has an internal database where all donors are invited to provide information on the target groups, field of work, amount of funds, year of funding for their granted projects. This database is still not public, although SIDA is interested to ask other donors (or partners) to take the responsibility for maintaining this database and develop it further.[236] The respondent from SCO felt that the forum, which meets every other month, is a good initiative. Participants exchange information and coordinate future actions. There are also discussions on what is missing and what should be done.[237]

The EUOK felt that the forum had some benefits, but that it is mostly a space to exchange information rather than coordinating donor agendas and interventions.[238] USAID also echoed this perspective, and the shift from specific civil society program to horizontal support for civil society (within different themes) was influenced by the information that the Swiss are designing a specific fund for civil society (Democratic Society Promotion); USAID thus saw that area would be more or less covered by other donors. USAID added that it tries to find potential synergies (e.g. cooperation of USAID funded Civil Society Strengthening Program with TACSO in assisting the NGO Registration and Liaison Department during 2010-2011) within the forum. The American agency also provides references to all interested donors on CSOs that were USAID partners.[239] Along these lines, the OSCE interviewee added that the forum developed a matrix of project grantees to ensure that their inputs do not overlap and to be aware of other donors' programmatic priorities, adding that the basic purpose of these meetings is 'to blacklist grantees that don't fulfil the criteria that donors have, to ensure that one project proposal doesn't get double or triple funding'.[240] On the other hand, KFOS is not invited, since it is a private donor. However, the interviewee from KFOS also felt that they were not included because many do not consider them as donors (they see them as a CSO), while many others do not consider them as a CSO but purely a donor agency. In reality, as an advocacy organisation and a grant-giver, KFOS has a dual role which is unique in the field.[241] Finally, the British Embassy respondent was unaware of these meetings until told about them at the

234 Interview with an official from the OSCE office in Kosovo.
235 Interview with an official from the SIDA office in Kosovo.
236 Interview with an official from the SIDA office in Kosovo, from the previous KCSF study.
237 Interview with an official from the SCO office in Kosovo.
238 Interview with an official from the EU Office in Kosovo.
239 Interview with an official from the USAID office in Kosovo.
240 Interview with an official from the OSCE office in Kosovo.
241 Interview with an official from the KFOS office in Kosovo.

interview with KCSF.[242] Instead of participating in the forum, the Embassy relies on personal contacts with other donors and on the integrity of CSOs to ensure that there are no overlaps between projects.

Although there are structures in place, many donors were expressed criticisms towards the formalised donor coordination mechanisms. The interviewee from KFOS said that there was no centralized coordination, and that it would not make much sense to have a central coordination mechanism because donors are very different in their structures. Thus, donors should coordinate so that they do not obstruct each other and, if they cannot work in synergy, at least be complementary with each other. In reality, coordination is done in an informal way during bilateral meeting between donors which are organised on an *ad hoc* basis.[243] The British Embassy interviewee added that the Aid Management Platform database managed by the Ministry of European Integration, the lead in donor coordination, is not up to date. Moreover, sectoral donor meetings are not very helpful because the government does not have the capacity to lead these meetings. As a result, as the KFOS representative suggested, most of the coordination is done informally between donors.[244] Some respondents also added that there is no substantive donor coordination, and, as the UN interviewee surmised, meetings are focused on information sharing rather than coordination.[245] According to the interviewee from the Norwegian Embassy, coordination of donors is not real coordination – they are usually meetings to see who is doing what. The problem is compounded by the fact that priorities become led by the donor agenda, not local needs, since there is no government strategic plan to guide donor strategies.[246]

242 Interview with an official from the British Embassy in Kosovo, from the previous KCSF study.
243 Interview with an official from the KFOS office in Kosovo.
244 Interview with an official from the British Embassy in Kosovo.
245 Interview with an official from the UN office in Kosovo, from previous KCSF study.
246 Interview with an official from the Norwegian Embassy in Kosovo, from previous KCSF study.

6.6. Donor Assistance to Civil Society

Donor assistance to civil society in Kosovo remains sizable despite the fact that many donors have scaled down their activities. There is one important particularity to civil society assistance in Kosovo: many donors seem to have a preference for channelling their support to CSOs through foreign intermediaries or local partners. For example, the SCO has two programmes focusing on civil society: the Democratic Society Promotion (DSP) and the Small Credit Line. The DSP programme, which is SCO's most important civil society scheme with a budget of CHF 4 mil (approx. EUR 3.3 mil) for 4 years, is administered by KCSF. SCO opted to implement this programme through KCSF in order to reduce transaction costs. This programme involves both institutional and project grants for advocacy-based and watchdog organisations working in the field of transparency, accountability and citizen participation. According to the SCO official interviewed for this study, they offer institutional grants in order to have 'real applicants with their ideas and not to be donor-driven'.[247] The Small Credit Line is a smaller grant scheme that is administered directly by the SCO office.

As discussed in the regional section of the report, donors such as USAID and SIDA have for a long time resorted to foreign intermediaries to implement their civil society programmes in most WB countries. In Kosovo, USAID does not have a specific programme for civil society, but it involves CSOs horizontally in its thematic programmes. As part of the USAID Forward reform, the USAID office in Kosovo is increasingly channelling support for civil society through local partners. For example, the Centre for Social Emancipation (Qendra per Emancipimin Shoqeror - QESH) received a USAID grant for a program entitled 'Kosovo

247 Interview with an official from the SCO office in Kosovo.

is Ready' (KIR) that supports local advocacy initiatives to protect the LGBTI community from discrimination and human rights violations. The USAID Mission also made an award to the Kosovo Democratic Institute (KDI) to support a network of local NGOs, Democracy in Action (DiA), to monitor the local elections in the fall of 2013 and the parliamentary elections anticipated for the fall of 2014.[248] With this shift in approach, USAID is providing higher grants to a smaller number of organisations.

SIDA is also progressively phasing out the use of foreign intermediaries in Kosovo. Their contract with Kvinna till Kvinna is expiring in 2014, while Civil Rights Defenders and Olof Palme Center will be there for another two years. Through these organisations, SIDA has provided both institutional and project grants to Kosovar CSOs. The implementation of civil society programmes has been in the hand of the Swedish intermediaries: they have freedom in selecting both the type of support provided and the beneficiaries. The interviewee from SIDA stated that they do not meddle in this process because they trust the implementing organisations.[249]

Donors in Kosovo thus attach a lot of importance to trust and partnership in the delivery of civil society assistance. While some resort to intermediaries for implementing their assistance, others allocate grants through restricted calls for proposals which requires a heavier involvement on the part of the donor. For example, KFOS has a very specific procedure for selecting beneficiaries. Before opening a Call for Proposals (CfP), KFOS invites a select group of CSOs to participate in workshops on specific issues. During these workshops, CSO representatives from the region are invited to present successful examples of projects. KFOS then hires coaches to help CSOs develop their projects before opening a CfP.[250] The UK Embassy is also substantially involved in the development of projects which it funds. Before submitting a formal application, CSOs are requested to send concept notes on the basis of which the Embassy makes a pre-selection. The short-listed CSOs are then required to provide fully developed project proposals which can be negotiated with the Embassy. Interestingly, even the EUOK resorts to this type of procedure to allocate funding for civil society. While the EUDs in the WB generally allocate grants to CSOs through open calls, the interviewee from EUOK stated that they increasingly resort to restricted calls in order to enable more CSOs to apply for EU funds. Restricted calls allow CSOs to put forward concept notes without having to submit a full application, which makes it much easier and more cost-effective for CSOs to apply for EU grants. While they may seem to be less competitive, restricted calls can be advantageous to smaller organisations because they involve a smaller initial investment in the application process, thus reducing the barrier to entry for smaller CSOs.

7. Macedonia

7.1. Levels of Donor Support

The levels and foci of donor assistance to Macedonia have changed in line with changing needs. For example, assistance from SCO, which has been present since 1992, changed from humanitarian aid in the 1990s to development cooperation in the 2000s. The Foundation Open Society Macedonia (FOSM) also initially provided humanitarian assistance. FOSM sought to tackle the isolation of the country engendered by the international

248 E-mail communication with an official at USAID Kosovo.

249 Interview with an official from SIDA Kosovo.

250 Interview with an official from KFOS.

embargo against the Federal Republic of Yugoslavia and the Greek embargo against Macedonia through humanitarian aid and logistical assistance for the export/import of goods. There was also a big media programme to break the monopoly of state-controlled media. The Foundation's budget, which mainly targets civil society, has been increasing in recent years. The budget in 2013 was EUR 4.5 mil which includes projects funded by other donors, such as USAID and SDC.[251] Apart from FOSM, SCO is the only donor whose level of financial support in Macedonia has increased, doubling from CHF 40 mil (approx. EUR 33.2 mil) in the 2009-2012 to CHF 80 mil (approx. EUR 66.3 mil) in 2013-2016, due to an increase of SCO budgets at a global level.

There are also other international donors present in Macedonia. USAID assistance for civil society began with the Democracy Network Programme (DemNet), which ran between 1995 and 2004. This was followed by the Civil Society Strengthening Project which preceded the current USAID Civil Society Project.[252] The Norwegian Embassy has a small Embassy Fund from their mission in Belgrade, which totals EUR 3 mil.[253] The British Embassy runs the same two programmes as it does in Serbia: 'Reuniting Europe' and the 'Conflict Prevention Programme'. The priority areas for the UK Embassy are: public administration reform, rule of law, good governance and human rights.[254] The UN agencies act as implementers rather than donors. Most of their budgets come from other donors or from state/local authorities.[255] Respondents also highlighted the importance of non-Western donors. The interviewee from the Dutch Embassy suggested that the Chinese and Russian embassies are also quite active donors, albeit not in the field of civil society.[256] The interviewee from the EUD office also confirmed this, by adding that China is providing substantial loans for transport infrastructure.[257]

Although FOSM and SCO said that their involvement in Macedonia is increasing, there has been a noticeable withdrawal of international donors from the country. ADA and SIDA have closed their operations in Macedonia. Another example is the Netherlands, for which Macedonia was on the list of priority countries for development cooperation aid between 1995 and 2008. The annual budgets during this period were between five and 15 million EUR, which was channelled through IMF or World Bank programmes (as budgetary support), as well as direct support through the Embassy. The assistance was implemented by international organisations and CSOs. However, the Netherlands deemed that Macedonia had 'graduated', and was thus no longer eligible for development cooperation support. The only remaining financial instrument is the MATRA programme, with an annual budget of less than EUR 500,000, which focuses on the rule of law.[258] Similarly, Germany has closed its bilateral assistance programme to Macedonia in 2008. Since then, Macedonia is only included in the regional projects. Macedonia is included in four regional projects and can access financial support from four regional funds. There are also two ongoing bilateral projects – 'Regional and Communal Economic Development' and 'Support to the Secretariat of European Integration' – that will end in 2014 and 2015 respectively. The current GIZ budget is EUR 2 mil annually, but this will decrease in the future (see below).

251 Interview with an official from the Open Society office in Macedonia.
252 Interview with an official from the USAID office in Macedonia.
253 Interview with an official from the Norwegian Embassy in Serbia.
254 Interview with an official at the British Embassy in Macedonia.
255 Interview with an official at the UN office in Macedonia.
256 Interview with an official at the Dutch Embassy in Macedonia.
257 Interview with an official from the EU Delegation office in Macedonia.
258 Interview with an official from the Dutch Embassy in Macedonia.

7.2. Motives for Donor Presence

As discussed in Part I of the report, Macedonia stands out as a country where democratic governance and human rights protection are still a priority on the donor agenda. Several donor representatives have indeed expressed concerns about the deteriorating political situation in the country, in response to which some of them have re-focused their programmes from support to EU integration to democracy promotion. For instance, the SCO representatives stated that the SCO's budget has increased more than in other countries because it is perceived that governance is worsening in the country:

> *Macedonia was always a special program. Macedonia was always regarded as the candidate for EU accession since 2005 and there were a lot of hopes with Macedonia but this is decreasing now, as you know. Its EU accession never took place, its negotiation never took place and governance is regarded as worsening. I think this might have been the background to increase the development or the transition money from Switzerland towards Macedonia.*[259]

For a more detailed discussion of donor agenda in Macedonia, see section 1.3 in part 1 of this report.

7.3. Plans for the Future

As mentioned above, a considerable number of donors have either withdrawn or cut down their activities in Macedonia. To a great extent, the phasing out of donor assistance was informed by the conviction that Macedonia was making good progress in terms of EU integration. A representative of the Swedish Embassy thus suggested that the decision to close the SIDA office in Skopje was based on the expectation that Macedonia would start the accession negotiations with the EU by 2012.[260] In a similar vein, the interviewee from GIZ declared that German assistance will decrease in the future because Macedonia is an EU candidate country and German assistance is now being channelled through IPA.

Several interviewees have expressed concern over this 'Europeanization' of donor assistance to civil society in Macedonia. The respondent from FOSM said that the problem is not that donors are withdrawing but that EU assistance to civil society is channelled via the state in Macedonia, and added that there is a certain level of hypocrisy in Brussels, because the EU draws on civil society to pressure the government while planning and implementing civil society assistance through the government.[261] The respondent from the UN office argued that the opening of the IPA funds has led to the withdrawal of bilateral donors who used to provide assistance to grassroots organisations that do not have access to EU funds.[262] Among those bilateral donors that have remained active in Macedonia, the SCO representatives were the only ones who could confirm their engagement in the country until 2020 or longer.

