



Technical Assistance for
Civil Society Organisations



Technical Assistance to Civil Society Organisations in the IPA Countries TACSO

EuropeAid/127427/C/SER/Multi/5

MONTENEGRO

NEEDS ASSESSMENT REPORT

Podgorica
8 January 2010

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INTRODUCTION

This study is one of eight country assessments of civil society capacities conducted as a preliminary activity within the EC-funded project Technical Assistance to Civil Society (TACSO) in IPA Countries (EuropeAid/127427/C/SER/Multi/5), implemented by SIPU International, during the period August 2009 – July 2011. The aim of the study is to provide a comprehensive assessment of civil society in Serbia and the environment that it works in, including its strengths and weaknesses, and its impacts to date and the challenges it faces to its further development. The study is based upon a combination of desk research embracing all relevant documentation, including legal and financial legislation applicable to civil society, previous civil society mappings and evaluations, situation analyses, policy documents and country-specific academic literature, and a consultative stakeholder analysis carried out by means of focus groups, interviews and questionnaire surveys with civil society organisations (CSOs), government actors, donor organisations and other institutional players. The study is an integral part of the project inception and it provides the premise for the majority of other project activities by serving as the basis of the development of regional as well as national work plans to be implemented during the project's duration.

In line with the project's Terms of Reference and SIPU's technical proposal, the study understands civil society in the following two complementary ways:

1. All organisational structures whose members have objectives and responsibilities that are of general interest and who also act as mediators between the public authorities and citizens. This definition clearly emphasises the associational character of civil society, while also accentuating its representational role. Civil society would include a variety of organisational types, including, NGOs, mass movements, cooperatives, professional associations, cultural and religious groups, trades unions and grassroots community groups (CBOs), etc.
2. A space for views, policies and action supportive of alternatives to those promoted by government and the private sector. This definition places the emphasis on social inclusion, social and political pluralism and the rights of expression in developing a participatory democracy.

The paper is composed of four sections:

- Section one provides an analysis of the civil society environment, including the legal framework governing CSOs and their work, the current donor opportunities and other sources of civil society funding, the government mechanisms for cooperation with and support of civil society and the policy framework determining government-civil society relations and public perceptions and support for civil society and its activities.
- Section two gives an overview of the main features of civil society: the types of organisation represented and their key organisational characteristics, the types of activity they carry out and their main sectoral interests, their geographical distribution and way they are structured within an overall civil society architecture. CSOs are assessed according to their technical, organisational and institutional capacities, including human resources and technical skills, strategic strengths, analytical capabilities, external relations with other actors including other CSOs, government and the community, and material and financial stability and resilience.

- Section three summarises the main achievements of civil society to date, noting key milestone achievements and broader social impacts, and also identifies shortfalls in civil society performance in need of strengthening and further development.
- Section four sums up the most important institutional and organisational capacity needs of civil society in the country and identifies key strategic issues for the implementation of the project. By way of conclusion, recommendations are made for both the project's regional work plan and country-specific work plan.

1. THE CIVIL SOCIETY ENVIRONMENT

1.1 Legal framework – an analysis of relevant law and financial regulations

The legal framework governing civil society in Montenegro defines CSOs as non-governmental associations and non-governmental foundations, which are both provided for under a single unified law. Broadly speaking, CSOs are furnished with the freedoms and legal guarantees necessary to carry out their work without hindrance of political or institutional interference. This includes operation free from state obstruction or control and protection from the threat of dissolution for political or other arbitrary reasons. Formally, CSOs benefit from a range of tax exemptions regarding their own activities and tax concessions offered to their would-be supporters. In actuality, CSOs are unable to take advantage of these measures owing to limitations in their scope, lack of available information regarding tax legislation and high levels of bureaucracy in the tax system.

Law on non-governmental organizations

The Law on non-governmental organizations regulates the procedure of founding, registration, and all aspect of the operation of non-governmental organizations, defined as associations and foundations. NGOs may pursue an undetermined set of private or public interests, but the registration, establishment and functioning of the following forms of non-governmental, not-for-profit organisations are not covered by NGO law and are provided for by separate regulations: political organizations, religious communities, trades unions, sports organizations, business associations, and any organization and foundation whose founder is the State.¹

Associations. The Law on NGOs defines an association as a not-for-profit membership organization established by natural or legal persons, domestic or foreign, to accomplish individual or common interests, or to accomplish and promote public interests. A minimum of five people is required to found an association.

Foundations. The Law on NGOs defines a foundation as a not-for-profit organization without members, established by domestic or foreign persons, and formed to manage certain property for the accomplishment of public benefit goals. A foundation may be founded by at least one person.

Foreign non-governmental organization may operate on the territory of Montenegro under conditions determined by this Law.

¹ The law also foresees the possibility of a special category of non-governmental organisations to be established by a special law, which would operate according to extraordinary regulations beyond the scope of the NGO law.

The registration procedure is simple, taking no more than 10 days from submission of the articles of foundation or association, bylaws and accompanying application form.

Under a separate law CSOs are forbidden to finance forbidden to financial political parties, but a point of uncertainty exists in the Law on NGOs in that it does not address the extent to which CSOs may otherwise engage in political activities. In practice, very few CSOs have to date engaged directly in lobbying campaigns for election candidates or political parties.

Public Benefit Status

The concept of “public benefit” is not well-developed in Montenegrin NGO legislation. For example, the law provides that foundations must serve the public benefit, but it is unclear what criteria registration officials use to make this determination. Moreover, the framework laws and tax laws reflect different concepts of public benefit.

Economic activities

Income tax laws exempt CSOs from paying tax on grants, donations, membership fees and other non-economic sources of income. Associations and foundations may engage in economic activities of a general nature provided that all profits are allocated to the organisation’s main statutory activities, and not otherwise distributed. Amendments to the NGO Law enacted in November 2007 exempt CSOs from paying business tax on the first 4,000 EUR of earned income (not profit). If a CSO’s annual income exceeds 4,000 EUR or 20% of the organisation's overall income, it must establish a separate business under normal commercial rules to engage in economic activities.

Deductibility of Charitable Contributions

Businesses and individuals may deduct up to 3.5% of their gross income against tax for donations to “medical, educational, scientific, religious, cultural, sport, humanitarian and environmental purposes.” While NGOs often complain and demand higher incentives, this legal provision is similar to wider regional practice.

Value added tax

CSOs are broadly speaking subject to the same VAT (currently payable at the standard rate of 17%) regulations as commercial enterprises, although CSOs do not have to register for VAT when their annual turnover reaches the VAT threshold of 18,000 EUR.

All CSOs are granted key VAT exemptions. Foreign grants and donations are not subject to VAT, nor are imported humanitarian goods. In addition, the law provides a broad exemption of VAT charges for all services provided by NGOs, unless the exemption would unfairly distort market competition. Services of “public interest,” which include educational, cultural, sporting, and religious services, are also exempted from VAT.

Voluntarism

The position of regular volunteers in CSOs regarding the respective rights and responsibilities of volunteer and volunteer-involving organisation is still largely unclear. The Labour Law prescribes that an “employer may contract an unemployed person for volunteer work, in accordance with specific legislation”. However, the specific legislation, while on the Government agenda for 2009 has still not been enacted.

1.2 Donors and funding opportunities (local and international) today and as predicted in the future

There is a considerable number of funding sources available to CSOs in Montenegro, but the total amounts of money on offer are modest even when the small size of the country and the total number of active CSOs is taken into account. Central government is possibly the single largest source of funds, particularly for service-delivery, educational and humanitarian projects. Owing to a flawed allocation process, however, there are serious concerns as to whether government funds are targeted at viable CSOs and the extent to which government funds are effective in bringing projects to completion. Government funding is the most important funding source for the greater majority of CSOs active in Montenegro.

