



Needs Assessment Report

Montenegro

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**Technical Assistance to Civil Society Organization
in the Western Balkans and Turkey**

TACSO

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**MONTENEGRO
NEEDS ASSESSMENT REPORT**

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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 Western Balkans and Turkey (Europe Aid/127427/C/SER/Multi-additional services), implemented by SIPU International, during the period August 2011–July 2013. The aim of the study is to provide a comprehensive assessment of civil society in Montenegro 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 organizations (CSOs), government actors, donor organizations 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 organizational 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 emphasizes the associational character of civil society, while also accentuating its representational role. Civil society would include a variety of organizational 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 organization represented and their key organizational characteristics, the types of activity they carry out and their main sectoral interests, their geographical distribution and way they are structured within overall civil society architecture. CSOs are assessed according to their technical, organizational 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 summarizes 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 organizational 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 COUNTRY CONTEXT

1.1.1 Reforms and Changes in the Institutional Framework Since August 2009

The institutional framework relevant to CSOs has undergone important changes in this period. Council for Cooperation between Government and Non-governmental organizations has been established in 2010 and it became fully operational in early 2011. The Council represents an advisory body to the Government and it consists of 13 representatives of the Ministries and 12 representatives of non-governmental organizations.

The legal framework relevant to CSOs has undergone important changes. New Law on Non-governmental organizations was adopted in July 2011.

The Law on Trade Union Representativeness was adopted in May 2010

The Law on Volunteering was adopted in April 2010.

New Regulation on the criteria for determining the beneficiaries and manner of distribution of the revenues from games of chance was adopted In August 2011, while the Law on Games on Chance is in the process of revision.

1.1.2 Planned Reforms (Decisions to be Implemented or New Initiatives)

New Law on Games of Chances is in the Government's procedure after being subject to public debate.

Government's Decree on procedure for cooperation between state administration bodies and non-governmental organizations, as well as Government's Decree on public debate in law drafting procedure are in final stage of government procedure.

Civil servants in the bodies of state administration tasked with cooperation with the NGOs will acquire new and clearly defined obligations through the implementation of the aforementioned regulations.

Union of Municipalities of Montenegro, in cooperation with Ministry of interior and CRNVO, developed model decisions of manner and procedure for participation of local population in conducting of public affairs, rules and procedures of assembly, decision on criteria, manner and procedure for distribution of funds to non-governmental organizations, agreement on co-operation between assembly and non-governmental organizations, council of co-operation between local self-government and non-governmental organizations. It is expected that municipalities will adopt these acts in the coming period, since the Union of Municipalities is an association where all municipalities are represented in.

1.2 LEGAL FRAMEWORK – AN ANALYSIS OF RELEVANT LAW AND FINANCIAL REGULATIONS

The legal framework governing civil society in Montenegro recognizes NGOs as non-governmental associations and non-governmental foundations, which are both regulated for under a single unified law, as well as trade unions which are regulated under Rules for Registering of Trade unions and Law on Representativeness of Trade unions. 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.

1.2.1 Law on NGOs

The new Law on NGOs¹ was adopted in July of 2011, and it came into force by mid-August. Adoption of the law was preceded by a high-quality public discussion, participation of NGOs in the working group tasked with drafting of the Law, and consultation with interested NGOs. The Law specifically defines two forms of non-governmental organizations: non-governmental association and non-governmental foundation.

Non-governmental association is defined 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.

Non-governmental foundation is defined 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.

Foreign non-governmental organization may operate on the territory of Montenegro in order to achieve goals and interests, which are not prohibited by the Constitution and the law. Foreign non-governmental organization, according to this law, is a non-governmental organization with attributes of legal entity, based in another country, and which was established under the laws of that country in order to achieve some common or general goals and interests.

Minimal number of founders of the association is now three, instead of five. The right of association is explicitly given to minor over 14 years of age in accordance with existing legal restrictions. The new law stipulates that only one of the founders (natural or legal persons) needs to have domicile, residence or seat of office in Montenegro (instead of all the founders). Minimum elements which founding documents should contain are prescribed, without interfering with the manner in which organizations develop and regulate their internal relations and thus respecting both their private and legal nature. Required contents of the will are also prescribed, in case that the foundation is established by a will. Also, a clear obligation to keep records of members of the association is introduced, and it is important for proving membership in an NGO, quorum and decisions of the Assembly and other issues, while the manner of keeping of this record is determined by NGO itself.

1.2.2 Legal Framework for Functioning of Trade Unions

According to Labour Law and Rules for Registration of Trade Unions, these organizations are registered in Trade Union Register and Register of Representative Trade Unions. These registers have been managed by Ministry of Labour and Social Care. The latest data from The Ministry of Labour and Social Care shows that there are 1558 trade unions registered (which is unrealistic since most of the trade unions that have been registered during the 90-es do not exist in practice). In the same time, there are 213 trade unions in the Register of Representative Trade Unions. According to available data (2006), 30% of total labour force in Montenegro pays membership fee for trade unions.

Trade unions pluralism evolved in 2007, after the failure of reforms in *Savez sindikata Crne Gore* (SSCG) which was the only trade union alliance. After an unsuccessful attempt of reform, number of trade unions left SSCG and created *Unija slobodnih sindikata Crne Gore* (USSCG).

Law on Trade Union Representativeness was adopted in May 2010. Both national trade union organizations (SSCG and USSCG) managed to reach the high census for representativeness, set at 10% of overall number of employees.

According to law on representativeness, trade unions that have proven their representativeness (at the collective, branch or national level) have the right to participate in social dialogue and collective negotiations. Key body where institutional tripartite dialogue is conducted is Social Council, established according to Law on Social Council, which has 33 members (11 members on behalf of trade union, 11 members on behalf of employers and 11 members on behalf of Government). Out of 11 trade union members, 6 are nominated by SSCG and 5 by USSCG.

¹ Official Gazzete of Montenegro No. 58/11

Beside the fact that trade union pluralism exists in practice since 2007, members of the newly created USSCG still suffer various kinds of pressures in regard to their membership and activities. The main obstacle is related to fact that the property of the trade union as a whole, which was created in the last 60 years, is still being used only by SSCG, while USSCG is renting premises.

1.2.3 Economic Activity of NGOs

Non-governmental organizations in Montenegro have the right to acquire part of revenues needed for their work by engaging in economic activities. The provisions of the new Law specify that only economic activity of the NGO is entered in the Central register held by Commercial Court, rather than the organization itself in order to avoid interpretations whether it needs to be registered as a company or established as a new legal entity or not.

Non-governmental organization needs to cumulatively meet the following criteria in order to conduct economic activities: 1) economic activity must be determined by the statute; 2) gained revenues must be used exclusively to finance the statutory goals of the organizations and on the territory of Montenegro; 3) economic activity must be conducted in line with the regulations governing the area in which economic activity to be conducted is included; 4) carrying out of the economic activity must be entered in the Central register held by the Commercial Court, which is done by entering the code and description of the activity, as stipulated by the regulations on classification of the activities; 5) provided that the income from economic activities in the current year does not exceed the prescribed limit of 4.000,00EUR.

Exceptionally, the organization may conduct economic activity until the end of the current year provided that the gained income in that year does not exceed 20% of the total annual income made in the previous year. Otherwise, the organization will not be able to conduct economic activities until the end of the current year.