7.4. Modalities of Aid Planning and Programming among Donors

Since the EU is the main actor on the donor scene in Macedonia, it is instructive to first examine the mechanisms of EU aid planning. The planning of EU assistance is based on an assessment of the past and current Enlargement strategies, an analysis of the selected criteria in these strategies, their achievements and their relevance for the coming period. The priorities are identified in

259 Interview with an official from the SCO office in Macedonia.

260 Phone interview with an official from the Swedish Embassy in Macedonia.

261 Interview with an official from the Open Society office in Macedonia.

262 Interview with an official from the UN office in Macedonia.

partnership with the government. The main interlocutor of the EUD within the Macedonian government is the Secretariat for European Affairs (SEA) which is responsible both for the process of EU integration and the overall aid coordination in the country (except for the German and French assistance and the IFIs, which goes via the Ministry of Finance). The government has an important role in drafting the MIPDs (now Country Strategy Papers) as each ministry is invited to give inputs to the strategy.[263]

At the moment, the dialogue between the EU and the Macedonian government on the preparation of strategy does not include civil society, but this will be required in the future. The EUD has taken on the responsibility to consult with EU Member States and civil society in 'any step of the programming on any document'. However, these consultations seem to consist mostly in asking for feedback on strategic documents (which is similar to EUD consultations with implementing agencies and other donors):

> *When we are discussing the strategic documents we invite them as our guests in the first two rounds, but our aim is almost all the time, once we have the first meeting, to do a joint presentation towards the civil society and towards the Member States, saying "these is our joint views, what is your opinion?"*[264]

The EUD added that its attempts at organising a more formal consultative process have failed due to the lack of interest on the part of CSOs. According to the interviewee from the EUD, there was insufficient interest when the EUD sent a request to form CSO working groups in 2012 and, more generally, local organisations are not aware of the importance of aid planning:

> *Their awareness of things is not on the right level and I will consider that those NGOs who are bigger in capacity and knowledge have to be responsible also to engage other smaller ones which could contribute when the programming document is being prepared.*[265]

However, another official at the EUD involved in IPA II said that the EUD has invited CSOs to participate in consultations when they have particular expertise that is helpful to the topic.[266] The FOSM interviewee said that the level of involvement of a donor with civil society often depends on the personality of the people in charge. The respondent suggested, as an example, that the Ambassador at the EUD in Macedonia was very open to communication with civil society, while the current one is exclusively focused on the relationship with the Government.[267]

Several donors stated that they identify priorities for their programming based on the EU Progress Report and other EU documents. For example, the priorities of the Dutch MATRA programme are defined on the basis of the EU Progress Report and the political criteria for the country identified there. However, the interviewee added that they are amongst few donors in the region that fund projects on exporting culture from the home country as part of democracy promotion, e.g. Dutch design or Dutch contemporary dance. While the Dutch Embassy used to consult the government for bilateral development assistance, this is not the case for the MATRA programme. The primary consultative process with government is now taking place through the IPA process, though the Embassy does informally consult with CSOs within their 'network of contacts'.[268]

263 Interview with an official at the EUD office in Macedonia.
264 Interview with an official at the EUD office in Macedonia.
265 Interview with an official at the EUD office in Macedonia.
266 Interview with a second official at the EUD office in Macedonia.
267 Interview with an official at the FOSM. office in Macedonia..
268 Interview with an official at the Dutch Embassy in Macedonia.

The SCO representatives stated that they rely on Macedonia's Stabilisation and Accession Agreement (SAA) with the EU as the basis for their strategy, and that the overall goal of their support is 'Macedonia becoming a socially inclusive market economy democratic political system in view of European integration'. The SCO organises roundtables with selected CSOs to consult them on Swiss strategies.[269] The UK Embassy representatives also stated that the EU Progress Report is the main basis for defining priorities. In addition, all projects are geared at fulfilling the EU criteria and *Acquis* in specific areas. There is no consultative process, but there are regular contacts with government and civil society. In some cases, the Embassy conducts 'stakeholder analysis'.[270]

This 'top-down' approach with less input from local stakeholders also characterises German aid planning. While the German bilateral assistance programme used to be developed in cooperation with the government, the priorities of the remaining regional programmes are entirely defined by the German government. Local actors do not have any say in the definition of these priorities (not even the local GIZ office). This is a top-down approach in which priorities are developed in function of German or global development interests. The objective is to prepare the region for the future, to support sustainable development. According to the interviewee from GIZ:

> *It's about development, not that you extinguish the fire, but that these development projects are working on a long-term basis, long-term effects, with sustainable effects. As far as German assistance, it is not to extinguish a fire that is now burning, but rather to prevent fires from igniting in the first place.*[271]

By contrast, the UN develops its strategies in cooperation with government and in consultation with civil society. The United Nations Development Assistance Framework (UNDAF) is an overall strategic document for all UN agencies, which covers a period of 4-6 years. Each UN organisation then has its internal planning which has to fit into the overall priorities identified in the UNDAF.[272] It is prepared on the basis of a situation analysis and an assessment of the results achieved thus far. The UN then engages in broad consultations with government and CSOs. However, the UN does not have any formal procedure for consulting with CSOs at the strategic level. CSOs are included in the consultations on an *ad hoc* basis, on the basis of informal contacts and existing partnerships, as well as in project advisory and management boards, so they are consulted with regard to the implementation of projects (instead of aid programming). Of the UN agencies active in Macedonia, UNICEF has the most elaborate process of consultations with local stakeholders. The respondent from the UN office added that, a few years ago, the UN attempted to involve civil society in its strategic planning in a formal manner. However, this initiative did not take root and the enthusiasm for involving CSOs has been lost.[273]

USAID employs contractors to carry out assessments. In 2009, they had a US-based company doing a very comprehensive assessment of the democracy sector in Macedonia. They also conducted an assessment of the USAID strategy for 2011-2015 and an assessment of their previous civil society programme. The USAID interviewee claimed that local stakeholders were extensively consulted in the planning, but there does not seem to have been any formalised consultation procedure.[274]

269 Interview with an official at the SCO office in Macedonia.
270 Interview with an official at the British Embassy in Macedonia.
271 Interview with an official at the GIZ office in Macedonia.
272 Interview with an official at the UN office in Macedonia.
273 Interview with an official at the UN office in Macedonia.
274 Interview with an official at the USAID office in Macedonia.

The FOSM priorities and activities are defined by the Foundation's Board, the members of which are from Macedonia. The priorities defined by the Board are then presented to the President of the Open Society Foundation, who provides feedback and advice on how to improve the planning. The priorities are revised in function of developments on the ground. FOSM is very flexible and can easily adapt to changes in the local context. However, FOSM does not conduct any direct formal consultations with civil society actors. Its needs assessment is based on the knowledge of board members who are experts in different fields and who are in permanent contact with CSOs. The respondent added that direct, formalised consultation with CSOs would be problematic, because priorities would be driven by the narrow interests of grantees.[275]

7.5. Donor Coordination

The Macedonian SEA is responsible for donor coordination, and is supposed to organise working groups in specific sectors. There are also smaller steering groups within the ministries that are beneficiaries of donor-funded projects. However, according to the EUD interviewee, the Government has not engaged with donors since 2009 or 2010:

> *From 2004 to 2009, first, it was very simple donor coordinating meetings, then they engaged into the program based approach working groups, which was also a good thing to start and could have, and I still believe that it can, produce quality inputs during programming... This was a good forum to discuss [strategies] but unfortunately it stopped. I don't know whether they will engage once again; the Secretariat is trying, but there is no feasible/visible output (...). The government is not putting much emphasis on donor coordination.*[276]

275 Interview with an official at the FOSM office in Macedonia.
276 Interview with an official at the EUD office in Macedonia.

The GIZ respondent also highlighted that the existing mechanism does not function, and it has not given good results, to the extent that even the government is not satisfied with coordination. The coordination is not well documented and the monitoring and evaluation are 'extremely poor', because the government is 'focused at getting something, but not focused on looking at the implementation and the impact'. The problem, according to the GIZ respondent, is that the Macedonian Government does not have the capacity to identify needs, negotiate with donors, and follow up with the implementation of projects.[277]

The interviewee from the Dutch Embassy said that the second mechanism, i.e. sectoral working groups, was also deeply flawed in addressing the practicalities of assistance (though they still participate in all of the relevant meetings):

> *For us it is a little bit difficult to be involved in these groups, because different donors are sitting there and they all have a different understanding of the topic or of the framework that we are discussing. There are groups that they are organising and we are present in some of them. However, these groups are usually at different levels then what we would like to discuss, because we would like to discuss more the practicalities, and they are usually at the more abstract, very broad policy level.*[278]

The SCO respondent echoed the misgivings about the sectoral working groups: 'In general, up-to-date coordination ... normally the beneficiary country should take it in their hands. This is done through this sector based approach, but it's not very active, let's put it like that'.[279]

277 Interview with an official at the GIZ office in Macedonia.
278 Interview with an official at Dutch Embassy in Macedonia.
279 Interview with an official at the SCO office in Macedonia.

In the absence of formal coordination led by the Macedonian Government, donors organise informal coordination meetings themselves. According to the British Embassy interviewee, it is easy to organise such meetings since there are few donors in the country.[280] The Dutch Embassy also said that the small number of donors in the country facilitated informal donor coordination: 'There are not many donors in Macedonia anymore and for example we have a big parliamentary project and there we have an informal donor meeting in Europe. All the donors who work on parliament projects meet regularly'.[281] FOSM also holds informal bilateral meetings with various donors.[282] The respondent from GIZ added that there are thematic informal coordination meetings organised by various donors on an *ad hoc* basis, which allow avoiding the duplication of projects.[283]

In the absence of donor coordination mechanisms led by the Macedonian Government, the EUD took on the task of coordinating the work of donors in Macedonia[284], particularly in the area of civil society. A second official at the EUD confirmed this, saying that the EUD is organising donor coordination meetings in the area of civil society in cooperation with TACSO. These meetings are attended by USAID, the SCO and the Dutch Embassy.[285] The SCO interviewee confirmed participation in these meetings, and the USAID respondent added that the meetings started in 2012 and have become more systemic, and that TACSO leads in organising them.[286]

280 Interview with an official at the British Embassy in Macedonia.
281 Interview with an official at the Dutch Embassy in Macedonia.
282 Interview with an official at the FOSM office in Macedonia.
283 Interview with an official at the GIZ office in Macedonia.
284 Interview with an official at the EUD office in Macedonia.
285 Interview with a second official at the EUD office in Macedonia.
286 Interview with a second official at the USAID office in Macedonia.

On a more general level, the EU interviewee said that international donors in Macedonia, even non-Western countries such as China, see EU and NATO integration as driving aid objectives, with the former making the EU an agenda setter:

> *We are the leader in the process because in the end this is the aim of the country. Their strategic priorities are EU and NATO integration. The number one priority. This would mean that everybody else has to be on the same line which is good for us also. At least we don't have any conflict with different objectives for any foreign assistance in the country.*[287]

However, SCO is also very influential in civil society, which is acknowledged by the EU interviewee, who stated that they seek to 'do a good match' with SCO, because the Swiss are providing institutional funding which they see as an opportunity for smaller CSOs to prepare for EU projects.[288] Moreover, the IPA CSF in Macedonia has been put on hold by the transfer to the Decentralised Implementation System (DIS)[289], which has affected the influence of the EUD in the area of civil society. The SCO itself cites two other reasons why it sees itself as an agenda setter in civil society assistance. First, SCO has a very big civil society programme (Civicas Mobilitas) with a budget of CHF 8 mil (approx. EUR 6.6 mil) for four years.[290] Secondly, SCO participates in the grants committee which selects the grantees for the USAID-FOSM Civil Society Programme, despite the fact that SCO does not financially contribute to this programme. According to the SCO, FOSM and USAID involve SCO because the Swiss agency is an important actor in the financing of civil society in Macedonia.[291]

287 Interview with an official at the EUD office in Macedonia.
288 Interview with an official at the EUD office in Macedonia.
289 See: http://cfcd.finance.gov.mk/?page_id=21&lang=en
290 See: http://www.civicamobilitas.org.mk/en/
291 Interview with an official at the SCO office in Macedonia.

7.6. Donor Assistance to Civil Society

Through its IPA CSF and European Instrument for Democracy and Human Rights (EIDHR) programmes, the EU is the biggest donor for civil society in the Western Balkans. These funds are administered by the EUD in all countries except Macedonia where the EUD has conferred the management of the CSF to the state authorities. This decision was brought in 2008/2009 when all the instruments under IPA component I were transferred to the Macedonian Government. Since then, the EUD has provided substantial technical assistance to the government to manage the CSF (for evaluation, monitoring, etc.).