CSOs working in the fields of human rights, advocacy, public policy, anticorruption, and the monitoring of public institutions are almost entirely dependent on foreign funding. Included in this group of CSOs is an elite of possibly 30 well-established professional NGOs. Bi-lateral donor agencies which were most active in supporting civil society in the past have scaled down their investments considerably, leaving the EU as the single most important foreign funding source.

In contrast to the past, there are now very few funding opportunities for CSO capacity building and institutional support is provided by only a very small number of big international private donors.

Central government funding sources

A government Commission allocating a total of 3.4 million EUR from the national lottery and games of chance is the principal source of government funding to CSOs. The Commission supports projects in the fields of social protection and humanitarian activities, needs of disabled people, sport development, non-institutional education and education of children and youth, culture and technical culture, contribution to fight against drugs and all types of addiction. 75% of the 3.4 million is dedicated by governmental decree for the use of CSOs, with each a minimum of 60% costs covered for each project supported. Demand for this funding source far outstrips supply and in 2009 264 projects out of total of 800 applications were supported.

The application procedures applied by the Commission are not transparent and funding criteria are poorly developed and are an inadequate means of assessing project quality and viability. As the Commission awards grants without the signing of a formal contract with the beneficiary, and as no evaluation and reporting mechanism is in place, the system is open to abuse. CSO monitoring of the Commission's work, undertaken by the Centre for Civic Education, has revealed serious violations of the formal procedures for grant allocations by members of the Commission. In addition, the Commission usually only provides part-funding, so many CSOs find they are unable to complete their projects.

A separate, parliamentary Commission, established under the Law on NGOs, also disburses 350,000 EUR annually in small grants of between 500 to 10,000 EUR for projects in an expanded range of areas which formally included "human rights, development of civil society, European integration; the reduction of poverty and unemployment; environment and health protection; culture, and educational projects promoting multiculturalism and the multi-religious character of Montenegro, as well as those dealing with cooperation with the diaspora". In 2009 the parliamentary Commission financed a total of 206 projects, with an

average grant size of 1,700 EUR. In practice most CSOs which apply receive some funding, with the result that many under-capacitated or even inactive CSOs are supported.

Further to the Commissions, limited grant schemes are administered by selected government ministries. The Ministry of Culture, Sports and Media has an annual fund for CSOs of 40,000 EUR, and in 2008 it opened an additional fund for CSO projects dealing with youth which disbursed a further 95,000 EUR. The Ministry responsible for Environmental Protection gives out some 70,000 EUR for CSO projects annually.

The Public Procurement Law allows for any legal entity, including an NGO, to compete for government contracts and procurements at both local and national levels. In practice CSOs do not make significant use of the opportunities for competing for public service and procurement contracts. One reason for this is that CSOs are generally only qualified to provide services and products in the field of education, training, research and publications. In most cases services in these fields are contracted directly, as their value is less than the 10,000 EUR or the threshold above which public procurement tendering becomes a legal requirement.

Local government funding sources

Each municipality has local committee for financing of CSOs. In 2008 the total amount budgeted by the 23² local governments for CSOs was 834,000 EUR, of which 811,000 EUR were disbursed. Project funding amounting to between a few hundred and a few thousand EUR is awarded without the application of any programme of application criteria. In practice, local government funds are disbursed in a similar way to those of the parliamentary Commission; most CSOs which apply receive some funding, and there is an absence of monitoring mechanisms for ensuring the integrity of the awards process and the proper use of the funds.

In theory CSOs may also access government support as a contracted service provider. The Procurement Law allows for any legal entity, including an NGO, to compete for government contracts and procurements at both local and national levels. CSOs, however, rarely compete in public tenders to provide services and products to the public and public institutions.

Private and corporate giving

There is only one Montenegrin grant-making foundation supporting civil society, the Fund for Active Citizenship (FAKT).³ In 2008, FAKT contributed a total of 120,200 EUR to nine small-scale CSO projects in various social and cultural fields with grants mainly in the region of 14,000 EUR.⁴

Corporate giving is a limited, but growing field of CSO support, currently representing a very small proportion of CSOs' overall revenues. It is mainly confined to a few larger and multi-national companies, which do record some of these activities in their annual reports. In the main, businesses invest in the fields of education, activities related to children and youth and

² In Montenegro there are 21 municipalities and 2 urban municipalities or suburbs of the capital Podgorica.

³ FAKT was registered as an independent foundation in 2008, but it had previously been present in Montenegro as a country office of the BCIF, the Balkan Community Initiatives Fund in Belgrade. It remains fully funded by foreign foundations, such as the Mott Foundation and the Rockefeller Brothers Fund

⁴ The FAKT website lists a total of 6 projects supported in 2009 to a total of a little over 48,000.

culture and art. Companies do not invest at all in the field of democracy and human rights (CRNVO, 2006).

EU IPA and other funds

EU support for civil society is primarily provided through the Civil Society Facility established to make use of IPA (Instrument for Pre-accession Assistance) funds available for the support of institution building and cross-border cooperation (components I and II respectively).

The MIPD for Montenegro covering period 2009- 2011 states that IPA I support to Montenegro will include a focus on the consolidation of democratic institutions, reform of the judiciary, public administration reform, fight against corruption and organised crime, human rights and protection of minorities, anti-discrimination, as well as the media. Civil society development and promotion of dialogue will be given special attention in this area. Small grants will assist CSOs dealing with environment, good governance, anti-discrimination, gender equality, social inclusion, health, business advocacy and consumer protection.

1. IPA 2007 - “Support to civil society in Montenegro” – grant assistance of up to 1 million EUR announced in 2009 to support:

- a. partnerships to further policy dialogue between local CSOs with EU counterparts and local authorities in the fields of social welfare, special education, and health prevention;
- b. CSO networking and coalitions in order to help develop a rights-based approach to policy implementation
- c. the implementation of the memorandum on cooperation between CSOs and governmental bodies;
- d. cultural initiatives that will facilitate inter-cultural dialogue and cooperation between Montenegrin and EU stakeholders.

A total of 8 grants have been awarded (from a total of 36 applications), of between 100,000 – 200,000 EUR for components a-c, and 30,000 – 50,000 for component d.

2. IPA 2009 – Further support to civil society worth around 2.2 million EUR will be announced at the beginning of 2010

3. Cross-Border Cooperation (IPA 2) Small grants to CSOs and municipalities for a range of socio-economic two-country partnership projects, with all EU and potential EU member countries. Yearly allocations for cooperation with all countries are in the region of 4.5 million EUR. Tenders for Montenegro–Serbia (0.6 m EUR), Montenegro-Croatia (0.5 m EUR), and Montenegro-Bosnia and Herzegovina (0.6 m EUR) were announced during 2009.

4. EIDHR – bi-annual grant scheme of awards up to 100,000 EUR in support of small-scale human rights and democratisation activities by grassroots organisations. The objective of the 2009 call for proposals is “to promote and consolidate democracy and democratic reform with special emphasis on fundamental freedoms and the rule of law; to promote and consolidate the protection of human and children's rights; to promote and consolidate anti-discrimination and minority rights; to promote policy of equal opportunities and its enforcement”. 800,000 EUR will be disbursed for 10 NGO projects (36 proposals have been received).

Other international donors

USAID has been a long-standing supporter of local CSOs through its Montenegro Advocacy Programme, primarily through small grants for advocacy, policy dialogue and watchdog activities. This programme will come to end early 2010.

Swedish International Development Agency (SIDA) supports a selected number of CSOs working in the field of democracy strengthening, human rights, minority right and gender balance, through its national NGO partners the Olof Palme Centre, Kvinna Till Kvinna and the Swedish Helsinki Committee

Embassies: Some funding for CSOs, in many cases awarded on an ad hoc basis, is available through the embassies of the following countries: Federal Republic of Germany, United Kingdom, USA (Democracy Commission small grants scheme) Canada (Canada Fund), The Netherlands (Matra / KAP programme).