1.2.4 Financial Support from the State – New NGO Law Regulation

Significant novelties are provided by the provisions that define the funding of NGOs. Public interest was first defined in the law through the establishment of a broad list of areas in which funding is provided “social and health care, poverty reduction, protection of persons with disabilities, social care for children and young people, help for the elderly, protection and promotion of human and minority rights, rule of law, civil society and volunteerism, the Euro-Atlantic and European integration of Montenegro, institutional and non-institutional education, science, art, culture, technical culture, environmental protection, agriculture and rural development, sustainable development, consumer protection, gender equality, fight against corruption and organized crime, fight against addiction, as well as other areas of public interest determined by special law.”

For the first time, two types of support have been clearly defined: for projects and for programs. Projects are defined as “projects, in terms of this Law, are a set of activities in areas referred to in paragraph 2 of this Article which are implemented in a period not exceeding one year”. Programs are defined as a “long-term development plan for the organization and implementation of activities in areas referred to in paragraph 2 of this Article for a period not exceeding three years”. In this way, the door for the institutional support of NGOs have been opened.

The government rejected a request made by 56 NGOs to determine a percentage or percentage range of allocations from the budget of Montenegro for the NGOs. Furthermore, the Government prescribed that “NGOs that received funds from the budget in any other ways can not be funded in accordance with the law”. This provision is part of an overall plan to entirely centralize the financing of the projects of NGOs at the national level.

Consequence of such a Government’s solution is the inevitable abolition Fund for revenues from the games of chance, the Fund of the Parliament’s Commission and other funds from which previously secured resources.

The Law prescribes an obligation for “all NGOs that accrued a revenue higher than 10,000.00 euros during

the calendar year on all grounds, to publish their financial reports on their website, ten days after it has been approved by the competent authority of that organization". The general idea of this provision is to increase the transparency of financial operations of NGOs and is as such a positive one. However, this provision can be disputed in terms of realization of the Article 11 of the European Convention because it is binding for all organizations which meet the requirements, regardless of the nature and sources of income. Furthermore, it causes additional unproportional costs.

1.2.5 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."

1.2.6 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 if their annual turnover does not reach 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.

1.2.7 Voluntarism

The Labour Law prescribes that an "employer may contract an unemployed person for volunteer work, in accordance with specific legislation". The Law on Volunteering was adopted on 22 April 2010. ADP ZID, a leading organization in the field of development of volunteerism, thinks that approach to regulation of voluntary work is the main problem of the Law. They claim that the Law only regulates the manner and conditions of volunteer work as a form of free labour, instead of regulating volunteering as a way of civic participation and support of citizens and civil society to community development. According to them, the Law does not stimulate volunteering, but prohibits and makes bureaucratic the manner of participation of citizens in volunteering. Thus, instead of making efforts to strongly define all forms of volunteering and insistence on punishing the offenders, the law should have the approach of affirming volunteerism. ADP ZID indicates that there are no affirmative measures in the Law (support of voluntary activities, support of structure that develops and promotes volunteerism, the Coordination board whose establishment was foreseen by the conclusion of the Strategy of development of volunteerism). The Law prohibits the employed persons and minors under 15 years of age to volunteer, even in cases when the action is organized by educational institution or if the activity serves to educate children. The state, i.e. Education Bureau have developed elective and mandatory content for primary and secondary education, which is called Volunteer and charity work, which foresees volunteering in practice. Provisions of this law greatly hinder the arrival of foreign volunteers, as they must have a residence permit or permission for housing. This law creates additional financial burdens and puts NGOs in even less favorable position (compulsory health insurance, residence permits for foreign volunteers). At the same time, labor inspection may without prior warning prohibit volunteering if a volunteer or organizer do not have necessary documentation (contract and insurance), but there is not a single mechanism to prevent potential abuse. The lawmakers did not adopt the accompanying secondary legislation in due time.

1.3 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 are taken into account.

Unfortunately, there are no reliable and precise statistics regarding the revenues of the CSOs.

The state 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 public funds are effective in bringing projects to completion. Financing from public funds (from the public budget) is the most important funding source for the majority of CSOs active in Montenegro.

CSOs working in the fields of human rights, advocacy, public policy, anti-corruption, and the monitoring of public institutions are almost entirely dependent on foreign funding. Included in this group of CSOs is core group 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 extremely limited funding opportunities for CSO capacity building and institutional support is provided by only a few big international private donors.

1.3.1 Central Governmental Funding Sources

This year for the first time the Government has discussed and adopted the *Analysis of the model of NGO financing from public funds*, which allowed comprehensive insight into the amount and structure of allocations from the national budget of Montenegro.

According to available information², in 2010, a total of 4,100,000.00 EUR was allocated for NGOs from the national budget. From this amount, on the national level, the largest part comes from the revenues from games of chance (1,556,547.00 EUR), second largest from the funds of the Ministry of Culture (1.009.272,00 EUR), next largest share from the funds of Ministries and other bodies (811,719.35 EUR), then from the Fund for Minorities (491,037.00 EUR) and the least amount from the Commission for allocation of funds to NGOs of the Parliament of Montenegro (230,000 EUR).

NGOs cite numerous arguments and examples that indicate the inadequacy and inefficiency of the government financing. They also point out the fact that such method distribution does not help small and very rarely helps relatively established organizations, which are not recognized in an appropriate way by these calls and/or decisions.

Capacity building of CSOs is not recognized in the provisions of the calls published by various entities in the network of public funds providers. Furthermore, institutional support has not been foreseen as a possibility in the public financing of CSOs. Procedures do not encourage partnerships between NGOs, particularly among big and small ones, nor do they stimulate regional networking.

1.3.2 Funds from Games of Chance

Commission for allocation of revenues from games of chance distributes 60% of all annual revenues from games of chance (on the annual basis, this amount ranges from 2.5 to 3.5 million EUR), out of which 7% is foreseen for plans and programs of non-governmental organizations, which is why this is the most important source of public financing of CSOs.

According to information from published decision on allocation of funds for 2010 (in which the Budget

² *Analysis of the model of NGO financing from public funds*, Working group, May 2011

planned for his purpose a total of 2,580,000.00 EUR, in such way: 2,500,000.00 EUR for projects (75% is 1,875,000.00) and 80.000,00 EUR for monitoring to an audit company), non-governmental organizations received a total amount of 1,405,727.70 EUR, which amounts to 56.22%, or for 469,272.30 EUR less than the amount prescribed by law.

In August 2011, a new Regulation on the criteria for determining the beneficiaries and manner of distribution of the revenues from games of chance was adopted³. Out of the total available funds, 75% is distributed to plans and programs of NGOs, 10% for media pluralism, and 15% for other non-profit organizations and public institutions. It is foreseen that for the area of „social protection and humanitarian activities“ 12% is set aside for “meeting the needs of persons with disabilities”, 40% for culture and technical culture, 12% for non-institutional education and upbringing of children and young people, 10% for contribution to the fight against drugs and all other forms of addiction. Allocation of funds is done on the bases of four criteria which bear different number of points, i.e. public interest 30%, quality of the proposed curriculum 30%, and the capacity of organizations to implement the plan and program 25% and budget 15%.

Regulation enables co-financing of EU supported projects in the amount of missing funds, i.e. up to 10% of the overall value of the project.