The transfer of the CSF to the Government created a massive backlog in the allocation of funds: only one Call for Proposals for CSF has been launched under IPA (for funds committed in 2009) and, at the time of the interviews, the grants had not been allocated yet. At that point, CSOs had been waiting for 16 months for the approval of their proposals by the government, whereas the EUD used to conduct evaluations in 8 months and the new EU procedures require these evaluations to be completed in 6 months. According to an EUD offical[292] this backlog is due to the fact that tendering for CSF is more complicated than any other tendering done by the government. The EUD has provided substantial technical assistance to the government to manage the CSF (for evaluation, monitoring, etc.), but there is a lot of turnover among state officials working on civil society which is not favourable to the development of capacities and expertise. The EUD official also suggested that government officials cannot commit enough resources and time for the evaluation and that the oversight of the government's procedures by the EUD adds to the length of the process.[293]

Many donors in Macedonia are critical of the fact that the CSF is now administered by the government. There is concern among donor representatives that the channelling of EU funds via the state authorities has restricted access to funding to those CSOs that are dealing with sensitive political and human rights issues and that are critical of the government. Some donors consider that, besides requiring a high financial turnover, the EU procedures are so complicated that CSOs 'have to be associated with the government in some way'.[294] Vladimir Milchin, the FOSM Executive Director, suggested that EU funds are only available to professionalised organisations, which are rather passive when there is an urgent need to react to ongoing issues.[295] In response to this, FOSM has deployed a small grants programme for CSOs dealing with pressing societal issues.

In Macedonia, FOSM acts both as a grant-giver and an operational organisation. FOSM is thus implementing and co-funding USAID's Civil Society Programme whose objective is to empower citizens to request government accountability. USAID chose FOSM as implementing partner because they have a longstanding history of being 'open and critical of all kinds of things going on'.[296] Besides funding monitoring CSOs and civic activism, this programme includes support for thematic coalitions/informal groups centred around politically sensitive issues (LGBTI rights, environment, social issues, etc.). In addition, FOSM has two other programmes – 'Citizens for a European Macedonia' and 'Inter-Cultural dialogue' – which cover politically sensitive issues (government behaviour, inter-ethnic relations, identity issues) that cannot be dealt with by bilateral agencies that need to be in good terms with the government.[297] USAID

292 Interview with an official at the EUD office in Macedonia.
293 Interview with an official at the EUD office in Macedonia.
294 Personal interview.
295 Interview with Vladimir Milchin, Executive Director at FOSM.
296 Interview with an official at the USAID office in Macedonia.
297 Interview with an official at FOSM.

also has some other programmes that involve civil society, but are not specifically aimed at developing it, within its democracy portfolio (i.e. media, parliament, judicial strengthening, etc.). USAID's Office of Innovation and Development Alliances (IDEA) in Washington provides funding opportunities for CSOs in the area of Democracy and Governance through the Development Grants Program that is available worldwide including Macedonia. In addition, the U.S. Embassy Democracy Commission Grants Program awards grants to CSOs and independent media for projects that support the development of democratic institutions in Macedonia.

Besides the EU and USAID-FOSM, SCO is a major source of support for civil society in Macedonia. The SCO's 'Civicas Mobilitas' programme, whose implementation started in 2008, will run for another 4 years with a CHF 8 mil (approx. EUR 6.6 mil) budget and a focus on constituency building. In this new phase of the programme, SCO has opted to go for an international implementer (in cooperation with a local one) because they considered that there is no expertise in constituency building in the country and because this is a very sensitive issue.[298] As described in the regional part of the report, the SCO in Macedonia essentially supports civil society through institutional grant-making. However, it also provides projects grants to fund short-term activities and initiatives to address issues that could not be anticipated.

The British and Dutch Embassies also provide some support for civil society. With 17 active projects at the time of research, the British Embassy provided grants to build expertise within civil society. On the other hand, the Dutch Embassy essentially resorted to CSOs for implementing projects within the MATRA programme that focuses on rule of law issues. The GIZ and the UN representatives stated that they also occasionally draw on CSOs for implementing some projects, but that building the capacity of civil society is not a priority for them.

298 Interview with officials at the Swiss Cooperation Office in Macedonia.

8. Montenegro

8.1. Levels of Donor Support

Donor presence in the country is quite recent, either dating back to 2000 (when the Milošević-led regime fell), or 2006 (when Montenegro gained independence). Most international donors have either withdrawn completely from Montenegro, or significantly reduced their operations in the country. As a result, there are only a few important donors left in Montenegro. Among the multilaterals, the EU stands out with an annual budget of EUR 38 to 39 mil. The budgets of the UN agencies, the OSCE and the World Bank are significantly smaller.[299] Two UN agencies are active in Montenegro: UNICEF and UNDP with budgets amounting to USD 2 mil (approx. EUR 1.6 mil) and USD 6 mil (approx. EUR 4.8 mil) respectively. Note, however, that UNDP mostly acts as an implementing agency for projects funded by other donors, for which they often compete with local organisations. The UN provides only 10 % of the UNDP's budget, the rest is funded by the EU, the Montenegrin Government and some other donors (mainly the Netherlands, Norway and the UK). The same applies for the OSCE which also acts as an implementing agency. Most bilateral donors do not have a direct presence in Montenegro. The Norwegian and Dutch Embassies administer their assistance to Montenegro from Belgrade. Norway's involvement amounts to EUR 2.5 mil, while the Dutch only provide

299 Note that the budgetary figures for the OSCE and the World Bank could not be obtained.

assistance through the MATRA programme whose total budget for Serbia and Montenegro was approximately EUR 670,000 in 2013. The UK assistance is administered by the British Embassy in Podgorica, whose envelope amounted to GBP 540,000 or approx. EUR 690,000 in 2012/2013 (GBP 520,000 or approx. EUR 664,000 in 2011/2012).

As mentioned above, several donors have withdrawn from Montenegro. At the time of research, SIDA and ADA had already closed their operations in Montenegro. The Open Society Foundation (OSF) also closed its office in Montenegro, though CSOs from Montenegro still have access to the OSI global funding schemes.[300] USAID prematurely closed its Good Governance programme, which was supposed to last until 2015, in 2013. This was part of a wider scaling back by USAID, which decided in 2012 to close its offices in nine countries. However, at the time of research, there were still a few ongoing American projects (the Criminal Justice and Civil Society Programme and a programme of support to state institutions) for which the combined budget amounted to USD 500,000 (approx. EUR 399,000), as well as the Democracy Commission Small Grants (DCSG) administered by the Embassy. [301] USAID announced the end of its programmes on its website as follows:

> *The U.S. Agency for International Development (USAID) will mark the conclusion of its assistance in Montenegro with a June 12 [2013] celebration ... The June 12 Gala signifies that Montenegro is on the path toward European Union accession following significant economic, good governance, and democratic strides. USAID has provided USD 243 mil[302] worth of assistance to Montenegro over the past 12 years... Its projects have impacted virtually every municipality in the country.[303]*

8.2. Motives for Donor Presence

As in other parts of the Western Balkans, donor assistance in Montenegro focuses on supporting the EU integration process and building effective democratic governance. The interviewee from the German Embassy explicitly stated those objectives in the following terms:

> *For us it is quite easy: we want to see Montenegro in the EU as a democratically consolidated and an economically performing state. As simple as that. I know it is very general, but it is very topical as well, and the democratic consolidation process, there we can see what our priorities are, and ours is not the functioning of the parliament, and it is not elections, they function fairly well. It is the rule of law and it is the rule of administration as part of the judiciary, it is the containment of corruption, and it is also a better record for the fight against organised crime.[304]*

8.3. Plans for the Future

Those donors that remain active in Montenegro do not have clear exit strategies. The respondent from UNICEF stated that they do not have plans to withdraw from Montenegro in the near future. In the long run, their presence will depend on the progress made on the 'critical parts of the human rights agenda' that are relevant to UNICEF.[305] The Germans will also remain in Montenegro

300 Interview with an official at the Open Society office in Serbia.

301 Interview with an official at the East-West Management Institute in Montenegro. Note that the Criminal Justice and Civil Society Programme was due to close in August 2014.

302 Approx. EUR 194 mil.

303 See: http://www.usaid.gov/montenegro/news-information/press-releases/usaid-celebrates-success-programs-end

304 Interview with an official at the German Embassy in Montenegro.

305 Interview with an official at the UNICEF office in Serbia.

for the next few years. GIZ has been present in Montenegro since 2001, and it intends to remain in the country until 2017 at the earliest. However, although it has some involvement in Montenegro, GIZ's presence has been scaled down since Germany closed its bilateral development assistance programme in Montenegro in 2011. This is because Montenegro became an EU candidate country and entered the process of accession negotiations. GIZ re-oriented its activities towards EU projects and projects co-financed by other donors. There is only one bilateral project left managed by GIZ and several regional projects involving Montenegro in the fields of biodiversity and climate change.[306] KfW has a much stronger presence, but it only gives loans (not grants), mostly for infrastructure projects in the energy sector. The German Embassy has access to a regional fund called 'Stability Pack for South-Eastern Europe' through which it can fund CSOs, though this is not targeted in any way towards CSOs (see below).[307]

8.4. Modalities of Aid Planning and Programming among Donors

The modalities of aid planning and the levels of involvement of civil society in this process vary between donors. The UN agencies identify priorities for aid programming by coordinating with the Government. The UNDP has a Country Program Document (CPD) on the basis of which a Country Program Action Plan (CPAP) is developed in cooperation with the government. Programmes and projects are then developed either on the basis of needs assessments carried out by UNDP, which systematically carries out analyses of the situation on the ground (through various 'development reports'), or on the basis of the priorities identified by the government. UNDP projects are either funded by other donors (i.e. the EU) or by the Montenegrin Government, but all of the activities need to fit in the strategic priorities defined in the CPD and the CPAP. The Government, other donors, and civil society are consulted in this process through various forums.[308] UNICEF also develops a CPD and a CPAP which is then sent for approval to the Executive Board in New York. This is done in cooperation with the government on the basis of a situation analysis, which is a key element in the planning process. Like UNDP, UNICEF consults with civil society in aid programming. The UNICEF respondent stated that they 'consult quite widely' with CSOs and that they are 'always open to their ideas', but admitted that these consultations are 'a bit *ad hoc*' as there is no formal mechanism for involving them in the planning.[309]

The priorities of German cooperation also involve the authorities in Podgorica, and are decided bilaterally between the governments of Germany and Montenegro. GIZ then writes the projects within the set priorities. Before writing the project, GIZ usually carries an assessment which includes consultations with the most relevant stakeholders. As mentioned above, since bilateral cooperation has come to an end, most assistance is regional, so the projects are in line with regional needs. By contrast, the programming for British assistance is determined more by London than by local consultation. The programme strategies are defined by the FCO. The Embassy then develops a 'Country Business Plan' within these broad priorities set in London.[310] Although there seem to be avenues for consultation with local stakeholders, the respondent from TACSO claimed that donors are imposing their priorities on CSOs, and argued that the only way to address this problem is for the

306 Interview with an official at the GIZ office in Montenegro.
307 Interview with an official at the German Embassy in Montenegro.
308 Interview with an official at the UNDP office in Montenegro.
309 Interview with an official at the UNICEF office in Montenegro.
310 Interview with an official at the British Embassy in Montenegro.

state to take the lead in defining priorities in cooperation with civil society. However, the respondent conceded that there is a lack of capacity for planning, programming and implementing among local stakeholders, and claimed that it would be better for TACSO to work on building these capacities rather than delivering training for CSOs that are isolated and do not have access to funding.[311]

Although there are structured procedures in place for international donor aid planning, one respondent suggested that how a donor organisation is run and what programmes are prioritised ultimately depends on the individuals in charge. As an example, the interviewee described how two different chiefs at UNDP supposedly had two different approaches towards political issues, with one engaging in politically sensitive anti-corruption activities that were critical of the government, and the other choosing to stay away from such activities in order not to alienate the Montenegrin Government. The interviewee added that the nature of donor coordination is also affected by informal personal contacts amongst individuals working in donor agencies.[312]

8.5. Donor Coordination

The process of EU integration is an important factor in Montenegro, so it is not surprising that the EU, as the primary donor, has taken the lead in organising coordination meetings on key issues.[313] The interviewee from the British Embassy suggested that the EUD has taken the lead in donor coordination, because there were some issues with project duplication in the past. The Delegation organises donor coordination meetings on a monthly basis, which are attended by officials from the British, German, and American Embassies. There are also individuals in charge of donor coordination within each ministry, and donors exchange internal progress reports among themselves. Government ministries occasionally organise meetings on specific areas.[314] However, there is no donor coordination specifically for civil society assistance. The interviewee from the EUD said that donor coordination in civil society is quite limited 'not because it's not our interest, but because there are basically no other donors working in civil society development here'.[315] The interviewee from UNICEF said that the Government is trying to create a sectoral mechanism for donor coordination within the framework of IPA:

> *We are trying to build more of what you call a "sector-based approach" in some key areas that supports the law sector and that supports public administration reform which is beginning to bring donors together but it has to be led by government. Government is trying to bring this together and it is primarily done through the framework of the IPA process.*[316]

In addition to the high-level and sectoral donor coordination, the interviewee from UNDP said that there was also coordination at the project level, when donors participate in project boards as full members or observers, which indirectly allows for coordination.[317]