Foreign private foundations

1. Foundation Open Society Institute - Representative Office Montenegro (FOSI ROM), is a part of OSI from Zug, Switzerland within the wider OSI Institute network, funded by George Soros. FOSI ROM assists CSOs with the following programmes:

- Education Reform - provides expert help to key reform segments; ensures transparency and accountability of the reform process (2008 budget 159,000 EUR)
- European Program - educates on issues related to European integration; trains and mobilizes CSOs to implement international standards and to produce reform policies; supports NGO cooperation with state and local governments; informs the public about reforms and the EU integration process. (2008 budget 219,000 EUR)
- Law Program - building capacities of non-governmental organizations to effectively monitor implementation of international standards of human and minority rights' protection; support to civil society in projects targeting implementation of the Law on political party financing; monitoring of the implementation of the Law on Free Access to Information. (2008 budget 137,500 EUR)
- Public Administration and Local Government - supports local government institution building; encourages cooperation among CSOs and local governments. (2008 budget 110,000 EUR)
- Roma Program - improves education for Roma children and youth; furthers capacity building of Roma CSOs. (2008 budget 51,400 EUR)
- Women's Program -develops projects to prevent violence against women; supports gender education and equality. (2008 budget 38,500 EUR)
- Capacity Development Program (CDP) – run in partnership with UNDP, builds capacity of Montenegrin state institutions involved in European integration (2008 budget (US\$168,000)
- East East Program - regional program (2008 budget 72,000 EUR)

2. Regional foundations include: Balkan Trust for Democracy and the European fund for Balkans, Regional Environmental Fund

3. Other international foundations supporting civil society include, Charles Stewart Mott Foundation, Rockefeller Brothers Fund, and German political foundations: Friedrich Ebert Foundation, Conrad Adenauer Foundation and Heinrich Boll Foundation.

1.3 Government mechanisms for civil society – government cooperation and the policy framework determining government-civil society relations.

Cooperation between government and civil society in Montenegro rests on a single government Office for Cooperation with NGOs and a network of liaison officers in ministries and other central government institutions. The system is still in its infancy but an inter-ministerial working group, with the close cooperation, and often guidance, of a coalition of CSOs, “By Cooperation Towards the Goal,” has succeeded in publishing a Strategy and Action Plan for Cooperation between Government and CSOs, which was adopted by Parliament in January 2009.

Government Office for Cooperation with NGOs

The Office for Cooperation was established as late as 2007 on the basis of a political mandate provided in 2006 by a Government Decree, the first of its kind, setting out a loose agenda for improving the historically poor government – civil society relations by the means of such an office.

The Office’s purpose is to work directly with CSOs to develop mutual cooperation and coordination, to promote the transparency of the work of both the government and CSOs, to educate government departments in civil society and also to coordinate and network state organs for improved coordination with CSOs.

While CSOs recognise that the Office has made serious efforts to cooperate with civil society, it does not possess the capacity or authority to carry out its duties to the full. The Office only employs two people, the Head of the Office and an operations officer. The Office does not have a clear and specifically allocated budget and its competence to coordinate the officers in public administration bodies that are liaising with NGOs has not been clearly defined. Also, being situated in the Government General Secretariat, it lacks the authority to act independently. As things stand at the present, the long-term sustainability and effectiveness of the Office is severely compromised.

The system of networking and coordination through liaison officers in the public administration is also functioning imperfectly. Liaison officers change their positions frequently, causing confusion in communication with NGOs. Newly appointed liaison officers often have poor understanding of civil society and lack experience of working with CSOs, and so require capacity building and adequate time to gain proficiency.

Strategy and Action Plan for Cooperation between Government and CSOs

The Law on Public Administration prescribes that “Ministries and public administration bodies are obliged to ensure cooperation with NGOs, which in particular should be implemented through consultations with NGOs in relation to legal acts and other projects which affect implementation of human rights and freedoms.” The Strategy for Cooperation between Government and CSOs, is the first public document which establishes the principles of cooperation and proposes clear actions, measures and institutional procedures for achieving it.

The Strategy has three broad objectives, elaborated further with specific measures contained in the Action plan:

- *Promotion of the normative and legal framework for the foundation of and the functioning of CSOs* – develop a culture of dialogue, improve mutual flows of reciprocal flows of information, develop a system of consultation with CSOs, secure greater participation on part of CSOs in the work of the public administration;
- *Promotion of the institutional framework for cooperation with CSOs* - strengthen the participation of CSOs in process of European integration, encourage the development of voluntarism, secure the participation of CSOs in civic education and lifelong learning, secure equal access to public institutions for people with disability;
- *Promotion of the financial sustainability of CSOs* - promote proper procedures and criteria for the financing of CSOs from public funds, encourage a culture of giving and promote corporate social responsibility.

The Strategy envisages the establishment of a special council (*savjet* – m.n) to coordinate the implementation of the Action plan. However, so far no such body has been set up and it is not clear who or what body is taking responsibility for implementation.

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

Public engagement in the law-making and policy process is poor. Key factors are a lack of transparency of public administration in Montenegro and government distrust of CSOs. There is clear reluctance on the part of government institutions to comply with the Law of Free Access to Information, with requests for information frequently going unanswered, lengthy delays in court proceedings and poor enforcement of court rulings. Public administrations question the legitimacy, motives and capacities of CSOs to engage in policy dialogue and public consultations are viewed as impediments to the efficient realisation of government duties.

The roles, scope of work, authority and responsibility concerning accountability of liaison officers in public institutions for cooperation with CSOs are poorly defined and understood. There is a lack of commitment within political leadership and higher management in public administration to fully implement obligations defined within adopted government documents and to create sustainable structures for consultations with CSOs.

Participation of NGOs in a structured and organized manner in public policy development at the national level is not defined by law and there are no structures for facilitating it.

CSOs have long been lobbying without success for the establishment of mechanisms to enable civil society to engage in regular and structured forms of policy dialogue. In 2007, The NGO, The Centre for Development NGOs (CRNVO) prepared a Model Law on Transparency of Preparation and Implementation of State Acts for exactly this purpose, which defined clear deadlines, responsibilities and mechanisms of public debates, adopting recommendations from the Council of Europe's document "Basic principles on Status of CSOs in Europe." The Government of Montenegro has refused to support this draft law and put it before Parliament.

Consequently, ministries and state institutions only consult with CSOs on strategy, policy and law making infrequently and on an ad hoc basis. Over the years, substantive participation by CSOs in policy dialogue has been rare and in almost all cases at the behest of international development agencies or donors which are promoting the process. Examples include:

- **National Action Plan for Gender Equality (PAPRR).** 11 NGOs worked with the Government Office for Gender Equality over 2005/6 on developing the first draft. NGOs led consultations with the public and the gathering of field data. The PAPRR was not adopted until July 2008, after the passing of a Law on Gender Equality in July 2007. Since that time the Office for Gender Equality has organized just one meeting with Women's NGOs.
- **National Action Plan for Roma Inclusion** was adopted in Jan 2005, and it was drafted with the full participation of Roma NGO Network with support from UNDP.
- **National Strategy for Sustainable Development (NSSD).** 7 NGOs participated in the Government working group which drew up the NSSD during 2006. The NGO "Most" was responsible for leading participatory consultations. This process was also supported by UNDP and the strategy adopted in April 2007.
- **Development and Poverty Reduction Strategy 2004-6 (DPRS):** NGOs were key participants in the process of prioritising DPRS projects. NGO MANS was engaged to work on monitoring DPRS implementation.
- **Law on Financing of Political Parties** and the **Law on Financing of the Campaign for the Election of the President of Montenegro, Mayors and Municipality Presidents**, were both drawn up by NGO CEMI, through an initiative supported by FOSI Montenegro, in order to advance the implementation of The Action Plan for the Fight against Corruption and Organized Crime. NGOs CEMI and MANS have been recruited to sit on the monitoring committee of the Programme established to implement the Action Plan.