For the first time they have developed criteria, sub-criteria, additional sub-criteria and a ranking list. For the first time signing of separate contract on financing has been foreseen. Monitoring of proper use of allocated funds will be conducted by the Commission, and for the projects over 30,000 EUR a direct insight into the organization is envisaged. The Commission that decides on distribution of funds consists of seven representatives of public administration bodies and seven representatives of non-governmental organization (before there were only two NGO representatives), while the President of the Commission is Deputy Minister of Finance.

The application procedures applied by the Commission earlier were not transparent and funding criteria were poorly developed and were an inadequate means of assessing project quality and viability. As the Commission awarded grants without the signing of a formal contract with the beneficiary, and as no evaluation and reporting mechanism were in place, the system was open to abuse. CSO monitoring of the Commission’s work, Centre for Civic Education, has revealed serious violations of the formal procedures for grant allocations by members of the Commission. In addition, although the Commission was formally required to support at least 60% of the required amount of the project, in practice it did not respect this obligation, which limited the possibility of successful implementation of the projects. However, for the first time in 2010 the Commission published on the website all projects that were supported.

It is expected that after a substantial change of the legal framework and increased participation of NGO representatives, the Commission will successfully realize the assigned tasks this year.

1.3.3 „Parliamentary” Commission

A separate, parliamentary Commission, established under the Law on NGOs, also annually disburses 230,000 EUR (in 2011) for small project, formally of value between 500 to 10,000 EUR, and in practice the support ranges from 500 to 3,500 EUR. Members of the Commission are Members of the Parliament and political parties representatives. The Commission support projects from wide range of areas, formally listing the following areas: “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”.

When it comes to the Parliamentary Commission⁴, distribution of funds through this body, according to NGOs, was characterized by disrespect of deadlines determined by the law for announcing of the public competition, and in many cases the Commission has granted far less than the required amount without any indication as to which part of the project received financial support. The commission allocated funds in 2010 and 2011 in line with the old, controversial and poor practice.

³ Official Gazette of the Republic of Montenegro, No. 42-11 from 15.08.2011

⁴ www.komisija-nvo.me

In practice, most CSOs which have applied for grant receive some financial support, so many organizations with insufficiently developed capacities, or even inactive CSOs received support. For example, in 2011 a total of 514 CSOs applied for grants, and Commission supported projects of 183 organizations.

The Parliamentary Commission does not sign contracts with CSOs who received funds for implementation of their projects, nor does in any way monitor project implementation.

1.3.4 Fund for Protection and Realization of Minority Rights

Fund for minorities was established⁵ in 2008, in accordance with the Law on Minority Rights and Freedoms in order to support the activities that are of importance for preservation and development of national and ethnic particularities of minority people and other minority ethnic communities and their members in the field of national, ethnic, cultural, language and religious identity.

Documents which govern the work of the Fund do not contain provisions on the procedure of decision making of the Fund (is there a commission or some other body which evaluates submitted projects, in what way is determined a proposed decision on the approval of financial support, or in what way does the Managing board evaluate the projects), on publication of the decisions, monitoring of implementation of approved projects, nor provisions on conflict of interests. More detailed criteria for allocation of funds, procedures for evaluation of projects, decision making and monitoring have not been further elaborated by a separate document. Public announcements for use of the resources are published on the web site of the Fund, and individual contracts are signed with users of approved funds.

1.3.5 Central Government Funding Sources

Apart from these Commissions, some of the ministries administer funds that are used for financing of projects conducted by non-governmental organizations.

Ministry of Culture has a fund for CSOs with the annual budget of somewhat over 1 million EUR, whereas the Fund of Directorate for sport and youth disburses 150,000 EUR. Ministry for Environmental Protection and Tourism has in 2010 disbursed over 100,000 EUR for NGO projects, and Ministry for Human and Minority Rights slightly below 125,000 EUR.

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 10,000 EUR or the threshold above which public procurement tendering becomes legally required.

1.3.6 Local Government Funding Sources

Each municipality has a local committee for financing of CSOs. According to information received from Centre for Development of Non-Governmental Organizations (CRNVO), and decisions on budget of local governments for 2010, a total of 859,848.00 EUR was allocated for NGOs. After the revision of the budget of local governments in 2010, this amount was reduced to 669,196.00 EUR. Out of this amount, for realized projects NGOs received 298.121,81 EUR. The decisions on budget for 2011 plan for this purpose 618,000.00 EUR.

It is particularly important to note that some local governments, due to a strong budget deficit, do not perform allocation of funds to CSOs, regardless of the adopted decisions, while some other local governments clearly breach the provisions of the contracts on distribution of funds concluded after public competition, in terms of timely payment and payment of the stipulated amount, which makes operation

⁵ Official Gazette of the Republic of Montenegro, No. 13/08 from 26.02.2008

and work of CSOs difficult, as well as puts in difficult position final beneficiaries of the projects and programs they implement.

Having in mind that in 2008, 23⁶ local governments allocated a total amount of 834,000 EUR for the needs of CSOs, of which 811,000 was disbursed; we can conclude that in two years (2008-2010) support on the local level has decreased for almost 2, 5 times.

Financial support of the projects on the local level ranges from between a few hundred to a few thousand EUR, and most often it is awarded without application of any objective 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.

1.3.7 Private and Corporate Giving

World giving index 2010⁷ ranked Montenegro at 138th place (on the scale where index 1 represents the highest score) based on information that 18 % respondents „gave money“, 6% „volunteered time“, and 31% „helped a stranger“⁸.

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 culture and art. General impression in professional circles is that companies still do not invest in the areas of democracy and human rights, as previously shown in research conducted by CRNVO (CRNVO, 2006).

Nineteen companies, institutions and NGOs from Montenegro joined the UN Global Compact network in Montenegro on 9 December 2010. Global Compact is an initiative launched by the United Nations in 1999 as a political platform and strategic framework for companies dedicated to the principles of sustainability and corporate social responsibility. Membership in the Global Compact involves alignment of business with ten universally accepted principles pertaining to human rights, labour rights, protection of environment and fight against corruption. Significant contribution to the development of CSR has been given by Union of Employers, first signatory of the UN Global Compact from Montenegro. Among other, Union has in 2005 adopted "Ethical Codex of the Employers", which among else contains principles of the UN Global Compact and Millennium Development Goals.

There are also some new, positive examples such is the case of Brewery Trebjesa which for the first time this year launched a competition for NGO projects in the field of environmental protection in the amount of 10,000 EUR.

Fund for Active Citizenship (FAKT) registered as independent foundation in 2008, earlier present in Montenegro as a country office of the Balkan Fund for Local Initiatives (BCIF) from Belgrade, while today fully financed by foreign foundations such as Mott Foundation and Rockefeller Brothers Fund. In the period from February 2008 until September 2011 FAKT contributed a total of 733,201 EUR to ninety-six small-scale CSO projects in *Social Transition* and *Civic Action* programme.

1.3.8 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).

⁶ In Montenegro there are 21 municipalities and 2 urban municipalities or suburbs of the capital Podgorica.

⁷ This report is primarily based upon data from Gallup's World View Poll (worldview.gallup.com) which is an ongoing research project carried out in 153 countries that together represent around 95% of the world's population. The survey asks questions on many different aspects of life today including charitable behavior.