Many of the respondents felt that donor coordination was not as complex in Montenegro compared with other places in the Western Balkans, since there were so few donors left in the country that donors knew what their counterparts in the country were doing. Moreover, many of the donors

311 Interview with an official at the TACSO office in Montenegro.
312 Interview with an official at the East-West Management Institute in Montenegro.
313 Interview with an official at the UNICEF office in Montenegro.
314 Interview with an official at the British Embassy in Montenegro.
315 Interview with an official at the EUD office in Montenegro.
316 Interview with an official at the UNICEF office in Montenegro.
317 Interview with an official at the UNDP office in Montenegro.

administer their programmes from Belgrade and do not have a physical presence in Montenegro. According to an official at the German Embassy, 'Recently we had donor coordination in the field of corruption prevention or corruption-related projects. There it boiled down to five donors or so, not huge a huge number of projects being run in the country... But you know, more or less, what the others are doing, like I said, it is very small', and later added, 'I know all my counterparts ... and I know more or less what they do, and I exchange with them on a regular basis. Also, the projects that are run here have visibility; it is so small that you get invited to all these closing or inauguration events, so you have a rough idea, actually a pretty good idea, of what is being done here'.[318] Thus, it is sufficient to have informal coordination amongst donors.[319]

However, the interviewee from TACSO took a more critical line and was convinced that donors did not have a genuine interest in local needs, but rather that they had conflicting interests with each other, and as a result, donor coordination would ultimately be unsuccessful.[320]

8.6. Donor Assistance to Civil Society

As a result of reduced donor presence, funding for civil society in Montenegro is relatively limited. The main source of project funding for CSOs is the EUD which administers the CSF and EIDHR programmes. In 2013, the CSF's budget amounted EUR 1 mil, while the EIDHR budget for 2012 and 2013 (combined) was EUR 900,000. With projects ranging between EUR 100,000-200,000, there are about 5 beneficiary organisations per year. According to a EUD representative in Podgorica, the priorities of the CSF programme are set in consultation with local CSOs and they are usually vague so that they could accommodate different types of activities.[321] Nevertheless, some donors have criticised the EU for the high financial requirements it imposes on beneficiaries, the length of its procedures and the unrealistic expectations attached to project realisation.

Besides the EU, the German Embassy in Podgorica provides small grants to CSOs within the 'Stability Pack for South-Eastern Europe' programme. The priorities of the programme are set in Berlin, but they are broad enough to accommodate a wide range of projects. The Embassy administers these grants through a rolling call. CSOs usually get in contact with the Embassy before applying for funding which is aimed at projects for up to a year, without the possibility of renewal. According to a German Embassy official, the flexibility of this programme allows the Embassy to fund short-term initiatives in response to un-anticipated issues.[322] The UNDP also provides project grants to CSOs working in the field of social inclusion – 13-15 per cent of UNDP's annual budget goes to civil society. In this case, CSOs participate to varying degree in the definition of priorities depending on the projects. The grants are generally allocated through open calls for applications, although sometimes the organisations that participated in the definition of the project are given priority in their implementation.[323] Finally, Norway and the Netherlands support CSOs in Montenegro through programmes that are administered by their embassies in Belgrade (see section on Serbia).

The remaining donors exclusively support CSOs by engaging them in the implementation of projects. As mentioned above, one third

318 Interview with an official at the German Embassy in Montenegro.
319 Interview with an official at the UNDP office in Montenegro.
320 Interview with an official at the TACSO office in Montenegro.
321 Interview with an official at the EU Delegation officein Montenegro.
322 Interview with an official at the German Embassy in Montenegro.
323 Interview with an official at the UNDP office in Montenegro.

of the projects funded by the UK Embassy are implemented by CSOs, mainly in the field of fight against corruption and investigative journalism.[324] UNICEF, UNDP and GIZ occasionally work with CSOs on the implementation of activities that fit into their programmes and objectives. This type of cooperation is established either at the initiative of the donor who commissions products or services through open bids for which CSOs apply, or at the initiative of some CSO which approach donors with ideas for projects. Nevertheless, for these donors, the lead partners are generally government institutions. The role of CSOs is limited to participating in consultative processes or providing specific products or services (i.e. training, research, etc.).

9. Serbia

9.1. Levels of Donor Support

There has been a long-standing engagement by international agencies in Serbia, with the first offices established during the Socialist regime. Yugoslavia was the first European country to host a UNICEF office, which was established in 1947. In the 1990s, UNICEF had a major presence in response to the humanitarian crisis. After 2000, it has acted as a development agency rather than a humanitarian organisation.[325] There were a number of international donors that set up missions in Yugoslavia in the 1990s. The Open Society Foundation (OSF) established an office in Belgrade in June 1991 for the whole (Socialist) Yugoslavia. During the 1990s, the Foundation primarily focused its activities on civil society development in a broader sense, i.e., the creation of independent, non-state, entities. The foundation also aimed at tackling the consequences of war and international isolation. In the 2000s, the Fund for an Open Society in Serbia (FOS) re-focused its activities towards the building of democratic institutions and the process of Europeanization, but work with minorities has also been a constant priority. According to the interviewee from FOS, one of their biggest successes has been to create a discourse in which Europeanization is not just limited to EU accession, but involves a normative change in societal values.[326] SCO started its operations in Serbia in 1991 in response to the refugee crisis. Today, the primary focus of Swiss cooperation is support for Serbia's EU integration process.[327] In terms of Dutch development assistance, MATRA was conceptualised as a programme promoting social transformation after the fall of communism. The programme had 12-13 themes until 2009, when it was re-focused on supporting EU integration in the area of the rule of law.[328] British assistance also started in the 1990s with humanitarian projects. Between 2000 and 2010, DFID focused on the reform of the social security.

In the post-2000 period, USAID has provided assistance to civil society in Serbia since 2001 through implementing partners.[329] Germany started its assistance programmes in Serbia in 2000.[330] The Balkan Trust for Democracy (BTD) was established in 2003 by the German Marshall Fund of the United States, Charles Stewart Mott Foundation, and USAID with a trust fund of USD 36 mil (approx. EUR 28.8 mil) for a ten-year period that expired in June 2013. Out of this USD 36 mil, USD 28.5 mil (approx. EUR 22.8 mil) has been disbursed in

324 Interview with an official at the UK Embassy in Montenegro.
325 Interview with an official at the UNICEF office in Serbia.
326 Interview with an official at the FOS office in Serbia.
327 Interview with an official at the SCO office in Serbia.
328 Interview with an official at the Dutch Embassy in Serbia.
329 Interview with an official at the ISC office in Serbia.
330 Interview with an official at the GIZ office in Serbia.

grants. Between 2012 and 2013, their budget decreased by 50 per cent, but BTD plans to continue its activities for another 5-7 years with a reduced budget. The ERSTE Foundation was created in 2005 with three target areas: Culture, Social Development, and Europe. During this period, EU support, which is the most substantial in monetary terms, has been conducted through two previous programmes: CARDS between 2000 and 2006; and IPA between 2007 and 2013. The EU's annual assistance to Serbia totals EUR 196 million, of which 180 million will be administered by the Serbian Government from 2014. Additionally, the EIDHR budget for Serbia is EUR 1.2 mil per year, and the CSF budget is EUR 2 mil.

In terms of donor presence, there is a perception among some respondents that American and European agencies are leaving Serbia. For example, the interviewee from the ERSTE Foundation said: 'We see all around that many Americans and also many Europeans players leave the region so this is not a good thing to happen because to my opinion there is still a lot of work to do.'[331] The respondent from the World Bank added that the German, Swedish, and Norwegian assistance have significantly decreased, and the Austrians have left altogether. After the global financial crisis, donor countries have also had financial problems, which affects their ability to provide assistance.[332]

On the other hand, some donors believe that those claims about donor withdrawal are unsubstantiated. One reason is that it is difficult to reliably pinpoint the level of foreign donor assistance in the country. According to the respondent from GIZ, for civil society, it is difficult to ascertain 'what is available in terms of assistance or budget, or means provided. Because, I mean, I don't even know if Soros foundation, which is quite active, publicizes figures how much money he spends here. ... So it's difficult really to say ... You see the figures, but this is all the public stuff, so to say. What goes really into civil society ... I think it's really, really hard to find out'.[333] The TACSO Resident Advisor surmised that the perception of donor withdrawal was due to the fact that there has been a drastic increase in the population of CSOs, which has increased the demand for financial support.[334]

However, there is no doubt that some international agencies have left Serbia. ADA closed its Belgrade office in 2012. DFID closed its programmes in Serbia in 2010. There are two programmes left that are managed by the Foreign and Commonwealth Office (FCO), with very limited funding. The Re-uniting Europe programme is specifically aimed at preparing pre-accession countries for the process of negotiations with the EU, and assistance from the Conflict Prevention programme is available in Serbia, Bosnia, Kosovo and Macedonia. DFID had a budget ranging between GBP 2 and 8 mil (approx. EUR 2.6 mil and 10.2 mil) per year, whilst the current budget for the British assistance is about GBR 1-1.5 mil (approx. EUR 1.3-1.9 mil).[335] The Dutch Embassy closed its development cooperation programmes in Serbia and Montenegro in 2009. The only programme left is the MATRA programme for EU candidate countries. The budget for Serbia and Montenegro for 2013 was EUR 670,000. This is essentially for civil society.[336] As mentioned above, the BTD annual budget was decreased by 50 per cent in the past year, and is now approximately USD 1 mil (approx. EUR 800,000) for 2013-2014. BTD ended its country activities in Croatia, Bulgaria, Romania, and Moldova (though it still runs regional programmes). Nevertheless, BTD plans to stay in the Western Balkans until 2018 or 2020 with a reduced budget,

331 Interview with an official at the ERSTE Stiftung.
332 Interview with an official at the World Bank office in Serbia.
333 Interview with an official at the GIZ office in Serbia.
334 Interview with an official at the TACSO office in Serbia.
335 Interview with an official from the British Embassy in Serbia.
336 Interview with an official from the Dutch Embassy in Serbia.

which they hope will be around USD 1.3-1.4 mil (approx. EUR 1-1,1 mil) on a yearly basis.[337] The OSCE provides very targeted support to civil society through its projects, but it is a small amount: 'We have won SIDA funded project on security sector reform and we have very targeted call for proposals for CSOs working in that area, coming up with concrete proposals in that area. And this is, I think, EUR 8,000 to 10,000 for six months or something. So, it's really very small'.[338] UNDP has gone from largely being a donor to an implementing agency. For example, since 2012, the UNDP is implementing projects funded by local municipalities in Serbia. While these municipalities used to be the recipients of funds provided by UNDP and other donors, they are now funding projects implemented by the UNDP. The municipalities identify priorities and participate in the implementation of these projects with the support of the UNDP, which provides assistance.[339]

Despite the evidence of donor withdrawal, the research indicated that the Norwegian and Swiss assistance has actually been increasing. Norway has considerably scaled up the assistance delivered by the Embassy in Belgrade, which is responsible for Serbia, Montenegro, and Macedonia. The Western Balkans section in the Ministry of Foreign Affairs in Oslo administers the bulk of the Norwegian development assistance, but the Embassy in Belgrade administers the Embassy Fund and the Civil Society Fund. According to the interviewee from the Norwegian Embassy:

> *'We are this year heading towards, or we have allocated this year three million dollars, two and a half million Euros approximately. It may increase. It's a part of the same funding source for cooperation in and with the Western Balkan countries. But it's a separate allocation for the Embassy to manage for smaller projects. The Embassy Fund applies to all three countries, while the civil society funding mechanism has so far been limited to Serbia in a testing period, and we are continuously assessing whether to expand, also to comprise Montenegro and Macedonia'.*[340]

The total allocations for Norwegian assistance are: EUR 9 mil for Serbia; EUR 3 mil for Macedonia; and EUR 2.5 mil for Montenegro. The Swiss parliament has voted an increase in ODA from 0.4% to 0.5% of Switzerland's GDP on a global level, which also applies to the Western Balkans.[341] The total funding for Serbia has increased from CHF 60 mil (approx. EUR 49.8 mil) for the period 2009-2013 to CHF 75.5 mil (approx. EUR 62.6 mil) for the period 2014-2017.