The Secretariat for European Integration developed the Government's EU Communication Strategy for informing the public about the process of European integration in cooperation with CSOs. However, the final document and its implementation are considered by the CSO community to be seriously flawed. Insufficient finance has been provided by the Government for effective implementation and Government-civil society partnerships have not been established to this end. In addition, when reporting on the implementation of the Strategy, the Government included reference to all other CSO projects in support of the Strategy which were funded independently by other donors, an approach which CSOs active in the European integration process consider misleading and unfair.

In May 2008, the Secretariat for European Integration signed a Memorandum of Understanding with 11 NGOs which envisages among other things, cooperation with civil society in drawing-up of a revised EU Communication Strategy; this process has not yet started.⁵

In addition, the Secretariat has indicated that it believes CSOs should be involved in revising the National Plan for the Integration of Montenegro into the European Union. The government, however, has so far failed to issue a set of concrete, structured guidelines for the possible forms of cooperation for this work.

⁵ The last Memorandum on cooperation between Ministry for European integration and NGOs was signed in October 2009.

Civil society's input into the work of parliament and its representatives is similarly constrained. CSOs are not included as consultants on any of the standing parliamentary committees and parliamentarians rarely use their right to call upon CSOs and other expert witnesses for the purpose of clarifying issues pertaining to existing or proposed acts of parliament.

Prior to the adoption of the new Constitution of October 2007, CSOs had the right to propose new legislation directly to Parliament if they could collect 6,000 signatures in support of their action. This right has now been revoked and limiting unfairly, in their view, CSOs' access to the legislative process and tying NGO advocacy initiatives to the political patronage of individual MPs.

Local administration

Although the law provides a basic framework for cooperation with and support of CSOs by municipalities in Montenegro, by and large, municipal-CSO cooperation is at a low level. CSOs are not taking up their rights to participate in the decision-making process, as these opportunities have been poorly promoted, and CSOs are sceptical as to whether their contribution will influence the process in any significant way.

The Law on Local Self-Government in Montenegro prescribes that local administrations cooperate extensively with local civil society and promote its role in the decision-making process.⁶ Although municipalities have declared almost universally their formal support for the conditions of the law, performance in this area is decidedly patchy, and substantive participation of CSOs in local development strategy and policy-making still a rarity.

A particular point of contention for CSOs is the legally defined right for local CSOs to participate in plenary sessions of local assemblies (without voting rights), the so-called "free" or "empty" chair. This institution has to date only been implemented satisfactorily with clear rules and guidelines in one of Montenegro's 23 municipalities (Tivat).

The latest annual report on local government - CSOs cooperation (CRNVO 2008) reflects that "CSOs were insufficiently consulted on local government development plans and draft bylaws. CSOs engaged in the consultation process assessed their communication with local government as only "partly satisfactory," giving it an average score of 2.26 from a possible 5. Representatives of local government were slightly more satisfied, giving the process an average score of 3.09.⁷

⁶ Municipalities are to promote CSO and public participation by: 1. informing CSOs of all issues relevant to civil society; 2. consulting the NGO sector on local government development programs and drafts of general acts adopted by Parliament; 3. enabling CSOs to participate in work of task forces in charge of drafting policy; or the development of projects and programs; 4. organizing joint public debates, round tables, seminars, etc; 5. financing CSOs' projects which are of interest for local residents; 6. providing conditions for work of CSOs in line with local government capacities.

⁷ CSO scores for consultation process over the last three years show no overall improvement: 2006 – 2.32; 2007 – 2.09; 2008 – 2.26. Local government scores record a perceived improvement in 2008: 2006 – 2.58; 2007 – 2.32; 2008 – 3.09. Surprisingly higher scores were recorded from both CSOs and local governments for "satisfaction with relations:" CSOs 3.42 and LGs 3.6 (CRNVO).

1.5 Public perceptions and support of civil society and its various segments

Public opinion surveys show that civil society has a relatively high profile in Montenegro and that it well regarded by the general public. Most importantly, the surveys reveal continuing year-on-year upward trends in public approval ratings for CSOs and their activities.

Almost a third of citizens believe themselves to be well informed about the work of civil society⁸ and that they show increasing trust in CSOs.⁹ In particular, citizens trust CSOs more than the legal system or the government in addressing corruption and CSOs commonly resort to CSOs for information and legal advice (USAID 2009). Following previous trends, survey respondents singled out the “combat against corruption” as an area in which further CSO engagement is most needed.

A public opinion poll conducted by CEDEM, a local NGO and research institute, revealed that in 2008, for the second year in a row, the most popular public figure in the country was an NGO leader (USAID 2009).

A solid majority (58.6%) of citizens in 2008 thought that CSOs represent a good vehicle for people to self-organize and resolve important social issues, while a third (33.3%) believed that CSOs serve the of needs of Montenegrin citizens and the greater public good (compared to 26% in 2006). Regarding the influence CSOs makes in the society, the 2008 analysis shows a mild negative trend regarding the number of those who think that CSOs have significant positive influence.

A contributory factor in the generally positive regard civil society is held in by the public is the high level of media coverage, including national television, of CSO activities, supported by a mutually beneficial relationship between the Media and civil society.

In addition, civil society has taken important steps to regulate its own behaviour, standards and transparency. In March 2007, after 18 months consultations with CSOs around the country, the NGO Coalition “with Cooperation towards the Goal” (*Saradnjom do cilja*), published a national Code of NGO Conduct, to which 145 CSOs have signed up. It also appointed a seven-member self-regulatory council to enforce and monitor the implementation.

Some 97 CSOs have also published their financial reports on an online database maintained by NGO public monitoring CEMI (<http://www.cemi.co.me/upitnik/>).

⁸ In February 2008 28.2% of survey respondents claimed to be well informed about CSOs, compared to 25.5 % in 2007 and 19.1%in 2006 (CRNVO, USAID/ORT, CEDEM 2008).

⁹ In 2008, 40.8% of citizens expressed trust in CSOs, while only 12.6% expressed no trust. Comparable data for 2007 showed 42.2% trust and 15.7% no trust; for 2006, 36.8% trust and 14.8% no trust (???) However, a GALLUP Survey from 2008 gives contradictory results. Only 17% expressed trust in civil society, while 47 % and 15 % respectively expressed “only a little” and “not trust at all.”

2. CSO ORGANISATIONAL CAPACITIES

2.1 Overview of the civil society community in Montenegro

Structure of civil society

There are 4,480 registered CSOs in Montenegro, comprising a vast majority of citizens associations (4350), and 130 foundations. It is unclear how many of these are viable and active organisations. The main CSO database, maintained by NGO support organisation CRNVO, lists 1,141 CSOs. A possibly better indication of the numbers of CSOs which are not moribund and do at least carry out occasional activities is given by the figure of 822 CSOs submitting formal accounts to the Tax Agency for the year 2008.

Geographically, civil society activity is concentrated heavily in the country's central region. 55% of those listed on the CRNVO database operate here, including 43.5% of the total being based in the capital city, Podgorica. CSOs are to be found in almost equal proportions in the southern coastal region (22%) and northern regions (22.5%) which comprise the rest of the country. Even when the high population density of the capital and its institutional importance are taken into account, civil society is clearly over-represented at the centre.¹⁰ Elsewhere CSOs are mainly present and active in the larger towns and the more developed areas of the country, such as Niksic and Bar, leaving rural areas and poorer regions, particularly upland municipalities in the north and east, poorly served by civil society.¹¹

A preponderance of Montenegrin CSOs are small, poorly resourced, municipally based organisations, dedicated to addressing issues in the immediate local community. There are no official statistics providing comprehensive, reliable information on CSO finances, but a review of the information concerning annual turnover submitted in 2007 by the 123 CSO signatories of the NGO Code of Conduct, indicates that almost half of all CSOs (48%) have annual incomes of under 10,000 EUR, while only 7 of the sample number, or 5.7% have incomes of over 50,000 EUR.