⁸ Gallup asks respondents whether in previous month they donated money to an organization, worked voluntarily for an organization or helped a stranger that is someone they do not know and who needed help.

The IPA 2007 National Programme built on the achievements of the CARDS 2003 & 2006 Civil Society Programmes. It further encouraged the networking and supported partnerships and coalitions building and the intercultural dialogue between the EU and Montenegro.

The Regional Civil Society Facility (RCSF) is an instrument for strengthening the CSOs capacities in IPA countries. In order to support the development of civil society in Southeast Europe, the Commission therefore established in March 2008 a new financing facility under the Instrument for Pre-Accession Assistance, to be known as the "Civil Society Facility". The goal of this facility is to strengthen civil society bodies and their role in the political process, enhance the capacity of civil society organisations to develop cross-border projects and networks and familiarise civil society representatives and opinion leaders with EU affairs. The priorities in Montenegro are: quality improvement of services delivered by CSOs to their constituents, stronger local and international networking, improved understanding of EU affairs/procedures, better civil society 'environment' and 'culture'.

The IPA Cross Border Cooperation (CBC) component is also open for Montenegrin CSOs. It focuses at strengthening the economic, social and institutional cooperation and preservation of the natural and cultural resources in border regions.

In the first call for project proposals under IPA CBC B&H-MNE a total of 12 projects have been approved. In the first call IPA allocations for 2007 and 2008 were joined and a total of 1,980,000.00 EUR was allocated, out of which 900,000.00 EUR was allocated for B&H, and 1,080,000.00 EUR for Montenegro. From a total of 38 applications received 12 successful projects have been selected. From non-governmental organizations from Montenegro, seven non-governmental organizations received a financial support for their projects in the amount of over 427,000 EUR. During 2011 a second call for proposals was launched under which an indicative amount of 1,980,000.00 EUR is available (900,000 EUR for Bosnia & Herzegovina, and 1,080,000.00 EUR for Montenegro).

Through the first call under the program of Cross Border Cooperation Croatia - Montenegro, out of five contracts only one NGO from Montenegro has received funding for realization of the project amounting to slightly over 200,000 EUR.

Through the first call under the program of Cross Border Cooperation Serbia - Montenegro, out of thirteen contracts, four NGOs from Montenegro conduct projects amounting to slightly less than 220,000 EUR.

Through the first call under the program of Cross Border Cooperation Albania- Montenegro, out of six contracts, five NGOs from Montenegro conduct projects amounting to slightly less than 350,000 EUR.

Within the framework of the European Instrument for Democracy and Human Rights Programme (EIDHR), Montenegro was allocated in total €600,000 for 2008 & 2009 and € 300,000 for EIDHR 2010. The funds were intended CSOs' projects in human rights and political pluralism, democratic political participation and representation, peaceful conciliation of group interests, fight against discrimination and gender equality in social, economic and political life.

Through the first call for proposals under the EIDHR 2008 & 2009 programme, out of 31 applications 9 projects were selected for funding (amounting to some € 707,000). At the request of the EU Delegation to Montenegro, missing funds for successful projects were allocated to Montenegro from other EIDHR budget lines. Through the call for proposals under the EIDHR 2010 programme, out of 37 applications received, 4 NGOs received the funding amounting to around € 450,000. Again unspent funds from the other EIDHR allocations were transferred to successful projects in Montenegro at the request of the EU Delegation.

First Call for Proposals under the IPA 2009 Civil Society Development National Programme was focused on the contribution of CSOs to increasing transparency and accountability of the public administration, judiciary and the parliament; the sustainability of CSOs and the quality of their services; and the contribution of CSOs to EU integration process in Montenegro. Out of 41 applications received, 13 were supported with the total of 1,977,209 EUR. The implementation of the activities started in December 2010 or January 2011. Another call for proposals was launched in April 2011 with the remaining 280.000 EUR. Out of 16 applications received, two grants were awarded for the most successful projects. They aim to improve the sustainability of CSOs and the quality of their services by providing inter alia sub-grants for their initiatives by mentor organizations. CSOs with annual income under 10.000 euros will be eligible to apply for these sub grants whose value is up to 10.000 euros.

1.3.9 Other International Donors

USAID does not have programs designed exclusively for non-governmental organizations any longer. Good Governance Activity in Montenegro Programme which is funded by USAID, and implemented by East West Management Institute supported, in period 2010-2011, projects of 8 non-governmental organizations in the total value of around than 100,000 EUR.

Swedish International Development Agency (SIDA) In the meantime stopped supporting non-governmental organizations through International Centre Olof Palme, Kweena till Kweena and other similar organizations.

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) Canada (Canada Fund), The Netherlands (Matra / KAP programme).

Although not being a direct donor, OSCE has for many years supported civil society by providing support for improvement of framework for CSO functioning in areas like Corporate Social Responsibility, Volunteerism, legal framework for CSOs, etc.

1.3.10 Foreign Private Foundations

The Network Open Society Foundation (Foundation) has from 2011 changed the mode of operation of its representative office in Montenegro. The Foundation no longer has a role of a direct donor, but it still operates in Montenegro through a variety of network programs that will continue to approve donations to non-governmental organizations and institutions. Practically, from the end of 2010 FOSI ROM has stopped the program of allocation of donations to local non-governmental organizations.

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

Other international foundations providing support to civil society are: Charles Stewart Mott Foundation, Rockefeller Brothers Fund, and German political foundations: Friedrich Ebert Foundation, Conrad Adenauer Foundation and Heinrich Boll Foundation.

1.4 GOVERNMENTAL MECHANISMS FOR CIVIL SOCIETY – GOVERNMENT COOPERATION AND THE POLICY FRAMEWORK THAT DETERMINES GOVERNMENT-CIVIL SOCIETY RELATIONS

Coordination and cooperation between the Government and civil society in Montenegro relies on the Government's Office for Cooperation with NGOs and a network of liaison officers in ministries and other state administration bodies. The work of the Office has been limited by numerous factors, while the functioning of the network of contact persons is weak, confusing and inconsistent.

The Strategy and Action Plan for Cooperation between Government and CSOs, which were adopted by Government in January 2009, are implemented to a considerable extent, after certain delay in implementation at the very beginning. Additional impetus to implementation of the Strategy was given in the EC Recommendations to Government of Montenegro that were translated into Government Action Plan for their fulfilment. Thus, the majority of measures were implemented in 2011. Review or extension of the timeline for the implementation of the Strategy is expected for the end of 2011.

1.4.1 Government's 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's document "Basis of Cooperation between the Government of the Republic of Montenegro and Nongovernmental Organizations" and the following Conclusion. This document, which

was the first of the kind, set out an agenda for improving the traditionally poor Government – civil society relations by establishing such an Office.

The Office performs tasks related to preparation of plans, programs, projects and other activities in line with the principles and objectives set out in the documents “Basis of cooperation” as well as in other documents - by developing mutual cooperation and coordination, not affecting the independence of NGOs and enhancing transparency of their efforts and work of NGOs, in order to continue building open and democratic society. The Office serves as administrative and technical support for Governments Council for Cooperation with NGOs. The Office also coordinates work of state bodies in the field of cooperation with NGOs, as well as educates them and connects them in the internal network- infrastructure of state administration bodies for cooperation with NGOs.

While CSOs recognize that the Office has made 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 three persons, the Head of the Office, an advisor and administrative secretary. Within newly changed Act on organization of working positions in the General Secretariat, additional advisor position is planned within the Office. 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 still a challenge.