9.2. Motives for Donor Presence

In terms of the motivations for donor assistance, most respondents identified support for the EU accession process in Serbia. For example, the Dutch embassy's MATRA programme is aimed at helping pre-accession countries on their path to EU integration.[342] Supporting the accession process in Serbia is a goal even amongst bilateral donors – Switzerland and Norway – that are not part Member States of the EU. According to the interviewee from SCO, 'even though we [Switzerland] are not members of the European Union, we believe that Serbia is certainly a part of Europe and we support the institutions in a variety of sectors'.[343] The Norwegian respondent added that 'the overall objective of our support to Serbia is to

337 Interview with an official from the BTD office in Belgrade.
338 Interview with an official from the OSCE office in Serbia.
339 Interview with an official from the UNDP office in Serbia.
340 Interview with an official from the Norwegian Embassy in Serbia.
341 Interview with an official at the Swiss Cooperation Office in Serbia.
342 Interview with an official at the Dutch Embassy in Serbia.
343 Interview with an official at the Swiss Cooperation Office in Serbia.

stimulate the EU integration or the integration into the regional European structures. So this is the overarching objective of what we are doing'.[344] There were, however, other motives expressed by the respondents. For example, the representative of the UK Embassy stated that the Embassy's goal was to advance British political and economic interests and promote British values.[345]

The motives of some donors reflected a wider regional or global strategy. The presence of multi-lateral agencies such as the World Bank or the UN agencies is part of global strategies, and the EU's EIDHR programme is also a global programme. The respondent from the ERSTE Foundation highlighted their long-term geographic focus:

> *All our activities are focusing in Central and Eastern Europe. This is our geography; we are not discussing every year should we go to Asia or Africa. Central Eastern Europe is our main target, geographically so to say, so this is where we started to work and this is where we are going to continue...*[346]

9.3. Plans for the Future

No donor is planning to close its activities in Serbia in the coming years. However, this may change depending on various factors. Levels of support and decisions to withdraw are determined by the status of EU integration in Serbia, economic circumstances, availability of alternative sources of funding in the country, and donor strategies and priorities at the global level. For example, BTD decided to withdraw from Croatia because its grant schemes were 'a drop in the sea' compared to the EU funds that are now available there. GIZ withdrew from other East European countries once they entered the EU. SCO remains present in Romania and Bulgaria despite the fact that these countries are EU Member States, and Switzerland has extended its programmes in Serbia for another four years. Nevertheless, the levels of Swiss presence will also depend on the availability of EU funds.[347] Similarly, UNDP's presence is strongly influenced by EU accession. UNDP sees its intervention as complementary to the EU accession process and it usually maintains a presence until a candidate country has joined the EU. There are even some EU countries where UNDP has maintained a reduced presence.[348]

Some donors also cited the financial crisis and changes in economic circumstances as potential factors affecting donor plans for the future. On the one hand, the UK Foreign Office funds have been maintained at the same level, despite the financial crisis and the austerity measures introduced in Serbia.[349] However, the interviewee from the ERSTE Foundation described how the financial crisis has affected their activities:

> *The financial situation isn't backing the foundation, you can imagine that we are affected by all these banking crises and economic crises, so our budgets don't grow; we have a kind of stagnation of the budget and with these limited resources we are doing our core projects in the three program lines - culture, social responsibility and Europe - and we had a fourth branch so to say, the grant clearing activities, which we had to decrease over the years because of these budget restrictions.*[350]

The FOS respondent put forward a third reason for changing levels of support: changes in levels of funding in the country from other sources. FOS has had a stable budget since 2003. Its future presence will depend on

344 Interview with an official at the Norwegian Embassy in Serbia.
345 Interview with an official at the British Embassy in Serbia.
346 Interview with an official at the ERSTE Stiftung.
347 Interview with an official at the SCO office in Serbia.
348 Interview with an official at the UNDP office in Serbia.
349 Interview with an official at the British Embassy in Serbia.
350 Interview with an official at the ERSTE Foundation.

social developments in Serbia, which are closely related to EU accession, as well as the availability of alternative sources of funding (i.e. EU, state funding). Nevertheless, FOS is not planning to reduce its presence in the next 2-3 years.[351]

Finally, the interviewees from the Dutch Embassy and SIDA cited changes in global strategies that can potentially affect levels of support in Serbia. The Dutch government closed its ODA programmes in Serbia and the Balkans as part of a broader re-organisation of Dutch ODA and as a result of diminishing funds. The interviewee from SIDA commented that, for example, the decision to withdraw from Montenegro was done as a calculation of 'give and take', since SIDA is decreasing its countries of operation, so it is necessary to prioritise globally.

There is a certain pressure to decrease the number of countries and there is always a look at which ones would be less strategic for us at this moment, so it is a political decision also. Because Swedish Development Cooperation is spread all over the world, there a is very strong focus on Africa and the poorest countries, so there is always this political "give and take" [of] which countries should stay, which countries should go. And the focus and priorities are primarily on Africa, the poorest countries, so that [is] why.[352]

9.4. Modalities of Aid Planning and Programming among Donors

The modalities of aid planning vary considerably between donors in terms of: levels of input from headquarters and local offices in developing strategies; consultation with local stakeholders (government and civil society) in defining priorities; and consultation with other donors.

Some donors active in Serbia have a significant amount of autonomy in determining aid programming. FOS has full autonomy in determining its priorities and strategies in Serbia. OSI has a global programme administered from New York that runs in parallel for which Serbian organisations are also eligible to the extent that they fit in the goals and priorities of the global programme.[353] SCO has recently adopted a decentralised approach to aid planning by giving more freedom to local offices in the development of strategies. Strategies are developed in three phases. First, SCO makes an evaluation of the previous strategy and its implementation, which yields an initial set of recommendations on how to develop a new strategy. SCO then carries out a 'partner's hearing process' which involves government, CSOs and other donors with which SDC has cooperated. Further information is gathered through participation in the donor coordination meetings organized by the government. Finally, the SCO in Serbia makes a strategy proposal to the headquarters which revise the strategy and recommend changes.[354] UNICEF also has a relatively autonomous approach. It develops a five-year CPAP in consultation with local stakeholders involved in child protection. This Action Plan defines the thematic areas of action, which is the basis on which UNICEF develops its programmes and activities.

In contrast to the autonomous approaches outlined above, some donors follow a more top-down approach in programming their activities, with the home country or headquarters having a significant role. The priorities of the MATRA programme are entirely defined by the Dutch foreign ministry. Local actors do not participate in defining the priorities of the programme. Nevertheless, the Dutch Embassy does have full independence in the selection of projects that it will support.[355] The ERSTE Foundation's strategies are internally developed by the

351 Interview with an official at the FOS office in Serbia.
352 Interview with an official at the SIDA office in Serbia.
353 Interview with an official at the FOS office in Serbia.
354 Interview with an official at the SCO office in Serbia.
355 Interview with an official at the Dutch Embassy in Serbia.

foundation's advisory board, which includes CSO representatives from the region.[356]
The priorities of the EU-supported EIDHR programme are defined at the global level, and CSOs from Serbia are only eligible for one out of five priorities of this programme.[357] In the case of the OSCE, the field missions propose programmes that fit the priorities established by the OSCE member states at the highest level. These priorities are static, so there has been no change in thematic areas.[358] In the case of the UK, the FCO establishes global and regional priorities and sub-priorities. The Embassy sends a 'results offer' to the FCO, which does not consist in a set of projects, but a set of goals and the envisaged means to achieve them. The FCO selects a number of objectives that the Embassy will follow and the Embassy then develops projects.[359] The broad objectives and priorities of German assistance are agreed at the highest level between the German and the Serbian governments. GIZ is then asked to develop a programme that would meet these priorities through consultation with local stakeholders. In some cases, local stakeholders (municipalities, CSOs) approach the Embassy with their own initiatives. Nonetheless, there is some flexibility in the field. GIZ has substantial flexibility in the allocation of funds, which allows it to adapt to changing circumstances. Projects are not designed to last for only 2-3 years; they last as long as it takes to reach the set objectives.[360]

An alternative approach used by some donors is more bottom-up and involves local stakeholders in determining priorities. UNDP develops a draft strategy for 5 years in cooperation with the government. This draft is sent to other donors and development agencies for feedback before being approved in New York. All the UNDP's programmes need to be approved by the Serbian Government.[361] The World Bank office in Belgrade makes a proposal that is then refined in separate consultations with government and civil society. The strategy is then sent to the Board for approval.

SIDA, BTD, and the EU CSF apply a more 'regional' approach in aid programming instead of focusing on country-based strategies. BTD has a set of priorities for all the countries in the region. These priorities have not changed in recent years.[362] The EU's CSF is a regional programme for the IPA countries. It consists of a three-year strategy within which priorities are defined at the national level.[363] The interviewee from SIDA outlined how they formulate a strategy for the Western Balkans:

> *This was a very broad participatory process. Those areas were the result of certain instructions that we received from Sweden, but also as result of discussions with local actors here, in the first place is the SEIO, Serbian EU Integration Office, but also in much broader terms with other ministries, institutions, with other donors, with civil society also. (...) So, that is it. We do not call it a regional strategy; it is the strategy for the region. Do you see the difference? It is build up by the bilateral or national component and added on; in some areas we do see that there is an extra advantage in working with the regional approach.*[364]

Some donors carry out consultations with local stakeholders in a more selective manner, which often involves close cooperation with government and different degrees of consultation with civil society. As mentioned above, UNDP develops their draft strategy in cooperation with the government, but they do also occasionally consult with CSOs – mainly

356 Interview with an official at ERSTE Stiftung.
357 Interview with an official at the EUD office in Serbia.
358 Interview with an official at the OSCE office in Serbia.
359 Interview with an official at the British Embassy in Serbia.
360 Interview with an official at the GIZ office in Serbia.
361 Interview with an official at the UNDP office in Serbia.
362 Interview with an official at the BTD office in Serbia.
363 Interview with a second official at the EUD office in Serbia.
364 Interview with an official at the SIDA office in Serbia.

CSOs with which UNDP has cooperated – for their expertise.[365] As part of their 'partner's hearing process', the SCO draws heavily on the Needs Assessment carried out by the Serbian government. SCO considers that the Serbian Government has the duty to consult with local stakeholders since it is in charge of aid planning and donor coordination. The Swiss agency only consults with CSOs with which it has an established cooperation or which are deemed to be able to provide expertise, because it does not have the capacity to carry out broad consultations with 100-200 people.[366] For the programming of German aid, every project has a ministry in the background. GIZ only involves CSOs once the project is defined in cooperation with government - only those CSOs relevant for the project are involved.[367] Norway draws directly on Serbian institutions for planning and administering its aid in Serbia. The Norwegians have two employees sitting in the SEIO. One employee conducts programming in close cooperation with the different ministries and SEIO, and the other is responsible for monitoring and evaluation.[368] UNICEF conducts individual consultations with selected CSOs as well as focus groups with organisations dealing directly or indirectly with children. UNICEF has a strategic partnership with the Network of Organisations for Children of Serbia (MODS), a network of organisations dealing with children, which UNICEF supports. UNICEF also consults with organisations outside the MODS network, as well as with media and business.[369] FOS defines its priorities through a permanent dialogue with CSOs and through an assessment of the project proposals that it receives from CSOs throughout the year. According to the interviewee from FOS, this allows CSOs to put forward their ideas instead of being 'donor-driven'.[370] By contrast, SIDA does not conduct direct consultations with CSOs, but it relies on the Swedish implementing organisations who provide input from local partners. According to the respondent from SIDA:

> *We [SIDA] are working with three main or larger Swedish CSOs, that we have a kind of a framework agreement with them, on program agreement, so they in turn are collaborating with... You know each of them has between 10 and 15 national counterparts. So through them, I would say we hope to be receiving the inputs and comments from their partners. So, it is selective and indirect consultation in that sense. We do also have direct contact with them, on monitoring and follow up sometimes, but it is mostly through the Swedish NGOs that we work[371].*

The research found that the EU has the most institutionalised form of cooperation with local stakeholders. The planning of IPA is quite specific because it involves substantial involvement of the Serbian Government in the definition of priorities and occurs in several phases. First, SEIO carries out a 'needs assessment' and a gap analysis. Second, the Multi-annual Indicative Planning Document (MIPD) is developed in Brussels on the basis of these analyses and other sources such as the country Progress Reports. Third, sector groups which include government, donors and the EUD are established on the basis of the MIPD. These sector groups discuss the 'project sector fiches' which include the entire sector through different projects. All national IPA components are developed in cooperation with the SEIO and the corresponding ministries. The priorities and programmes for civil society are developed in consultation with local CSOs.[372] These meetings are used to present EU programmes to the government and donors

365 Interview with an official at the UNDP office in Serbia.
366 Interview with an official at the SCO o ffice in Serbia.
367 Interview with an official at the GIZ office in Serbia.
368 Interview with an official at SEIO.
369 Interview with an official at the UNICEF office in Serbia.
370 Interview with an official at the FOS office in Serbia.
371 Interview with an official at the SIDA office in Serbia.
372 Interview with an official at the EUD office in Serbia.

and get feedback. These sectoral working groups, which are attended by some CSO representatives, are also used as a platform for donors to exchange information on their activities so that there are no overlaps. After the consultation process, the MIPD is sent for approval to the EU Member States, a process that takes 7-8 months. According to one of the interviewees from the EUD, the EU programmes are very rigid: the priorities are set by the MIPD and the Delegation does not have much room for manoeuvre. If something is not mentioned in the MIPD, it will not be financed. For example, the EU stopped supporting the healthcare system in Serbia in 2011 because this sector was considered too corrupt, despite the fact that the EU had channelled significant funds to the Serbian healthcare system until then.[373] The respondent from the EUD also added that, from January 2014, the Serbian Government administered IPA as a result of the implementation of DIS. However, the civil society programmes will remain in the remit of the EUD, because the Delegation considers that support for civil society in Serbia is done according to political lines.[374]

In terms of IPA civil society planning, SEIO established Sector Civil Society Organizations (SEKO) mechanism in 2011. This was established through a project funded by SIDA and the UK. The SEKO mechanism consists of seven thematic groups. Each thematic platform is administered by some 'leading CSOs' which have been selected by SEIO. All of the leading CSOs are established Belgrade-based organisations. The functioning of SEKO consists of SEIO sending IPA draft documents to the different platforms for feedback. The SEKO mechanism is exclusively used for EU funds, other donors do not draw on this mechanism for consultations.