Table 1. Annual incomes of CSO signatories of Code of Conduct, 2007

Annual budget - Euro	No of NGOs
Under 5,000	34
5,000 – 10,000	25
10,000 – 50,000	57
50,000 – 100,000	3
Over 100,000	4
TOTAL	123

Source: Centre for Monitoring (CEMI): Research Coalition of CSOs "Cooperation for a Common Goal" and Center for monitoring (CEMI)

¹⁰ According to the last census, 2003, Podgorica's population of 136,500 was under ¼ of the total population of Montenegro (620,145) and the area covered by its municipality amounted to 10.4% of the country's total territory (Montenegrin Statistical Office – Monstat)

¹¹ See Annex 3 for an approximation of CSO numbers according to municipality.

Shortage of financial resources and dependence on short-term project funding determines that very few Montenegrin CSOs have continuous activities. On average Montenegrin CSOs have six people engaged officially, but the modal number (most frequent) of those employed per CSO is as small as two.

At the national level, there is a core of well-established, organisationally mature NGOs engaged mainly in advocacy, research, monitoring and capacity building in fields such as the fight against corruption, public administration, poverty reduction and human rights. This small number of fully professionalized organisations is set in stark contradistinction to the vast majority of weaker, voluntary or semi-professional CSOs working at the local level, which in the main provides services to the community or their members.

An identifiable sub-grouping of community-based CSOs is composed of “self help” member organisations whose origins date to the time of socialist ex-Yugoslavia. These are mobilised at the municipal level according to “traditional” social categorisations, such as age set or specific types of disability. Local associations are loosely federated in national unions, such as the Union of the Blind of Montenegro, the (national) Association of Parents of Developmentally Disabled Children, the Montenegrin Pensioners’ Union, the Paraplegics’ Association of Montenegro, and the Scouts Association of Montenegro, etc.

There is only one dedicated NGO support organisation operating in Montenegro, CRNVO, providing a full range of assistance to CSOs regarding organisational development and individual capacity building, legal advice on founding and managing CSOs, and information on other CSOs, civil society activities, development agencies and donor opportunities.

CRNVO is the effective secretariat to the NGO coalition “with Cooperation towards the Goal,” founded in 2006, which brings together 152 CSOs with aid of promoting the sustainable development of civil society in Montenegro. By promoting an enhanced role for civil society in public life combined with professional standards of transparency and accountability of CSOs, the coalition provides effective leadership and a viable structure for the coordination of civil society objectives in Montenegro.

Field of operation / activities

The only data indicating the spread of activities undertaken by CSOs in Montenegro is available from the CRNVO CSO database. This suggests that civil society covers a relatively wide and even range of the possible socio-cultural activities, but that culture and (community) arts, followed by environmental issues are represented in unusually high proportions.

Table 2. Structure of CSOs on CRNVO database according to field of activity

Culture and Arts	206
Environmental issues	129
Education and research	124
Business and professional interests	112
Community development	105
Socio-humanitarian issues	96
Human rights	83

Youth and students	66
Women's rights	37
Humanitarian work	46
International activities	25
Peace building and non-violence	20
Legislation, advocacy and public policy	20
Issues of refugees and displaced persons	17
Other	55
Total	1,141

Source: CRNVO CSO database 2009

The majority of CSOs continue to concentrate of service provision in the community. Apart from self-help services, CSOs are active across the country providing a range of services health, education, environmental protection and governance. Larger, more developed NGOs, working at the national level, provide a range of information and legal services. There are SOS hotlines for women and children victims of violence operating in eight towns in Montenegro.

Advocacy and related activities are mainly practiced by national (*de facto*) non-membership based organisations serving the whole community. These have a high profile, but remain the exception to the rule.

2.2 Human resources and technical skills

The small average size of CSOs in Montenegro is a clear indication of the generally inadequate human resources available to civil society and the challenges faced by CSOs in recruiting sufficient numbers of staff of suitable quality. To a large extent this situation is due to CSOs' restricted access to financial resources.

A great many CSOs suffer from "founders' syndrome," or an over-dependence on single dominant leaders for their identity and ambition, as well as for the bulk of daily administrative activities. Smaller CSOs are also highly dependent on the part-time or "after-hours" unpaid work of staff members who are otherwise professionally employed in the public or private sectors.

Retaining the services of qualified and experienced workers is a major challenge for all CSOs in Montenegro. Employees frequently leave CSOs for better paid or more stable employment in both the commercial and governmental sectors. This is a further obstacle to the development of human resources and the organisational more generally.

Voluntarism in Montenegro is weak owing to a lack of tradition of non-governmental service in the community and an encouraging legal framework. Neither the government nor civil society sector is able to develop the country's potential volunteer resources.

In the main, CSOs are deficient in the technical skills necessary for organisational management, as well as the specialist knowledge related to their field of work (such as

environment, human rights, economic development, etc.). Many organisations are insufficiently literate in electronic technologies, are poorly equipped and have poor access to the internet.¹² Consequently, they have restricted access, generally, to information relevant to their work; they do not use the web sites of specialist international and local NGOs, development and research organisations. Lack of knowledge and awareness of EU policies and the process of European integration is especially high.

Training and support facilities for CSOs are few and far between. CRNVO is the only specialised NGO capacity builder with an established training team offering a full range of technical trainings and consultancy for organisational development. Outside the capital, Podgorica, there are no CSO resource centres providing technical support at the local level. In recent years, there has been only very limited supply of training programmes for CSOs in subjects of relevance for organisational development (such as PCM, strategic planning, developing partnerships, monitoring and evaluation, building local constituencies and donor diversification).

A number of the large professional NGOs run specialised programmes or “schools” in development theory and policy issues targeted at CSOs. These include: CCE - School of European integration; CRNVO – School of Social Changes; School of European integration, School of democracy, School of Human and Minority Rights; and School of Youth Leadership; EMIM - School of European Integration; NDC – School of Democratic Management; MANS – School of Active citizenship; Alfa Centre – REACT workshop (popularization of NATO in Montenegro); Ozon – School of Urban Ecology; Bonum – School of Democracy and Human Rights.

CSOs invariably do not invest in the education of their employees. In most cases CSOs are simply too small to have human resource management and development systems and a budget to support these. On the other hand, the more highly developed and established CSOs are more keenly aware of the need to constantly invest in the acquiring new skills and knowledge.

During the consultations for this study, CSO representatives expressed interest in receiving trainings on the following themes:

- project cycle (EU funds),
- strategic planning,
- advocacy,
- organizational management,
- financial management,
- work with volunteers,
- PR,
- monitoring and evaluation,
- establishment of coalitions and networks,
- fundraising – especially corporate giving and communication with the business sector

¹² Of the 1,141 CSOs on the CRNVO database, only 128 CSOs have a web site, while 684 CSOs have e-mail addresses. Most of the equipment which these CSOs possess is out of date. CSOs do not perceive poor or lack of internet access as a limiting factor in their work.

2.3 Strategic strengths of CSOs in Montenegro

As a sector, civil society in Montenegro has succeeded better than others in the region in raising its profile in the public eye and cultivating the trust of the people. This has been achieved primarily in two ways; through the successful implementation of high profile projects or campaigns which capture the public's imagination,¹³ and the cultivation over time of mutually beneficial relations with the national and local Media.