Key problems in the work of the Government Office for cooperation with NGOs:

- Lack of well-defined responsibilities/competencies;
- The Office does not have its own separate budget, as it is integral part of the General Secretariat of the Government and its budget;
- Lack of higher number of qualified staff – in addition to the Head of Office and one administrative person, only two qualified person is employed and one more is planned to engage in coming period;
- High expectations from the Office and government bodies, which do not correspond to its real competencies- budget and available human resources;
- New legal competencies not well followed with additional resources dedicated

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. Consequently, it is necessary to build the capacities of newly appointed contact persons in state administration bodies, and some time needs to pass so that the new contact persons would gain experience.

Key problems in the work of contact persons for cooperation of state administration bodies with non-governmental organizations:

- There are no clear job description that explain the detailed content of official duties of the employees;
- Cooperation with non-governmental organizations has formally been determined, but is not high on the list of priority duties of these employees;
- Regular communication with non-governmental organizations in practice is divided among various public servants in state administration bodies;
- Poor use of Internet and e-tools in communication with non-governmental organizations;
- Lack of support from the highest level of political responsibility / top management in the bodies;

- Communication and cooperation between the contact persons and between contact persons and Office for cooperation with NGOs has not been clearly defined;
- Lack of a proactive approach.

It is especially important to note that the names and contact information of government officials in charge of cooperation with NGOs are not publicly available on websites of the government, bodies of state administration or the Government's Office for Cooperation with NGOs. This fact significantly complicates communication and cooperation and encourages justified dissatisfaction among the NGOs.

1.4.2 Strategy and Action Plan for Cooperation between Government and NGOs

Strategy for Cooperation between the Government and NGOs is the first strategic documents that establishes principles of cooperation and proposes clear actions, measures and institutional procedures for achieving cooperation.

The Strategy has two general and three specific objectives, elaborated further with specific measures contained in the Action plan. General objectives are enhancement of the normative and legal framework for establishing and functioning of NGOs, as well as enhancement of the institutional framework for cooperation with NGOs. Specific objectives are:

- Enhancement of informing, consulting, participation in development and the assessment of public policies – develop a culture of dialogue, improve mutual flows of reciprocal flows of information, develop a system of consultation with NGOs, secure greater participation on part of NGOs in the work of the bodies formed by the Government, ministries and other public administration bodies;
- Developing a more favourable environment for functioning of NGOs - strengthen the participation of NGOs in process of European integration, encourage the development of voluntarism, secure the participation of NGOs in civic education and lifelong learning, secure equal access to public institutions for people with disability;
- Promotion of the financial sustainability of NGOs - promote proper procedures and criteria for the financing of NGOs from public funds, encourage a culture of giving and promote corporate social responsibility.

1.4.3 Government Council for Cooperation with Non-governmental Organizations

The Strategy envisaged establishing of a special advisory body of the Government- a Council for cooperation with CSOs. The Council for cooperation with CSOs was established⁹ in 2010. and it became fully operational in early 2011. The Council represents an advisory body to the Government and it consists of 13 representatives of the Ministries and 12 representatives of non-governmental organizations. In the first half of the year the Council held four sessions, and at these sessions it considered all key documents of relevance for non-governmental organizations (Draft Law on NGOs, draft Decree on distribution of revenues from games of chance, Report on cooperation between state administration bodies and non-governmental organizations, Analysis of the model of financing of NGOs from the public funds, monthly reports on implementation of EC recommendations in regard to civil society, draft acts on cooperation between state administration bodies and NGOs, and draft act on public debate in law drafting etc.).

Responsibilities of the Council include: monitoring of implementation of the Strategy of Cooperation between the Government of Montenegro and Non-governmental Organizations and results of activities envisaged by the Action Plan for Implementation of the Strategy); providing opinion to the Government on draft regulations that affect institutional and normative framework for work of non-governmental organizations in Montenegro in order to create a supportive environment for their work and development; it impacts improving of complementarities and intensification of mutual relations in the definition of national public policies and their implementation; initiating adoption of new and amendments and changes of the

⁹ Official Gazzete No. 28/10

existing regulations in order to create a better normative and institutional framework for the work of non-governmental organizations and achievement of other objectives set forth by the Strategy; providing support to inclusion of relevant NGOs in the process of formulation and implementation of public policies, that is participation of non-governmental organizations in the discussions on regulations, strategies and programs; encouraging cooperation between the Government and state administration bodies with non-governmental organizations in the country and abroad, as well as with relevant actors in the international community in defining and achievement of international and interagency cooperation; considers interim and annual reports of state administration bodies on cooperation with non-governmental organizations in the specific areas and on allocated funds for projects of NGOs and reports to the Government on the extent of achieved cooperation; initiation of removal of potential obstacles in order to enable realization of specific activities from the Action plan; reviewing other issues and documents connected to implementation of the Strategy and activities set forth in the Action plan.

1.5 GOVERNMENT (LOCAL AND NATIONAL) INSTITUTIONAL CAPACITIES FOR ENGAGING CIVIL SOCIETY, INCLUDING INFLUENCE OF FACTORS SUCH AS DEMOCRATIC DEVELOPMENT OR THE PRESENCE OF CORRUPTION

Public engagement in the law-making and policy process is poor. Key factors are the lack of transparency of public administration in Montenegro and Government's 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 sometimes question the legitimacy, motives and capacities of CSOs to engage in policy dialogue, and public consultations are viewed as impediments to the efficient realization 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 in order to create sustainable structures for consultations with CSOs.

Participation of CSOs 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. The Law on Public Administration stipulates that: „Ministries and state administration bodies need to ensure cooperation with non-governmental organizations, which is achieved in particular by consulting non-governmental sector on legal and other projects and regulations governing the manner of exercising the rights and freedoms of the citizens.“

A step forward represents a Directive which was adopted by the competent Ministry of Interior, and which was adopted and is implemented by 12 state administration bodies during the selection of NGO representatives in working groups. Model guide on criteria and procedure for electing of representatives of NGOs in working or other bodies established by ministries and state administration bodies has established some clear rules both for non-governmental organizations (duration, proven capacity and experience, compatibility of statutory objectives and activities, etc.) and proposed individuals (level of education, proven expertise, etc.). The model guide requires a public invitation as a precondition for appointment of non-governmental organization, and among the candidates who meet the criteria a representative nominated by the largest number of organizations that meet the criteria will be appointed as representative of the working body.

For a long time CSOs have been lobbying without success for the establishment of mechanisms to enable civil society to engage in regular and structured forms of policy dialogue. Ministries and state institutions only consult with CSOs on strategy, policy and law making infrequently and on an ad hoc basis. During 2011, the essential participation of CSOs in policy dialogue has been intensified, which was mainly a result of the

fact that the European Commission assessed the cooperation between the government and NGOs as not good enough, so in order to fulfil the recommendations of the EC and obtain the date for negotiations on EU membership the Government did its best to get CSOs more invited and involved in various committees, working groups and other meetings.

Government decision (from August 2011) to revoke the Council for persons with disability on the grounds that the newly formed Council for fight against discrimination will sublimate its competencies as well met with fierce and undivided disapproval of all CSOs of persons with disabilities. After the decision was made public and NGOs voiced a protest, the Government has not verified its decision, and a dialogue of the government and NGOs is ongoing towards a solution acceptable to both parties.