One of the interviewees from the EUD highlighted a number of criticisms regarding the running of SEKO. The mechanism is biased because some CSOs are more active than others, so SEKO may not accurately reflect the needs of society. Moreover, the fact that CSOs are divided in seven thematic groups leaves many themes out of the scope of planning. To address this shortcoming, the EUD has developed a project with the Office for Cooperation with Civil Society which aims to promote the role of civil society in aid planning and EU negotiations, in order to advance CSOs participation in SEKO. However, the respondent from the EUD suggested that local CSOs do not have the capacity to participate in aid planning. For example, CSOs often do not make a distinction between themes (i.e. the fight against corruption) and type of activities (i.e. capacity building).[375] Another interviewee from the EUD raised the concern that it is problematic to include CSOs in aid planning, since there would be problems with legitimacy and a conflict of interest for organisations to decide priorities whilst receiving financial assistance from the same programmes.[376]

The interviewee from Civic Initiatives, one of the SEKO leading organisations, also said that there were a number of shortcomings with SEKO[377]:

- the draft documents are sent on short notice, the deadlines are short and the documents are in English which prevents many organisations from giving feedback. Some platforms are too big (e.g. the one on Civil Society, Media and Culture has 180 organisations), so it is very difficult to organise genuine consultations;
- there are no funds for organising meetings.

373 Interview with a third official at the EUD office in Serbia.
374 Interview with a second official at the EUD office in Serbia.
375 Interview with a second official at the EUD office in Serbia.
376 Interview with a third official at the EUD office in Serbia.
377 Interview with an official at Civic Initiatives. Civic Initiatives is a leading Belgrade-based CSO 'founded in May 1996 by a group of prominent NGO activists that were involved in the anti-war movement and non-nationalist democratic opposition since 1990'.

There was one grant which was used to organise a few meetings in the first year. Since then, 90 per cent of the consultations are carried out via e-mail.

- CSOs do not get any feedback on which comments have been accepted or rejected.

Thus, according to the respondent from Civic Initiatives, SEKO has effectively turned into an info service for EU programmes and projects.

The SEIO representative responded to some of these critiques stating that they also get EU draft documents to comment on a very short notice and that they do not have the capacity to translate these documents in English. Furthermore, they do not have the capacity to liaise with CSOs on which comments have been adopted or rejected. However, the respondent still felt that the SEKO mechanism is useful.[378]

9.5. Donor Coordination

Since 2012, donor coordination is managed by SEIO. Donor coordination is organised around ten thematic sectoral working groups (SWG), one of which deals with civil society, media and culture.[379] Each SWG is led by a ministry and a leading donor. In addition to the SWGs, donors are supposed to organise Informal Donor Groups with donors only. However, the mechanisms do not seem to be operational as yet. The SIDA representative claimed that they were the only ones to take the initiative to form a donor coordination group in the area of environment, but that this would take time to establish.[380] The Norwegian Embassy interviewee added that there were some problems in the establishment of this coordination mechanism, which is why 'there has been a new attempt to reinvent this structure with fewer levels, fewer subgroups, fewer sub mechanism, so to speak, which was in large degree agreed on and finalized with donor community this spring [2013]'.[381]

Despite these teething problems, donors welcome the Serbian Government attempts to take more ownership over donor coordination. For example, the Norwegian Embassy interviewee said that:

> *We would like to see more of the coordination mechanism anchored firmly within the Serbian institutions, so that their voices can be more frequently heard and more systematically heard on all the issues which are generally discussed. So, we are looking forward to that, simply, while we manage as good as we can.*[382]

The GIZ respondent added:

> *The Serbian side also is very much interested in becoming, let's say, more and more the owner of in what direction this whole business develops. And by that I mean in what areas the assistance is provided. And this is surprisingly, in a very positive way surprisingly, for all donors here active [sic].*[383]

However, the GIZ respondent was also cautious about the efficiency of the Government-led mechanisms, stating:

> *Various approaches have been taken. First of all, there always has been quite considerable effort put into by the Serbian side, trying to coordinate things, with medium kind of success. Then this year another trial was started to restructure the whole thing more sector related.*[384]

According to the World Bank interviewee, donor coordination used to be organised by donors in an informal manner until 2012. Donors would organise meetings in their own areas of interest. This coordination was very efficient because the meetings were very practical, they were focused on addressing the problems faced by the donors in the

378 Interview with an official at SEIO.
379 See: http://www.evropa.gov.rs/Evropa/PublicSite/AboutUs.aspx
380 Interview with an official at the SIDA office in Serbia.
381 Interview with an official at the Norwegian Embassy in Serbia.
382 Interview with an official at the Norwegian Embassy in Serbia.
383 Interview with an official at the GIZ office in Serbia.
384 Interview with an official at the GIZ office in Serbia.

implementation of their programmes. Since SEIO took over coordination in 2012, there has been a loss in efficiency because the discussions are much more formal. These discussions are led by the Government, which thematically organises them in accordance with the EU chapters, so the mechanism is not as operational as it used to be.[385]

Still, according to respondents from GIZ, UNICEF, and the EUD, the current mechanism functions well in terms of exchanging information and avoiding duplication. Such a coordination mechanism is crucial in view of the increasing involvement of the government in the planning of IPA funds, as stated by an official from the Norwegian Embassy:

> *It is needed, certainly, with the increasing amount of the IPA funding and more complex engagement, and heavier management of Serbian institution themselves. [With the] decentralized implementation mechanisms/systems, in Serbia, more institutions will be involved in managing foreign assistance, IPA funding predominantly, and that just increases the need for coordination and for a horizontal communication. So this is, I am sure this will be developed further, it has to be'.*[386]

However, the GIZ respondent voiced concern about coordination primarily around EU integration, since it may exclude certain important issues:

> *EU accession is one issue, [a] very important issue, but if you look a bit in a broader sense, Serbia is a transformation country and transformation covers also a lot of areas which have nothing whatsoever to do with the EU accession. And there is also need there and express, how do you deal with that.*[387]

Ultimately, any donor mechanism will need to strike a balance between coordination, whilst still managing the diverse donor agendas, as the GIZ interviewee pointed out:

> *There are a lot of interests involved in this game. You can't just neglect them. The American administration has certain things that it expects, the German administration has certain things it expects, the, let's say, the Swedish have, Norwegians, the EUD or Commission has. Or the Japanese, who are also still active here. So you have to somehow try to include this, because if you don't, the consequences, they say OK, you do your stuff, and we do our stuff ... You run a much higher risk of all of the sudden finding yourself duplicating things.*[388]

The formal donor coordination mechanism currently does not involve private donors, such as BTD, ERSTE Foundation and FOS. The FOS interviewee said that they are not involved in any form of institutionalised coordination mechanism. FOS carries out bilateral consultations with other donors on an *ad hoc* basis and through participation in common projects. It also gives comments on the strategies of other donors (i.e. World Bank, EU) which also constitutes a form of coordination.[389] The ERSTE Foundation representative conceded that they are not in contact with donors working in similar areas of civil society support:

> *For the time being we didn't team up with, for example, [the] Norwegians are super active in Balkans. We know this because some NGOs we are supporting or working with also get support from Sweden, from Norway and so on, so we know that this is another possible partner to team up. But for the time being, we've just been collaborating with*

385 Interview with an official at the World Bank office in Serbia.
386 Interview with an official at the Norwegian Embassy in Serbia.
387 Interview with an official at the GIZ office in Serbia.
388 Interview with an official at the GIZ office in Serbia.
389 Interview with an official at the Fund for an Open Society in Serbia.

other foundations, so this is what we did. And in a very small scale, bringing in some support from companies. For example, [the] Vienna Insurance Group was supporting the European Fund for the Balkans for some special fellowship program But European money, from the European Union or state money from different other donors or institutions that haven't been targeted yet.[390]

Although private donors are not present in the aforementioned formal donor coordination forums, there are some coordination forums specifically for private donors such as the Grantmakers East Forum (GEF), which brings together private donors working in Central and Eastern Europe every year.

In addition to the formalised mechanisms within Serbia, large international donors have their own internal coordination. For example, the UN Country Team (UNCT) coordinates the work of the different UN agencies in Serbia, and USAID's implementing partners such as Institute for Sustainable Communities (ISC), National Democratic institute (NDI), International Republican Institute (IRI) work in close cooperation to maximise the impact of their interventions.[391] As mentioned above, EU accession sets the agenda for donor activities and coordination, but according to the interviewee from the British Embassy, it is very difficult with the EU because their procedures are very formal.[392] The interviewee from GIZ added that the EU rarely consults with other donors to find out what they are doing:

They are the most important player... But I think it would also serve them well in their own projects if they pay a bit more attention to what others do, and not only expect the others to come to them, but also in their mission having someone institutionalised, send their people to other institutions asking what are you doing and how can we somehow [be] interlinked.[393]

Outside these formalised mechanisms, donors often coordinate their activities on an *ad hoc* basis around specific themes. For example, various donors mentioned that there is a coordination group in the field of parliament-related work, and there are also groups of donors dealing with South Serbia or Sandzak. Amongst bilateral donors, the UK has established close cooperation with Norway and the Netherlands.[394] For SIDA, 'the ones that we most closely have relation and contact with is definitely the EUD, and then I would say a couple of other bilateral, I would say Germany, Norway, Switzerland, in some cases [it] is the US, but less [so]'.[395]

Most of the coordination in the field of civil society takes place at the informal level. Donor representatives consult with their peers in other agencies when they receive proposals from CSOs. These consultations are quite efficient because there are not that many donors dealing with civil society,[396] and there are not many CSOs capable of producing good projects.[397] Another avenue of coordination outside the formalised mechanisms has been the participation of donors in the steering committees of projects dealing with civil society. A certain level of coordination occurs through the TACSO Local Advisory Groups (LAGs), and USAID used to organise meetings as part of their major civil society programme, the Civil Society Advocacy Initiative (CSAI).

There is also a certain degree of coordination through cooperation in thematic areas or participation in joint projects. Working together allows donors to reduce the administrative

390 Interview with an official at ERSTE Stiftung.
391 Interview with an official at the ISC office in Serbia.
392 Interview with an official at the British Embassy in Serbia.
393 Interview with an official at the GIZ office in Serbia.
394 Interview with an official at the British Embassy in Serbia.
395 Interview with an official at the SIDA office in Serbia.
396 Interview with an official with the Norwegian Embassy in Serbia.
397 Interview with an official with the Dutch Embassy in Serbia.

costs associated with the implementation of projects. This applies both to the administrative costs of the Serbian administration, which otherwise has to interact with a lot of different donors, and those of the donors themselves, some of which have very limited capacities. For example, the World Bank has set up a Multi-Donor Trust Fund (MDTF) which involves various bilateral and multilateral donors in a project focused on legal reform. This has significantly reduced the costs of administering and coordinating projects related to legal reform.[398] Another example is that most projects funded by BTD are co-financed with by the EU or other bilateral donors, which indirectly allows for coordination.[399] The Norwegian respondent said that informal coordination prevents duplication of assistance:

> *When we assess projects (...) and we shortlist projects, let's say we have 20, 25 of them we want to contract, we will do extensive search within the [donor] community- of course check USAID, the EUD supported projects with this organisation, but also with smaller foundations, smaller embassies: the Dutch, FOS, Civil Rights Defenders, all the donors that have money will be this way or another asked about particular project.*[400]

For the interviewee from GIZ, this type of coordination would allow avoiding duplication and also give greater leverage on an issue, for example:

> *Another issue is again legal reform where we are in one specific area active and have been. The EU was planning on doing more, which was good. And then the Serbian side said to the EU well, the Germans are already working in this area, so why instead of tendering this project to some institution, why don't you hook it up to the German project? So we don't lose time, we have a bigger leverage effect, and we know what they are doing, and, apart from that, we are convinced [that] what they are doing is the right thing.*[401]

The SCO interviewee gave a similar example of how their expertise can link in with wider assistance in Serbia and avoid duplication. SCO develops projects in line with its comparative advantages and the programmes of other donors. For instance, the EU and the Council of Europe (CoE) had a big project on improving human resources in the local administration, which is an area in which the SCO has a lot of expertise. Instead of developing its own fully-fledged project in the same area, the SCO developed a small pilot project to test some solutions which could be replicated on a larger scale within the scope of the EU project.[402]

Turning to donors as agenda setters, on some occasions, small private donors have the lead in developing new activities or thematic areas that are then taken over by the big bilateral or multilateral donors. For example, FOS was the pionneer in supporting CSOs in the field of transparency and monitoring, and the interviewee from FOS said that they started supporting a group of organisations in 2004, long before this theme became the focus of intervention for most bilateral donors in Serbia.[403] Although this is an example of donor programming being influenced by smaller donors, for the most part, bilateral donors are very much influenced by the EU in the planning of their intervention in Serbia. The representatives of the Norwegian Embassy see their role as complementary to the EU. The flexibility of their programmes is geared at filling the gaps in the larger IPA engagement.