On account of advocacy and networking of national NGOs, the sector is also now well positioned to take advantage, in terms of gaining a greater involvement and say in the policy-making process, of the ongoing course of institutional and legal reform which will begin to gather pace as the country progresses towards European integration. That being said, the inclusion of the greater mass of CSOs in the process will depend greatly on continued leadership of the sector from the centre and greatly increased capacity-building inputs into local-level civil society.

At the level of the individual organisation, strategic planning is rarely carried out and its importance imperfectly understood. From the perspective of the average Montenegrin CSO, operating with a skeleton staff in a resource poor environment conditioned by the constraints of project funding, long-term planning often appears both a luxury and an irrelevance.

2.4 Analytical capacities

Only a very small number of CSOs have sufficient intellectual capacities and financial resources to engage in meaningful social or economic analysis which can serve as the basis for further work in the fields of advocacy and policy dialogue. In the broad field of economic and social policy issues, the ISSP (Institute for Strategic Studies and Prognoses) is the only notable think tank. The ISSP has produced a wide range of research and policy papers on economic form on issues such as trade, tax and fiscal management, regional development. It has also conducted a number of household surveys on livelihoods and economic wellbeing in Montenegro. In 2009 it was the main implementing partner in researching and writing UNDP's National Human Development Report 2009.

In the field of democracy, good governance and human rights there is also a cluster of prominent NGOs acting undertaking research, advocacy and the monitoring of government performance and the democratic process. These include: CEMI, CEDEM, MANS and the Centre for Democratic Transitions (CDT).

The Institute Alternative, Center for Monitoring CEMI, CEDEM and CEED are all recipients of Open Society Institute Think Tank Fund for core and institutional support. These organizations specialize in different areas of public policy and consider themselves to be think tanks.

¹³ Such as the Campaign for the protection of the Tara River at the national level, and Watchdog activities at the local level – see Section 3.1

2.5 External relationships – networking and partnerships

CSO networks and coalitions

Communication between CSOs in Montenegro is inadequately developed. Cooperation between organisations working in the same field is infrequent and CSO project partnerships are still very rare.

CSOs in Montenegro have been consistently reluctant to form networks, owing to often intense competition between organisations for funding and general lack of trust. This is despite the fact that Montenegrin CSOs have clearly managed to exert significantly greater influence on government and other national and local institutions on the rare occasions when they have worked in concert rather than individually. Shorter-term coalitions formed for carrying out single-issue campaigns, particularly in environmental protection or conservation, have proved to be the most effective, if transient form of CSO cooperation.

In addition to the nationwide civil society network “with Cooperation towards the Goal,” which concentrates on promoting the development of civil society generally and its working environment, the principal formal CSO networks include:

- Network of SOS hotlines for women and children victims of violence, which has been in existence for almost a decade.
- Network for European integration processes
- Various unions of associations for people with disability, and umbrella organisations of self-help groups.

There are also non-formal networks and coalitions which are founded on ad hoc basis.

There are several electronic mailing lists for communication among CSOs, some of which are maintained by CRNVO and MANS, as well as sector-specific lists.

A particular problem, experienced by many CSOs, is the lack of information available which would assist them identify partners – both domestic and those in neighbouring countries - and establish cooperation for cross-border projects. This severely reduces opportunities for accessing funding sources such as those from the EC for Cross-Border Cooperation.

CSO – state and government relationships

Cooperation between civil society and the Parliament of Montenegro is infrequent and is not systematised. It is usually confined to ad hoc dialogue in relation to individual projects. Both parties lack information regarding each other and also the institutional mechanisms through which to develop cooperation. Greater use of the OSCE Mission to Montenegro’s database of local and national institutions, as well as CRNVO’s database of CSOs¹⁴ which are interested in cooperation with the Parliament, would significantly improve the possibility of mutually beneficial communication between members of the Parliament and CSOs.

The present inadequate quality of cooperation between civil society and government – both national and local – is examined in detail in 1.4 above.

¹⁴ Funded by USAID’s ORTmap programme.

2.6 Material and financial stability and resilience

Taken in its entirety, civil society in Montenegro is under-funded and financially vulnerable. The stronger, leading NGOs are generally financially secure. They enjoy good relations with many foreign donors and in most cases have succeeded in securing support from a variety of foreign agencies simultaneously, thus rendering their organisations more resilient and financially sustainable. USAID (2009) has observed that these elite NGOs are also beginning to diversify their sources of funding significantly, including charging for goods and services and developing funding relationships with business. One NGO, Expeditio, for example, was able to finance 30% of its activities in 2008 through fees for services and gifts-in-kind.

The Nansen Dialogue Centre and the Centre for Democratic Transitions were able to finance their "Women in Government" project in its entirety from funds attracted from three domestic companies.

Smaller CSOs and those active at the community level do not enjoy financial stability. Most of them are membership-based, but have been unable to build supportive constituencies, owing to both capacity shortfalls on their side and poverty and the absence of a culture of charitable giving on the other. For the same reasons community-based organisations are able to obtain very few funds by charging for services. In the main, these CSOs rely on the finance available from local-self government and the Parliamentary and Government Lottery funds. However, these sources are insufficient to satisfy the current demand.

The average CSO also has insufficiently developed capacities to access foreign donor funds. This includes low levels project development and writing skills, inexperience with the logframe methodology demanded by most foreign agencies, poor English language skills and lack of administrative or management capacity to absorb all but the smallest foreign grants.

3. CIVIL SOCIETY MILESTONE ACHIEVEMENTS, IMPACTS AND CHALLENGES

3.1 Milestone achievements and impacts in the country

Popular mobilisation

The campaign to protect the Tara river was biggest success to date the short history of modern civil society organizations in Montenegro. The Tara River and the famous canyon which it runs through in North Montenegro is a place of exceptional natural beauty and of ecological importance, protected since 1975 by UNESCO. In February 2004, the governments of Montenegro and Republika Srpska in Bosnia and Herzegovina signed an agreement to build a hydro-electric dam below the canyon which would have flooded the 12 km of the lower reaches of the river, spoiling the natural beauty, compromising the canyon's tourist potential and, as it was later shown, altering the surrounding micro-climate and delicate ecology.

CSOs banded together to form a nationwide campaign in opposition to the plans. By collecting over 6,000 signatures of support,¹⁵ the CSO coalition was permitted to put before Parliament a "Declaration for the Protection of Tara River," which explicitly forbids the building of any structure that would endanger the Tara and its canyon. The Declaration was

¹⁵ The Coalition was headed by the Environmental MGO "Most" and succeeded in collecting 13,000 signatures.

adopted in December by a majority in of parliamentarians and as a consequence the government was thereafter forced to abandon all plans for building the plant.

Institutional framework for civil society

The **Coalition of NGOs- “by Cooperation towards the Goal,”** founded in May 2006 and numbering over 230 CSO, has achieved notable successes in improving the civil society working environment and promoting professional standards among CSOs:

- Drafting and official adoption in February 2009 of the Strategy for Cooperation between the Government and NGOs;
- Publication of a Code of Conduct for NGOs in 2007, signed by 130 NGOs. 97 CSO signatories to the Code of Conduct have also published their detailed annual financial reports on the internet since 2007, representing a major advance in financial transparency of the NGO sector.
- Issuing of document, "Structure of Public Funding for NGOs," which led to amendments to the Law of Lottery funds in 2008, in favour of civil society.

Citizens’ watchdogs

An informal NGO coalition of 5 local NGOs, MOGUL, has been acting as a citizen’s watchdog in the southern coastal city of Ulcinj since early 2005. Its successes have included:

- Reducing traffic congestion and illegal parking blocking pavements by pressuring local police to apply traffic regulations and the local administration to allocate properly designated parking areas
- Increasing the transparency of the public company charged with managing Montenegro’s coastal resources and encouraging it to put money back into the local community. The company established a website and now provides citizens access to important information. It has also allocated a significant proportion of profits for the improvement of local infrastructure.