Amendments and changes of the Law on Public Administration from July 2011 envisage adoption of secondary legislation which will define "manner and process of achieving cooperation between public administration bodies and non-governmental organizations, as well as criteria and procedure of election of representatives of non-governmental organizations in working groups and other working bodies established by the Government and state administration bodies". The secondary legislation should be adopted within 6 months (February 2012), but it is certain that it will be prepared and adopted much earlier because its adoption is one of the obligations deriving from the Action plan for fulfilment of EC recommendations, and its preparation is done within the projects lead by CRNVO and supported by EU Delegation in Montenegro.

The work on the Rulebook on keeping the register of NGOs in Montenegro, new bylaw foreseen by the new Law on NGOs, will start in October 2011. It will provide full application of the new Law, which is predicted to take place as of 01 January 2012.

In addition, even though it was planned that civil society organizations are involved in revision of the National Program for Integration of Montenegro into the European Union, the revision of the program has not been done in the previous 3 years. Since Montenegro obtained the candidate status for the EU membership and is preparing for further stage i.e. accession negotiations, the National Programme for Adoption of the Acquis is under preparation. In the further drafting of this strategic document, MFAEI as coordinator of the overall accession process of Montenegro to the EU plans to organise consultations with civil sector, including public debates.

The contribution of the civil society to the work of the Parliament and its representatives is limited in the similar manner. CSOs are poorly involved in the work of parliamentary boards, and MPs rarely use their right to invite CSO or some other expert witness to clarify some solutions from proposed or existing legislation. However, in March 2011 a Memorandum was signed between the Parliament of Montenegro and group of 23 interested non-governmental organizations called Network of Civil Society Organizations for Democracy and Human Rights, which is coordinated by CRNVO.

CSO Database originally produced by CRNVO has been established in Parliament to assist communication between MPs, Parliamentary service and CSOs. Database is in place, functional but poorly used by MPs. Parliament is responsible to update database.

Prior to adoption of the new Constitution in the October of 2007, CSOs had a right to directly propose laws to the Parliament upon gathering 6 000 signatures. This right has been abolished, and in the opinion of civil society organization thus was unfairly restricted access of these organizations to the process of adoption of the laws, and initiatives of public advocacy which are initiated by NGOs are now connected to political patronage of individual MPs. In 2011 NGOs have initiated this issue due to announcements of changes of the Constitution, but the position of the Government is that this issue is not on the agenda at the moment.

1.5.1 Local Self-Government

Even though the law provides a basic framework for the support and co-operation between CSOs and municipalities in Montenegro, the co-operation between municipalities and CSOs remains at a low level. CSOs rarely use their rights to take part in decision-making processes, both because these possibilities are poorly promoted, and because they are sceptical about the possibility that their contribution will have a significant influence on the process.

The Law on Local Self Government of Montenegro stipulates that local self-government should have a wide co-operation with civil society, and that it should promote its role in decision-making process.¹⁰ Although almost all of the municipalities formally supported the provisions of the law, their implementation is inconsistent and actual participation of CSOs in development of local strategies and policymaking is still a rare occurrence.

Legally defined right of local CSOs to participate at the plenary sessions of local assemblies (without the right to vote), so called "free" or "empty" chair, especially appears to be a reason for conflicts. This institute was implemented in a proper manner, with clear rules and procedures, only in two out of 21 Montenegrin municipalities Tivat and Bar to some extent). Aforementioned good examples allow NGOs to nominate their representatives for empty chair without interference of local government and have representative at each point of the local assembly agenda.

In the last two years, there were no reports on the cooperation of the local self-government and NGOs. Last report of this kind was produced by CRNVO in 2008.

Acting upon an initiative of the NGO Coalition "By Cooperation Towards Goal", Union of Municipalities developed model decisions on manner and procedure for participation of local population in conducting of public affairs, rules and procedures of assembly, decision on criteria, manner and procedure for distribution of funds to non-governmental organizations, agreement on co-operation between assembly and nongovernmental organizations, council of co-operation between local self-government and non-governmental organizations. It is expected that municipalities will soon adopt these acts, since the Union of Municipalities is an association where all municipalities are represented in.

1.6 PUBLIC PERCEPTIONS AND SUPPORT OF CIVIL SOCIETY AND ITS VARIOUS SEGMENTS

There are no regular, continuous surveys of perception of citizens regarding civil society organizations. Some available surveys indicate that Montenegrin public is relatively well familiar with civil sector and that it holds it in high regard. More importantly, surveys show that public support to CSOs and their activities is relatively high and stable.

Survey conducted by CEDEM in December 2010 indicates that citizens have significant trust in nongovernmental organizations. 13.8% of them has a "high trust" in them, while 36.7% "mostly trusts" them. "Mostly no trust" in NGOs was an answer of 16.5%, while "no trust at all" was 11,7% and "no opinion" 21.3% of citizens. Cumulatively, 50.5% of them have trust in NGOs.

Gallup survey says that the number of those that do have "high" and some trust in "civil society, NGOs" in 2010 was 66.6%, in relation to 69.6% in 2009. At the same time, the number of those that have no trust at all was reduced from 8.4% in 2009 to 6.7% in 2010.

When compared with other countries in the region, the trust in civil society is significantly higher than in other countries, with the exception of Kosovo.

However, there is a negative indicator that needs to be taken in consideration. The most recent survey "[Balkan Monitor](#)" that was conducted in countries of Western Balkans by the agency Gallup Europe in organization of European Balkan fund showed disturbing trend regarding freedom of expression in Montenegro. As many as 64% of respondents believe that most or many people are afraid to freely express their political views. In an earlier study by the same agencies this figure stood at 50%. This is the highest percentage in

¹⁰ Municipalities promote participation of CSOs and citizens through: 1) Providing information on all issues that are important for the non-governmental sector; 2) Consultation of the non-governmental sector with respect to development programs of the local self-government and drafts of general regulations to be passed by the Assembly; 3) Enabling participation in working groups on drafting normative regulations or preparation of programs and projects; 4) Organizing joint public hearings, round tables, seminars, etc.; 5) Financing projects presented by the non-governmental organizations that are of interest for the local population, under the conditions and procedures prescribed by a general regulation of the Municipality; 6) Providing working conditions for non-governmental organizations, in accordance with possibilities of the authorities of local self-government.

the Western Balkans. This data is directly related with the overall context in which civil society operates.

Factor that contributes to generally positive attitude citizens have regarding civil society is an interest media take in activities of CSOs, including national public service broadcasting that started, after pause that lasted several years, broadcasting program dedicated to events related to civil society called NGO sector. Useful mutually beneficial partnership between civil society and media also contributed to this situation.

Besides, civil society by itself has taken steps in order to enhance its own performance, standards and transparency. In March 2007, after conducting consultations with CSOs around the country for eighteen months, Coalition of CSOs "By Cooperation Towards the Goal", published national Code of Conduct of CSOs, signed by 145 CSOs. At the same time, self-regulatory council has been established and acting as independent entity, with a task to monitor and facilitates implementation of the Code. Until this moment, this body did not receive any complaints.

Unlike in 2008, when 97 CSOs made their financial reports available to public, 213 CSOs did the same in 2011. This data, along with the increase of the number of CSOs that were ready to make their finances public, contributes to overall transparency and legitimacy of the sector.