398 Interview with an official at the World Bank office in Serbia.
399 Interview with an official with the BTD office in Serbia.
400 Interview with an official with the Norwegian Embassy in Serbia.
401 Interview with an official with the GIZ office in Serbia.
402 Interview with an official with the Swiss Cooperation Office in Serbia.
403 Interview with an official with the Fund for an Open Society in Serbia.

The interviewee commented that:

> *At the national level we believe that the Norwegian government to government funding has a shorter line of response than much of the IPA programing, for example. So, we've seen examples of how we can be able to shape engagements which are intermediary in terms of larger IPA engagement in some sectors where we can simply do short term interventions for a year or two, while a large program is being developed. We try to be adaptive and flexible and fill a role in between the much larger programs, but still within the objective underpinning the overall priorities and goals in Serbia in this respect.*[404]

The EUD itself underlined that it saw itself as the agenda setter. One of the interviewees from the Delegation said that the EU is the lead donor and that others should adapt their programmes to the EU. This is why other donors are consulted in the programming of IPA, which does not mean that they have a say in defining EU priorities.[405]

9.6. Donor Assistance to Civil Society

Donors in Serbia resort to a variety of modalities of civil society assistance. As for other countries, the most common type of assistance is project grant-making. This is done on a large scale by the EU through the EIDHR and CSF programmes, but also by some other donors such as the Norwegian Embassy which administers assistance to CSOs in Serbia, Macedonia and Montenegro. As noted above, the Norwegian Embassy has two programmes dedicated to civil society: the Embassy Fund which is a flexible rapid response mechanism that can be accessed within 3 months by CSOs from all three countries, and the Civil Society Fund which is a long term capacitation mechanism for CSOs from Serbia only. Norway is thus one of the biggest supporters of civil society in Serbia, and it is the only donor that provides institutional grants for CSOs. The Dutch embassy also provides some project-grants for CSOs through the MATRA programme. So does the SCO whose representative noted that their 'small projects scheme' might be discontinued due to their lack of capacity to administer an increasing number of applications.[406] Finally, private donors such as FOS and BTD – which is based in Belgrade but operates across the region – provide flexible project grants for which CSOs can apply throughout the year.

A number of donors in Serbia still provide assistance to CSOs via international implementing agencies/organisations, although this type of assistance is gradually being phased out. USAID's latest programme of support to civil society in Serbia – Civil Society Forward – is implemented by ISC in cooperation with local partners. This programme seeks to build the capacity of a select number of Serbian CSOs in order to enable them to directly apply for USAID funding in the future. As in other WB countries, SIDA implements its assistance through three Swedish organisations (Olof Palme Center, CRD and Kvinna till Kvinna) and the Regional Environmental Centre based in Budapest. However, at the time of research, SIDA was developing a new strategy for civil society in the region which involved a shift in modality of assistance.[407] Finally, SCO has a programme geographically focusing on Southern Serbia that is implemented by United Nations Office for Project Services (UNOPS) and that includes a grant scheme for local civil society managed by UNOPS.

404 Interview with an official at the Norwegian Embassy in Serbia.
405 Interview with a third official at the EU Delegation in Serbia.
406 Interview with an official at the Swiss Cooperation Office in Serbia.
407 Interview with officials at the Swedish Embassy in Serbia.

Some donors provide long-term support to CSOs by establishing strategic partnerships with local organisations. UNICEF has thus developed close collaboration with a network of organisations that participate in the development and implementation of UNICEF's activities in Serbia. According to the UNICEF representative, partners are chosen in function of their capacity to contribute to the strategic objectives defined by UNICEF – the organisation's expertise is the main selection criteria.[408] While this mode of assistance limits the number of beneficiaries, it gives substantial ownership to local organisations which fully participate in project development from inception to implementation.

Finally, several donors provide indirect support to CSOs by involving them in the implementation of projects in which the main stakeholders are generally state institutions. This usually consists in CSOs delivering some products or services such as research, monitoring or training. For example, while it does not provide any grants for civil society, GIZ makes financial contributions that are 'always linked to a very precisely defined input'.[409] This approach is based on the belief that the capacities of CSOs have been sufficiently built up so that donors can draw on CSOs for their expertise and treat them like partners rather than aid beneficiaries.

408 Interview with an official at the UNICEF office in Serbia.

409 Interview with an official at the GIZ office in Serbia.

Conclusions and Recommendations

Conclusions

The research underpinning this report had two key objectives: to better understand the reasons for the long-term engagement and rationales for donor aid programming in the Western Balkans; and, somewhat relatedly, to examine how the donors who remain active in the Western Balkans perceive the Civil Society Organisations (CSOs) they support, how they conceptualise and value civil society, and the mechanisms they employ to support them. In other words, we set out to study what motivates donors to stay, how and what they value in the organisations they fund, and how they perceive their mission and the sustainability of the endeavour. This is all the more pressing in light of the global crisis, the political turmoil in the Middle East and North Africa, and an anecdotal sense of frustration and lethargy amongst the donors still active in the region. The course of our research and the completion of this report witnessed several political uprisings (e.g. Bosnia-Herzegovina, Kosovo). Much has been said and written by commentators about the political and economic challenge that lies ahead for the successor states that remain outside of the EU; is a European perspective really likely? How should the international community respond to the plenums in BiH and the resurgent authoritarianism in Macedonia? Our findings offer little insight into such meta questions. Yet it is difficult, when drawing conclusions to such an extensive and in-depth research project, not to refer to, or at least take heed of, the wider political, economic and social context. For instance, it is difficult to report the overwhelmingly negative attitudes held by donors towards CSOs, and the widely held view that civil society is sufficiently established and not in need of direct support without reflecting on the absence of CSOs in the uprisings across Bosnia-Herzegovina in early 2014; or to record the value placed by donors on short-term project grants as the favoured mode of aid delivery without acknowledging that the recipient environmental organisations, for example, were unable to act as conduits for, or participate in, the citizen protests to save the commons.

We therefore wish to divide this concluding section of the report in to two: to offer a set of conclusions based on the data gathered; and a separate section offering a series of recommendations in light of the broader political context.

The donor assistance to the Western Balkans is almost exclusively framed in terms of support for the EU integration process. Donor intervention in the region should be understood as a political effort at helping those countries on their European path rather than a long-term developmental project. In this context, civil society development is not a priority on the donor agenda. CSOs are generally perceived as means for achieving specific ends, such as the promotion of European norms and values. From donors' perspective, a project-based civil society that can rapidly respond to their ever-changing needs is an ideal instrument for pursuing their mission. Therefore, donors should not be expected to lead civil society development in the region.

The donors who remain active in the region overwhelmingly endorse the strategy of supporting CSOs indirectly as part of an overarching pledge to strengthen democratic governance. In other words, they accept the rationale of only channelling aid through CSOs as part of the endeavour to support state institutions and government agencies. This marks a significant contrast to the strategy of supporting civil society as part of a quest to strengthen democracy. It was the latter that guided CSO development in Central and Eastern Europe in the 1990s.

Perhaps one of the most striking and significant findings was the bleak view of CSOs and civil society held by the vast majority of donors operating in the region. Although those donors operating in Serbia and Montenegro

held a more positive view of civil society, and the Nordic countries' donors remain committed to funding CSOs as a pillar of democracy, the overriding view was that building civil society is, and should remain, a subordinate objective. Even the more positive donors perceived civil society to be over-bloated and certainly big enough. They see no rationale for supporting civil society other than as providers of services, or to perform specific functions. Funding channelled through civil society is seen as wasteful, inefficient and ineffective use of scarce resources. More alarmingly, CSOs, which donors have funded for, in many cases, several years, are not viewed as good partners, and there is a reluctance to engage with anything more than a very narrow band of trusted organisations. CSOs are most valued for their role as monitors of government, or as conduits for governance reform, but only a small number of such organisations are deemed worthy in the pursuit of these functions.

Most donor representatives in the Western Balkans are critical of civil society for being overly dependent on, and oriented towards, donor support. CSOs are generally considered to be 'donor driven' insofar as their work is substantially shaped by the availability of foreign funding. Many organisations are deemed to operate as consultancies, designing projects in response to the Call for Proposals issued by donors rather than according to local needs. As a result, many donors perceive CSOs as being detached from the local communities whose needs they are supposed to address. This is seen by many as a major challenge to the legitimacy and sustainability of civil society in the Balkans.

Interestingly, some donors recognise that their practices have substantially contributed to this state of affairs. The prevalence of project grant-making as the main instrument of donor assistance to CSOs has created a highly volatile civil society whose survival depends on the ability to adapt to donors' changing priorities. The lack of ownership over the definition of these priorities is a major obstacle to the development of a mature and independent civil society in the region. This research shows that CSOs are not genuinely involved in the overall planning of aid which donors generally carry out with the government. Furthermore, CSOs have little say in the design and development of projects which they implement on behalf of donors. The data point to the predominance of short-term project grants rather than institutional grants as the main mode of donor assistance. Notwithstanding some variation between donors, the proportion of assistance awarded to CSOs that is not aligned to specific project objectives is very small indeed. The overall impression is that donors resort to CSOs for implementing their agendas on the ground rather than for the sake of building a strong and robust civil society.

In view of this, CSOs in the WB should strive to have more ownership in the definition and development of donor funded projects aimed at civil society. At the highest level, this involves having more say in the identification of the areas of intervention and priorities sought by foreign donors and recipient governments. This requires the establishment of institutional mechanisms which would allow CSOs to participate in the planning of aid and could be a basis for broader involvement of civil society in policy-making in the future. This could be done along the lines of the SEKO mechanism that exists in Serbia, which has many shortcomings but still constitutes an example of best practice in the region. At the same time, CSOs should advocate for donors to deliver more assistance through institutional grant-making which allows CSOs to have more autonomy in their work. As this research shows, several donors have already resorted to institutional grant-making in order to have CSOs in the driving seat in terms of defining priorities and developing activities. While institutional grant-making is not a panacea, it offers a significant opportunity for local organisations to grow and become more sustainable.

Recommendations and the Way Ahead

We offer the following broad recommendations based on the findings of the study:

1. Donors should recognise the need to further develop civil society in the Western Balkans. Besides being an instrument for building good governance, civil society assistance should be reinstated as a mechanism for the advancement and protection of democracy and human rights in the region.
2. In channelling their assistance and the modalities of aid they deploy, donors need to make a fundamental distinction between 'politically-engaged' CSOs (advocacy groups) and organisations that exist to provide services and run tenured contracts. CSOs need to be supported to do advocacy, social inclusion / social enterprise activities; they need to be working at both elite and community levels; there needs to be much more diversity and specialization.
3. CSOs engaged in EU-funded projects and supported directly or indirectly by the Commission often retain low levels of capacity to engage beyond the narrow remit of short-term projects, which is a problem for democratic governance and can have profound implications for the prospects of future enlargement.

As the largest and most significant donor in the Western Balkans the EU has the opportunity, as well as the capacity and authority, to address this through the modalities of its own assistance, and through its leverage of other donors operating in the region. At present the EU exerts its influence through its *Acquis*-inspired assistance agenda - which has become the dominant framework from within which most donors support CSOs - delivered through short-term discrete projects. Although EU strategies for supporting and engaging CSOs in the region have evolved quite considerably, there is further need to use the assistance envelope to support the development of a diverse and multifarious 'civil society' populated by professional CSOs engaged in projects, but also by organisations connected with grass-roots political campaigns and actions, and networks able to channel citizen opinions and grievances.

4. Civil society needs to be actively involved in the planning of aid through the establishment of institutional structures that would allow for genuine consultations between donors, governments and CSOs over the identification and selection of aid priorities. In the long run, these structures should allow for increased cooperation between government and civil society, and increased involvement of CSOs in policy-making.
5. Donors should prioritise modalities of assistance that give more ownership to local CSOs in the development and implementation of projects. This involves a shift from channelling aid through international to local implementing partners, and from delivering aid through project grant-making to institutional grant-making. At the same time, the planning capacities of CSOs need to be raised for these organisations to take over more responsibility and become more autonomous.
6. Domestic support for civil society is the most viable alternative to donor funding in the long run. While levels of support for civil society vary across the region, the evidence suggests that most of it is allocated in a partial and non-transparent manner. Donors should promote and provide assistance for reforming state funding for civil society at the municipal and central government levels in order to increase the prospects for CSO sustainability.