3.2 Shortfalls in CSO performance

Monitoring local public administration

Montenegro is relatively well provided with NGO champions of good governance at the central level, dedicated to making government accountable and active in areas such as the fight against corruption. At the municipal level, however, the contrary applies. There are virtually no CSOs monitoring the efficiency, transparency and probity of local administrations. There are no civil society monitors of the work of local assemblies and assembly members and MOGUL apart (see previous section) there are no CSO watch dogs working with the public to enforce the application of legal regulations and standards in administration and service delivery.

Organisational support and capacity building

Civil society has been unable to establish an adequate structure of CSO support organisations and resource centres. CRNVO remains the only CSO dedicated to this task, but it alone cannot reasonably provide regular services to the whole CSO community and by being located in Podgorica, it is inaccessible to the majority of CSOs operating in the regions,

especially those in the more mountainous north. The general inertia within CSOs when it comes to training staff and undertaking organisational capacity building means that demand for support organisations is probably low and militates against more advanced CSOs in the regions developing capacity building facility and a resource centre function.

4. CONCLUSIONS

4.1 Summary of strategic issues of relevance to the project in Montenegro

- Implementation of the Strategy for Cooperation between the Government and NGOs has not begun in earnest. This document will be a key tool for facilitating project activities concerning greater collaboration between the two sectors. The present lack government capacity to coordinate the Strategy's implementation is an obstacle to the project's purpose of improving the democratic role of CSOs
- The NGO Coalition "by Cooperation toward the Goal" is a key strategic civil society resource, offering a legitimate vehicle of promoting the sector's relations with the government and state institutions. It represents considerable potential for raising solidarity among CSOs and developing unity of purpose within civil society.
- Poor communication and cooperation between CSOs and insufficient access to information and support for organisations in rural areas, particularly in the north, appear to be deep-rooted problems with cultural, geographical and technological causes which are impacting negatively on the sustainability and effectiveness of the whole sector. These raise issues about the way the project and the TA desks in particular communicate with CSOs in the regions.
- The part-time nature of much CSO activity and the often minimal staff size in community-based organisations will present considerable challenges to the project to succeed in going beyond the level of the individual in activities to build organisational and institutional capacities.
- The low potential sustainability of many CSOs, especially those working at the grassroots level, raise issues for the project concerning which organisations to target and how to identify them, as well as how to achieve sector-wide balance in the implementation of project activities.

4.2 Needs assessment conclusions

The civil society environment

- The legislative framework for registration is encouraging, but regulations concerning the organization and operations of CSOs are not sufficiently precise. A single, clearer, definition of Public Benefit Status should be adopted and applied to all regulations relevant to civil society. Conditions for voluntarism need codifying in special regulation which complements the general conditions set out in the Labour Law.
- Tax concessions available to CSOs and incentives for charitable giving to civil society are not satisfactory. Civil society development and sustainability could be enhanced through the introduction of a more favourable set of tax measures.

- State funding of CSOs activities remains at a relatively low level in terms of overall amounts disbursed.
- Proper objective-oriented, non-partisan and transparent procedures for the awarding of state funding to CSOs at the national and local levels need to be adopted and monitoring mechanisms put in place for both the award procedure and the implementation of funded activities by CSOs.
- Funds available to civil society from all sources at both local and national level are insufficient to sustain the present number of active CSOs.
- State funding of CSOs at both the national and local level is not disbursed according to clear objective-oriented purposes and without reference to government policy or strategy. Funds are allocated without clear application criteria in a non-transparency way, very often on an ad hoc basis, apparently according to personal whim. The whole procedure is open abuse. There are no monitoring systems in place to ensure proper oversight of the allocation process and the implementation of funded activities by CSOs.
- The EU is now the single most important foreign funding source in Montenegro. EU grant schemes are inaccessible to the majority of CSOs owing to the requirement part co-financing, the complicated and technically rigorous application procedure and the low absorption capacity of many CSOs.
- There is no institutional funding available to CSOs (from either domestic or international sources) to assist organisational development and long-term programme planning.
- Despite the existence of a basic institutional framework for mediating government-civil society relations – comprising a Government Office for Cooperation with NGOs, and liaison officers in ministries and state institutions – the required government capacities for effective cooperation with the CSO community are not in place.
- A Strategy and Action plan for Cooperation between the Government and CSOs provides a suitable policy agenda for strengthening civil society. However, there is no mechanism for coordinating activities in the action plan and implementation has not started in earnest.
- There is no legal framework defining CSO's participation in decision-making process at national and local level. Substantive participation of CSOs in policy dialogue or the legislative process is infrequent and takes place in the absence of formal mechanisms and structures. CSOs do not use the available opportunities for participating in the public discussions sufficiently. Cooperation at both the local and national levels has been stagnating in recent times.
- Civil society enjoys a generally positive public profile, with citizens expressing above average trust in CSOs. There are indications that public support for civil society and appreciation of its benefits has begun to level-off after several years of upward trends.

CSO organizational capacities

- The majority of CSOs in Montenegro are small, poorly resourced, more-or-less voluntary organisations which are inadequately developed organisationally, with low levels of human resources and technical skills.

- The majority of local CSOs, especially those outside the capital, are over-dependent on their leaders for their identity and the bulk of administrative duties. At times of sporadic activity, CSOs call upon the temporary and part-time support of colleagues, friends and relatives otherwise employed elsewhere.
- At the national level there is a very small core of well-established, organisationally mature NGOs, engaged mainly in advocacy, research and related activities in fields such as human rights, good governance and poverty reduction.
- Most other CSOs continue to concentrate on service provision in the community in areas such as, protection of disabled people, environmental protection, culture, and youth. Many fewer CSOs deal with issues of good governance including fields such as rule of law, transparent decision-making process and the fight against corruption. Few CSOs have the analytical capabilities necessary for social research, advocacy and policy dialogue.
- Stronger CSOs are more aware of their capacity-building needs, but there is considerable demand in the whole sector for a wide range of technical trainings in technical skills and aspects of NGO management,
- CSOs commonly have insufficient access to the full range of relevant information, including funding opportunities, specialist knowledge related to their field of activity, how to find partners, and EU policy and the process of European integration. There are insufficient CSO support organisations to provide information and capacity building assistance, particularly outside the capital, Podgorica.
- Cooperation between CSOs in Montenegro is not satisfactory, at both local and national levels. Intense competition between CSOs for resources has resulted in only a handful of effective CSO networks. This situation reduces the potential of civil society to influence decision makers and to carry out effective advocacy and policy dialogue. It is also a serious obstacle to the overall coordination and overall development of the sector. Leadership in civil society, however, does exist in the form of a 230 plus-strong coalition, “by Cooperation towards the Goal,” which has proved to be an effective agent for bringing about change to the institutional environment in which CSOs work.

4.3 Recommendations for country-specific work plan

The civil society environment

- Assist wherever possible the acceleration of the implementation of the Action Plan for the Strategy on Cooperation between the Government and CSOs. This should include capacity-building support to CSOs outside of Podgorica in order to improve their communication and cooperation with the Government's Office for cooperation with CSOs. The project may assist civil society in the following activities specified in the Action Plan:
 - Draft key amendments to the Law of Non-governmental organizations in order to bring it into full compliance with international standards: definition of procedure for activating and terminating membership in CSOs; clearer specification of provisions for CSO transparency; improved provisions for CSO funding from public

or state funds; specification of the procedure for disposal of an organisation's assets if it ceases work.