1.7 INSTITUTIONAL ISSUES EXPECTED TO BE ADDRESSED BY TACSO 2

Improve communicational and cooperation between CSOs and public institutions, particularly through

- Drafting Strategy on state support to civil society development
- Support further development of Governments Council for Cooperation with NGOs
- Further improvement of capacities and efficiency of the state administration employees responsible for cooperation with NGOs

Improvement of the CSO financing from public sources (Government, state administration, local government) with aim to increase transparency, accountability and efficiency of the entire process (including planning, decision making process, contracting, monitoring)

2. CSO ORGANIZATIONAL CAPACITIES

2.1 OVERVIEW OF THE CIVIL SOCIETY SECTOR IN THE COUNTRY

2.1.1 Structure of the Civil Society Sector

There are 5, 843 CSOs registered in Montenegro. Most of them are citizens' associations (5, 665), and there are 175 foundations. It is unknown how many of them are active. Main database of CSOs, maintained by CRNVO, contains information about 1.167 CSOs. A possibly better indicator for still active CSOs that at least occasionally have activities is the number of 933 CSOs that filed their financial reports for 2010 to Tax Administration. This means that only every sixth registered CSO files financial reports to Tax Administration. This data is only slightly different than those for earlier years (945 in 2009, and 822 in 2008) having in mind increased tax discipline and stricter demands for access to public funds.

Geographically speaking, activities of civil society mostly take place in central region of the country. 57% of CSOs that filed tax applications operate in central region, including 41.69% of organizations with headquarters in the capital city, Podgorica. CSOs are almost equally represented in other parts of the country, with 20.25% in Northern region and 22.7% in Southern, coastal region. Even with having in mind density of population in capital city, and its institutional importance, it is quite clear that civil society is overrepresented in central region.¹¹ Outside of it, CSOs are mostly present in larger towns such as Nikšić and Bar, and in more developed parts of the country, while poorly represented in poor and rural regions, and especially in municipalities on north and in the east.¹²

Table 1: Number of CSOs in Montenegro that have filed income tax application for 2009 and 2010 by municipality

Municipality	2009	2009 in %	2010	2010 in %
Andrijevica	1	0,11	1	0,11
Berane	38	4,02	30	3,22
Bijelo Polje	38	4,02	32	3,43
Bar	76	8,04	70	7,50
Budva	21	2,22	22	2,36
Cetinje	24	2,54	15	1,61
Danilovgrad	20	2,12	19	2,04
Herceg Novi	33	3,49	29	3,11
Kolašin	4	0,42	2	0,21
Kotor	44	4,66	41	4,39
Mojkovac	2	0,21	2	0,21
Nikšić	97	10,26	109	11,68

11 Coastal region consists of municipalities: Bar, Budva, Herceg-Novi, Kotor, Tivat i Ulcinj. Middle region consists of the capital Podgorica, ancient capital Cetinje and municipalities: Danilovgrad and Nikšić. Northern region consists of municipalities: Andrijevica, Berane, Bijelo Polje, Kolašin, Mojkovac, Plav, Pljevlja, Plužine, Rožaje, Šavnik i Žabljak.

12 According to the last census conducted in 2011, population of Podgorica was 187,085, which is less than 1/4 of overall population of Montenegro (625, 266), while the area that belong to this municipality takes only 10.4% of overall territory of the country (Statistical Bureau of Montenegro – Monstat)

Podgorica	381	40,32	389	41,69
Plav	2	0,21	2	0,21
Pljevlja	62	6,56	66	7,07
Plužine	2	0,21	3	0,32
Rožaje	29	3,07	27	2,89
Tivat	25	2,65	29	3,11
Ulcinj	26	2,75	21	2,25
Žabljak	20	2,12	24	2,57
Overall	945	100	933	100,00

A majority 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 2011 by the 213 CSOs, indicates that over 70 % (70,81%) of CSOs have annual incomes of under 10,000 EUR, while only 12,9 % of the sample number, have incomes of over 50,000 EUR.

Table 2. Annual incomes of CSOs in 2010

Annual budget(€)	No of NGOs
0 – 10.000	148
10.000 – 50.000	34
50.000 – 100.000	13
Over 100.000	18
Overall	213

Source: TACSO Montenegro - Centre for development of NGOs (CRNVO)

Shortage of financial resources and dependence on short-term project funding determines that limited number of Montenegrin CSOs have continuous activities. In average, Montenegrin CSOs officially employ two persons.

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.

There is specialized 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. Beside CRNVO, number of coalitions and networks provide some services for organisational development of its members.

Since its inception in May 2006, the coalition "By Cooperation Towards a Goal" achieved most of its objectives. The coalition has produced three documents, and also campaigned for their adoption: cooperation strategy of the Government of Montenegro and NGO (Government adopted this document in January of

2009 years), Code of NGO (Constituent Assembly of the Code has been held, the ordinances were adopted, presidency and self-regulatory body elected) and the new structure of financing NGOs from public sector funds (two versions of the Regulation for the allocation of revenues from games of chance, campaigning for establishing minimum percentage of funding in the Law on NGOs). The coalition submitted Proposed amendments to the Action Plan for monitoring implementation of recommendations from the European Commission's Opinion (indicators of cooperation of the Government of Montenegro and NGOs) in January 2011. Based on these initiatives, Union of Municipalities and the Ministry of Interior have prepared models of five municipal regulations to improve the position of NGOs at the local level.

2.1.2 Field of Operation / Activities

The only data indicating the range 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 high proportions.

The majority of CSOs continue to concentrate of service provision in the local 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.

2.1.3 Human Resources and Technical Skills

There are 556 persons employed in nongovernmental organizations in line with Law on Labour according to the survey of ADP ZID in 2010¹³, while 1358 of them worked on the basis of service contracts (short term or occasional employment). That is less than 1 % (0.86%) out of the average total number of employees in Montenegro in 2010 (161.742 MONSTAT).

The small size of an average CSO 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 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.

State support for financing part of the costs for professional development of interns in nongovernmental organizations is on a low level. Out of 493 interns whose training was financed in part by Employment Bureau of Montenegro, only 1.6% of them were trained in non-governmental organizations.

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 organizational 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 the civil society sector is able to develop the country's potential volunteer resources.

Overall, CSOs are deficient in the technical skills necessary for organizational management, as well as the specialist knowledge related to their field of work (such as environment, human rights, economic

¹³ In 2008 there were 630 persons, and 451 person in 2009.

development, etc.). Many organizations are insufficiently literate in electronic technologies, are poorly equipped and have poor access to the Internet. 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 organizations. 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 to different stakeholders a full range of technical trainings and consultancy for organisational development.

CRNVO has provided number of trainings in 2009 and 2010, where more than 50 CSOs members participated in trainings on EU Project management, another 50 on Writing Project proposals, 30 CSOs participated in trainings on Fundraising and Financial Reporting, and around 60 CSO members in Trainings on Citizens participation.

Outside the capital, Podgorica, there are no CSO resource centres proving 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: NGO „Anima“ - Gender Studies –Interdisciplinary Programme on Feminism Theory and Women Human Rights; 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; Youth Initiative for Human Rights (YIHR)– School of Democratic Leadership; 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 past two years, TACSO realized training activities on management of EU project cycle (65 participants), fundraising (47 participants), public advocacy and lobbying (43 participants), organizational management (35 participants), participation in decision making process (22 participants), effective public policy paper writing (34), registration in PADOR (15), human resources management (13 participants), financial management (11 participants). CSOs showed by far the greatest interest in training on management of EU project cycle.