Annex 1
List of Interviews (in alphabetical order)

Aleksandra Kalinić, Policy Officer - Development Cooperation Department, Royal Netherlands Embassy, Serbia

Alenka Verbole, Senior Democratization Officer, OSCE, Albania

Alma Zukorlić, National Program Officer, Swiss Cooperation Office, Bosnia-Herzegovina

Ana Milenić, Human rights focal points, EUD, Serbia

Angelina Pistoli, Public Affair Office US Embassy, Albania

Anja Gjokutaj, Senior Communications Officer, World Bank, Albania

Anne Savary, Deputy Country Director, Swiss Cooperation Office, Albania

Arben Rama, Cluster Manager for Economic Governance, UNDP, Albania

Benjamin Perks, UNICEF Representative in Montenegro

Beti Bakovska, Advisor, Good Governance and Culture, Embassy of the Kingdom of the Netherlands, Macedonia

Biljana Dakić Đorđević, Senior Program Officer, Balkan Trust for Democracy, Serbia

Bogdan Gavanski, Chief of Party - Civil Society Forward Initiative (CSF), Institute for Sustainable Communities, Serbia

Boris Ristović, Civil Society Grants Manager, USAID, Montenegro

Brigitte Heuel-Rolf, Country Director, GIZ Office in Sarajevo, Bosnia-Herzegovina

Clare Masson, Program Officer, USAID, Albania

Danka Latković, Head of the Office for cooperation with NGOs, General Secretariat of the Government of Montenegro, Montenegro

Đorđe Popović, Advisor, Office for Cooperation with Civil Society, Serbia

Dragana Stevanović Kolaković, Project Management Specialist for Civil Society, USAID, Serbia

Džemal Hodžić, Programme Manager for Civil Society, Media, and Labour & Employment, EUD, Bosnia-Herzegovina

Elda Bagaviki, National Programme Officer, Swiss Cooperation Office

Elga Mitra, Policy Officer, Embassy of the Kingdom of the Netherlands, Tirana, Albania

Elton Lelo, Programme Assistant, Democratisation Department (Gender and Civil Society Unit), OSCE, Albania

Fatmir Curri, Program Director, Kosovar Civil Society Foundation, Kosovo

Genci Pasko, Resident Advisor, TACSO Office, Albania

Goran Đurović, Resident Advisor, TACSO Office, Montenegro

Goran Tinjić, Senior Operations Officer, World Bank, Bosnia-Herzegovina

Hrvoje Batinić, Coordinator of Roma and Civil Society Programme, Open Society Fund, Bosnia-Herzegovina

Ibrahim Mehmeti, National Program Officer, Swiss Agency for Development and Cooperation (SDC), Macedonia

Irena Ivanova, Task Manager, EUD, Macedonia

Irena Stevchevska, Head of Programme, British Embassy in Skopje, Macedonia

Iva Cuko Public Affair Office US Embassy, Albania

Ivan Kuzminović, Programme Officer, Royal Norwegian Embassy, Serbia

Jadranka Jelinčić, Executive Director, Fund for an Open Society, Serbia

Jasmina Zorić Petrović, Programme Officer, Embassy of Sweden/SIDA, Serbia

Jelena Krstić, Advisor for Project Implementation and Monitoring of the Implementation of Projects, Office for Cooperation with Civil Society, Serbia

Jelena Tadžić, Programme Officer for Vulnerable Groups, UNDP, Serbia

Jon O'Shaughnessy, Press, Political and Projects Officer, Brirish Embassy, Bosnia-Herzegovina

Jonathan Francis, First Secretary and Deputy Head of Development Cooperation, Embassy of Sweden /SIDA, Bosnia-Herzegovina

Karin Wagner, Governance Adviser, Democratization Department, OSCE, Serbia

Katarina Kus Ivanova, Task Manager, EUD, Macedonia

Katharina Stocker, Deputy Director of Cooperation, Swiss Agency for Development and Cooperation- SDC, Macedonia

Klaus Schmidt, Team Leader, GIZ, Serbia

Knut Neumayer, Programme Director, ERSTE Foundation, Serbia

Lazar Šestović, Country Economist, World Bank, Serbia

Luan Shllaku, Executive Director, Kosovo Foundation for Open Society, Kosovo

Maja Vučković Krčmar, Programming and Coordination Manager, EUD, Serbia

Marc Ellingstat, Director for Development Programs, USAID, Albania

Mariam Naqvi, Deputy Head of Mission, Embassy of Norway, Bosnia and Herzegoviana

Melita Chokrevska, Project Management Specialist, USAID, Macedonia

Milan Mrđa, Programme Manager, Center for Promotion of Civil Society, Bosnia and Heryegovina

Milovan Grba, Projects Coordinator, British Embassy Podgorica, Montenegro

Miranda Shala, Project Coordinator, British Embassy/Foreign and Commonwealth Office in Pristina, Kosovo

Natalia Dianiskova, Head of Operations for Social Development, Civil Society and Cross-Border Cooperation, EUD, Bosnia-Herzegovina

Natia Esebua, Deputy Head, Office of Central Coordination at OSCE, Kosovo

Nenad Rakočević, Deputy Director, GIZ, Montenegro

Nevena Todosijević, Deputy Secretary, European Integration Office, Serbia

Olaf Poeschke, Deputy Head of Mission, Embassy of the Federal Republic of Germany, Montenegro

Orjada Tare, Programme Manager, Open Society Foundation of Albania, Albania

Petar Vasilev, National Project Officer, SDC, Serbia

Philipp Annawitt, Senior Programme Officer, Democratization, OSCE, Kosovo

Rezarta Kartuci, Programme Officer, Development Cooperation Gender, Human Rights and Civil Society, Embassy of Sweden, Albania

Roger Jorgensen, Deputy Head of Mission, Royal Norwegian Embassy, Serbia

Romain Boitard, Task Manager, EUD, Montenegro

Sabina Đapo, Project Manager, British Embassy, Bosnia-Herzegovina

Sadeta Škaljić, Head of the Sector for Cooperation with Non-Governmental Organizations, Ministry of Justice, Bosnia-Herzegovina

Samir Omerefendić, Project Manager, UNDP, Bosnia-Herzegovina

Sanja Bojanić, Democratic Governance Team Leader, UNDP, Montenegro

Saranda Cana, Programme Manager, Swiss Cooperation Office, Kosovo

Selma Sijerčić, Program Management Specialist, USAID, Bosnia and Hoerzegovina

Sergej Vujačić, Project Officer, TACSO, Serbia

Silva Pešić, National Human Rights Advisor, United Nations, Macedonia

Siniša Đurić, Partnership Specialist, UNICEF, Serbia

Sonja Andonova, Portfolio Manager and Open Regional Fund for Foreign Trade Promotion Coordinator in Macedonia, GIZ, Macedonia

Stefano Calabretta, Programme Manager for Civil Society, EUD, Albania

Sunchica Kostovska, Program Director, Foundation Open Society Macedonia, Macedonia

Sunchica Sazdovska, Resident Advisor, TACSO, Macedonia

Svetlana Đukić, Project Manager for Civil Society, EUD, Serbia

Taulant Hoxha, Program Director, Kosovar Civil Society Foundation, Kosovo

Torgny Svenungsson, Head of Swedish Developement Cooperation , Embassy of Sweden/SIDA, Serbia

Uwe Stumpf, Director, GIZ, Serbia

Vera Baumann, Head of Section for Development Cooperation, German Embassy, Tirana, Albania

Visare Gashi-Gorani, Programme Officer for Development Cooperation, Embassy of Sweden in Pristina, Kosovo

Vladan Avramović, Political Officer, British Embassy, Serbia

V**ladimir Milchin,** Executive Director, Foundation Open Society Macedonia, Macedonia

Zorica Rašković, Resident Advisor, TACSO, Serbia

Annex 2
Interview questions

1. Donor strategies (Strategic level personnel):

- **Discuss the motives for donor presence in the country/region:**
  - Why is your organisation maintaining a presence in country X?
  - What are the objectives/priorities of your organisation in country X?
  - How long do you envisage to pursue your activities in country X?
  - Is this part of wider strategy by your country/institutions in terms of geographic or thematic priorities you purse?
- **Discuss how donor strategies are developed:**
  - Explore the level of input from headquarters/ regional and local offices.
    - Discuss personal arrangements: the extent that the personality/ person in charge sets on or off the process. (e.g. difference between a very engaged Task Manager in the EUD and not so much interested and engaged "boss"/Head of Unit)
  - To what extent are your priorities determined 'from above' (i.e. governments, congress for USAID, etc...)?
    - Explore to what extent donors' strategies are determined by 'organisational survival', that is the need to secure funding and show measurable results back home.
- **Discuss to what extent donors take into account local priorities in the development of their strategies:**
  - How do you find out about local needs/ priorities?
  - To what extent do you consult with government for defining your priorities?
    - Which government institutions are involved in this process? Do you have "democratisation/civil society conditionality" for funds provided to the government?
  - To what extent are local CSOs involved in programme design?
    - If so, which CSOs?
- **Discuss donor coordination:**
  - Do you take part in any formal donor coordination mechanisms?
  - To what extent are these mechanisms useful for generating cooperation among donors?
  - To what extent do these meetings influence your decisions? Could you give us a specific example of how interaction with other donors impacted on your work?

- To what extent are your policies influenced by the strategies of other donors? How do you look at the work of (other) big donors such as the EU or USAID?

- **Explore the main approach used by the donor:**
  - 'Top-down' approach involving the restructuring of state institutions and political elites
  - 'Bottom-up' approach emphasising civic engagement, government-civil society partnership, deliberation, etc...
  - Both, in which case, what is the most important?
    - Who are the main recipients of your assistance (state institutions, CSOs, private firms, local communities, etc...)?
    - Why does your organisation focus on these recipients?
- **What role do you envisage for civil society organisations in your assistance programme?**
  - Focus on CSOs as service providers vs. advocacy, lobbying and public policy
  - Explore how donors envisage the distinction/relationship between political elites, states institutions and civil society
  - What programmes specifically engage with civil society organisations and their so far results/impact?

2. Practices and modalities (Programme Level Personnel):

- **Discuss the details of the programme**
  - What are the aims and objectives of this specific programme?
  - How does the programme fit into the broader strategies?
  - Are there any available programme documents that I could access?
- **Discuss how programmes are turned into projects:**
  - What actions/projects are part of this programme?
  - How are projects formulated within programmatic areas?
  - What is the involvement of stakeholders (esp. government, CSO, other donors) in programming (rules vs. practice)?
- **Discuss how the programmes are implemented:**
  - Do donors contract Western CSOs/ consultancies for the implementation of these programmes? If they do, to what extent (percent or money value of the support)?
  - Do they work with local institutions/ CSOs for the implementation of programmes? If yes, what are the aid modalities used (open vs. restricted calls, selection procedure, core vs. project support, long vs. short-term, coalitions/networks vs. individual organisations' support), timing (from priority/objective-setting to the CfP and implementation)
- **Relationship with local CSOs:**
  - If the programme is not implemented by local CSOs, do you engage with local CSOs in any other way?
  - If implemented by local CSOs, are these organisations that you have worked with before? If so, why are you continuing working with this organisation?
    - Existing studies suggest that donors always work with the same CSOs. Explore whether this is still the case and, if so, why.

- **Explore how donors control and evaluate the implementation of programmes:**
  - How do you monitor the granted assistance? (regular reporting – "milestone" reporting – final reporting, continuous monitoring – "milestone" monitoring – no monitoring, direct monitoring – outsourced monitoring)
  - How do you evaluate the granted assistance? (continuous evaluation (for the duration of the project) – post-evaluation, internal evaluation (by the implementer) – evaluation by the contractor – external evaluation, financial audit, etc.)
  - How is 'success' defined? What are the benchmarks in this evaluation? ('process results' vs. 'impact results')
  - Do donors evaluate the long term impact of their programmes? If not, why not?
  - Do you have exit strategy in place and if yes, what does it entail (e.g. timeframe, process, successors-institutions, CSO etc.)

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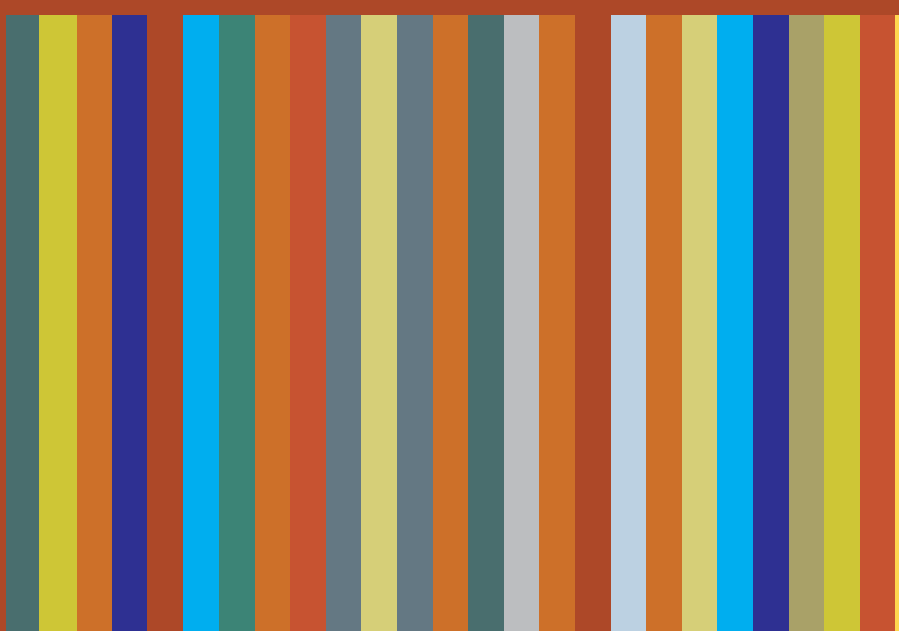
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