- Undertake an examination of the ways further tax incentives might be applied to certain categories of CSOs, programmes or projects.
 - Secure co-financing of CSOs projects supported by EU funds from state or government sources.
 - Build the capacities of the Government Office for Cooperation with NGOs: Substantially increase its budget and increase its staff numbers in line with its mandate. Provide training and capacity assistance to the Office. A further proposal is to support the Office's transfer from the Government Secretariat to the Ministry of Human and Minority Rights or the Ministry of Interior Affairs and
 - Capacity building for government liaison officers in the public administration responsible for cooperation with CSOs.
- Work with civil society to pressure for the adoption of a Law on Voluntarism defining roles and responsibilities of volunteers and volunteer-involving organisation. Lobby also for relevant amendments to the Labour Law.
 - Promote a legal definition of the procedures for the participation of CSOs in the decision-making process at national and local level.
 - Support civil society in its efforts to gain government acceptance of proper, transparent procedures for allocating state funds from Commission for Lottery Funds and the Parliamentary funding Commission. Similarly, assist civil society to negotiate a predetermined minimum yearly contribution to CSOs from municipal budgets (e.g 1%), to be specified in statutes of the municipalities.
 - Facilitate improved communication and cooperation between CSOs and the Delegation of European Commission in Montenegro.

CSO organisational capacities

- Supply capacity building to CSOs, according to individual need using a variety of methods: trainings, in-house consultancy, and advice and mentoring via telephone, e-mail and internet.
- Adapt planned trainings to suit the needs and capacities of the many less developed CSOs. Employ process facilitation or consultancy for key themes in order ensure that capacity building produces concrete results.
- The following are the most important training needs. The project should attempt to cover all these themes: Project cycle management (with especial reference to managing EU funds and EU application procedures), strategic planning, advocacy, organizational and financial management, work with volunteers, PR, monitoring and evaluation, establishment of coalitions, networking, fund raising, CSR and communication with enterprises.
- Trainings in specific thematic fields, such as the environment, human rights, are necessary for relevant sub-groups of CSOs.

- Information on EU policies in relation to specific sectors in which Montenegrin CSOs work should be accessed and made widely available. This should include the creation of information databases on the project website.
- Assistance should be provided to CSOs to assist them identify partners organisations in neighbouring countries so that they can apply for EU cross-border cooperation programmes.
- Assistance, the form of process facilitation and information services, should be provided CSOs to help them establish lasting networks and programme coalitions. In addition, help support should be provided local networks to connect with regional networks.
- Assist community-based CSOs in particular to communicate with their memberships and develop supportive constituencies. CSOs' image in the community will benefit from successful implementation of activities, as well as the writing and dissemination of annual reports and executed budgets.

Annex 1 Acronyms and abbreviations used in the text

CCE	Centre for Civic Education
CDP	Capacity Building Programme
CEDEM	Centre for Democracy and Human Rights
CEMI	Centre for Monitoring
CRNVO	Centre for the Development of Non-Governmental Organizations
CSO	Civil Society Organisation
DPRS	Development and Poverty Reduction Strategy
EC	European Commission
EU	European Union
EIDHR	European Instrument for Democracy and Human Rights
FAKT	Fund for active citizenship
FOSI ROM	Foundation Open Society Institute - Representative Office Montenegro
EMIM	European Movement in Montenegro
IPA	Instrument for Pre-accession Assistance
NDC	Nansen Dialogue Centre
NGO	Non-governmental Organisation
NSSD	National Strategy for Sustainable Development
ORT	Obschestvo Remeslenovo i. Zemledelcheskovo Trouda
MANS	The Network for the Affirmation of NGO Sector
PAPRR	National Action Plan for Gender Equality
PCM	Project Cycle Management
SIDA	Swedish International Development Agency
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

Annex 2 Research methodology

Research for this study proceeded from a comprehensive analysis of the legal and financial documents (laws and regulations) which constitute the legislative framework in which civil society in Montenegro operates. Particular reference was then made to all available documentation relating to the way CSOs and the public administration at both national and local levels interact, including policy and advocacy papers from civil society, project reports and evaluations, as well as general civil society assessments. The latter were also used to provide background information on CSO organisational and institutional capacities and how civil society is perceived by the general public.

Primary data for the research, particularly with regard to CSO capacities, was provided through a series of consultations with CSOs, governmental actors and donor organisations, using a variety of methods. Five focus groups were held with representatives from a total of 33 CSOs in five towns from the main geographical areas of the country (Herceg Novi, Ulcinj, Pljevlja, Bijelo Polje and Podgorica). In addition, a specially drafted questionnaire was sent by e-mail to 80 CSOs, to which 27 CSOs responded in full.

Interviews were carried out with the Chief of the Government's Office for Cooperation with CSOs, and with representatives of the donor organizations, the Foundation Open Society Institute (FOSI/ROM Montenegro) and the Fund for Active Citizenship (FAKT), as well as with the OSCE Mission to Montenegro and the Delegation of European Commission in Montenegro.

Finally, a major consultative meeting was organized with 40 CSOs representatives to review and improve the conclusions and recommendation of this Needs Assessment.

Annex 3 Structure of CSOs in according to geographical distribution

Table 3. Estimated numbers of CSOs according to municipality

Municipality	Estimated no. of registered CSOs	No of CSOs in CRNVO data base
Andrijevica	16	9
Bar	220	84
Berane	120	48
Bijelo Polje	170	49
Budva	120	25
Cetinje	170	49
Danilovgrad	55	9
Herceg Novi	180	32
Kolasin	66	16
Kotor	180	51
Mojkovac	35	16
Niksic	470	96
Plav	65	31
Pljevlja	150	45
Pluzine	10	5
Podgorica	1950	477
Rozaje	95	26
Savnik	17	2
Tivat	105	41
Ulcinj	115	19
Zabljak	40	12
Total	4,350	1,141

Source: CRNVO Annual Report on Cooperation between CSOs and Local Self-governments in Montenegro 2008

Annex 4 List of organisations consulted

Governmental organizations

1. Government office for cooperation with NGOs

International organizations

1. Fund for Active Citizenship - faKT
2. Foundation Opet Society Institute, Regional office Montenegro - FOSI ROM
3. Organization for Stability and Cooperation in Europe – OSCE Mission to Montenegro
4. EC Delegation in Montenegro

Civil society organization

1. CSTI Montenegro, Podgorica
2. Expeditio, Kotor
3. SOS telephone for women and children victims of violence, Podgorica
4. Juventas, Podgorica
5. Association of paraplegics of Montenegro, Podgorica
6. Natura, Kolasin
7. Bjelopoljski demokratski centar, Bijelo Polje
8. Ulcinj business association, Ulcinj
9. Viva vita, Pljevlja
10. Nada, Herceg Novi
11. Centre for monitoring, Podgorica
12. Montenegrin women lobby, Podgorica
13. Association for democratic prosperity ZID, Podgorica
14. Association of
15. Our initiative, Podgorica
16. Preporod, Niksic
17. FORS Montenegro, Niksic
18. Centre for democratic transition, Podgorica
19. MANS, Podgorica
20. Anima, Kotor
21. Anima, Ulcinj
22. Bonum, Pljevlja
23. Centre for civic education, Podgorica
24. Centre for Development of Non-governmental organizations, Podgorica
25. Association of young ecologists, Niksic
26. Eco delfin, Kotor
27. European movement in Montenegro, Podgorica
28. Fondacija za stipendiranje Roma, Podgorica
29. Green home, Podgorica
30. New horizon, Ulcinj
31. Adria, Bar
32. Association for Help to Persons with Disability, Niksic
33. Association of Disabled Youth of Montenegro, Podgorica
34. Centre for children rights Montenegro, Podgorica

35. Consumers Protection Centre Montenegro, Podgorica
36. Gerontological society of Montenegro, Podgorica
37. Association Herceg Novi Initiative, Herceg Novi
38. Open school, Danilovgrad
39. Proactive, Podgorica
40. The Blind Union of Montenegro, Podgorica
41. Shelter, Podgorica
42. Women action, Niksic
43. Zracak nade, Pljevlja

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