Women NGOs emphasize the importance of integrating gender component in capacity building programmes for CSOs.

2.1.4 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 that capture the public’s imagination, 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 on-going 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.

2.1.5 Analytical Capacities

Only a very small number of CSOs have sufficient human capacities and financial resources to engage in meaningful social or economic analysis that 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, Human Rights Action (HRA), CEDEM, MANS and the Centre for Democratic Transition (CDT).

Institute Alternative, CEDEM and CEED are all recipients of Open Society Institute Think Tank Fund core and institutional support. These organizations specialize in different areas of public policy.

2.1.6 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.

Local associations are joined in national unions, such as the Union of the Blind of Montenegro, the (national) Association of Parents of Disabled Children "*Nasa Inicijativa*", Montenegrin Pensioners' Union, Paraplegics' Association of Montenegro, Scouts Association of Montenegro, etc.

In the period between 2009-2011, new networks and coalitions emerged, such as:

- Coalition for the rights of LGBT
- *Natura 2000* –network of environmental NGOs
- CSO Network for Democracy and Human Rights

There are also non-formal networks and coalitions that 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, while NGOs in Niksic municipality has e-mail list managed by local NGO OZON.

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. An effort was made in previous years by TACSO and CBIB through different forums to strengthen cross border links between CSOs.

Communication and cooperation between NGOs and trade unions is sporadic.

Media provide relevant attention to CSOs. Group of CSOs dealing with the issues of corruption, human rights, rule of law, EU integration, and good governance frequently appear in media. Media are very interested for the watchdog approach. There are partnerships between media and NGOs, such as the joint project of NGO MANS and daily newspapers *Vijesti*, *Dan* and weekly *Monitor*, called "*Pod lupom*" ("Under the magnifying glass"). However, more intense cooperation aiming to shed light on crucial issues in the situation and development of NGO sector are lacking.

2.1.7 Material and Financial Stability and Resilience

Viewed as a whole, 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. It seems that Centre for Democratic Transition – CDT was the most successful organization in this regard, because company Praxis Montenegro that was founded by CDT and its employees managed to get a contract for Agricultural census 2010 worth around 1 million EUR.

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 Games of Chance 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 logical framework 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.

2.1.8 Organizational sustainability

Numerous factors that influence organisational sustainability are already analyzed in previous sections. Overall, sustainability of CSOs in Montenegro is on relatively low level due to lack of organizational capacity (including strategic planning); challenges CSOs face in recruiting and retaining quality human resources; lack of diversified funding sources. Key problems in reaching financial sustainability are: the lack of support by the state, underdeveloped practice of business sector donations, withdrawal of international donors. One of the key challenges for CSOs is to understand that sustainability depends and is more than financial stability. At the policy level CSOs need well-structured institutional framework and encouraging policy process.

Further development of communication and cooperation among CSOs, including building long lasting networks, platforms and federations remain on of the challenges. Introducing Quality Assurance System in CSOs is one of the forthcoming challenges for CSO sustainability.

3. CIVIL SOCIETY MILESTONE ACHIEVEMENTS, IMPACTS AND CHALLENGES

3.1 MILESTONE ACHIEVEMENTS AND IMPACTS GENERATED BY CSOS IN THE COUNTRY

Creating Environment for CSO Development

CSOs have been able to secure improvements in the legal and institutional framework for the establishment, registration and operation of CSOs. Among others, fundamental Law on Non-Governmental Organizations, Strategy and Action Plan for Cooperation between the Government and NGOs, improving regulations governing the funding of NGOs, government decree on cooperation with NGOs and public hearings, etc. In addition, when it comes to trade unions, it should be noted that the Law on Representativeness and the Law on Social Council have been adopted.

Raising Awareness on Different Issues

CSOs have intensively advocated for, raised awareness and influenced decision making process in regard to issues like human rights, gender issues, environment, corruption, rule of law, European integration etc. From a broader point of view, CSOs were the pioneers of the struggle for a sensitive public attitude on these issues, more responsible attitude of politicians, public officials and public administration.

Influencing Policy Processes

CSOs have managed through public advocacy, analysis, research and other activities to place important issues on the agenda of the Government and the Parliament. NGOs themselves have developed significant regulations, and in many processes, strategies and action plans, as well as laws and other legal regulations. They have participated in their development by giving an immeasurable contribution to the transparency of the process of preparation, but contributing to their quality as well.

LGBT Rights

In the last two years, NGOs have been able to place the issues LGBT rights and their discrimination on the public agenda. NGO "LGBT Forum Progress" has been established, which is led by the first person who has publicly declared his homosexuality, which is a historic step in the public struggle for LGBT rights. NGOs of different profiles have expressed their solidarity and adherence to the indivisible concept of universal human rights through membership in the Coalition for LGBT rights, led by the NGO Juventas and numerous joint activities. Media, in cooperation with NGOs, have opened this issue and significantly enhanced their reporting in the sense of being more aware of LGBT rights. Government has been active in finding better solutions and formulating the action plan to combat homophobia, after strong demands from the NGO community.

CSOs as Service Providers

CSOs have in the past provided significant number of services in different areas. It is worth mentioning the area of support and assistance to persons with disabilities, the field of informal education, scholarships for education of RAE population (Roma, Ashkali, Egyptians), legal assistance, information and advisory support. Also, except for citizens and targeted parts of the population in need, certain services provided by the non-governmental organizations have been used by the public institutions and their employees

3.2 CHALLENGES CSOS FACED IN THE PAST – FACTORS THAT HINDERED IMPACT?

Lack of State Support

In spite of the positive trend that was particularly felt in 2011, the fact remains that the development of the CSO has not been met with a strong and undivided support from the state institutions. The causes of such relationship lie in a misunderstanding of the role and importance of CSOs, closed nature of public institutions and the unbinding legal framework for cooperation with the CSO.

Financial Instability

Financial instability of CSOs is reflected in three aspects. First, the negative trend of declining financial support from foreign sources, where the only positive trend is the growing support from the EU. Second, declining and inefficient support for CSO from domestic sources (national and local budgets). Third, an underdeveloped culture of individual philanthropy and social responsibility of enterprises, especially in the part of cooperation among enterprises and CSOs.

Communication and Cooperation among CSOs

In addition to a significant number of project coalitions, thematic networks of permanent and sustainable forms of cooperation, such as federations and platforms, CSOs remain at a level that can and should be significantly improved. This would raise the sector's ability to represent its views in certain areas as well as in relation to the interests of the entire sector, particularly important in the process of European integration and *vis a vis* CSO platforms in the EU.

4 CONCLUSIONS

4.1 SUMMARY OF STRATEGIC ISSUES OF RELEVANCE TO THE PROJECT IN MONTENEGRO

- Montenegro will enter EU accession negotiation process in 2012. The role of CSOs in the negotiation process is of highest importance for the quality of the process and progress of the country in the EU integration. CSOs are facing the challenge of deeper specialization and training in order to participate in subsequent phases of this challenging process.
- Strategy for Cooperation between the Government and NGOs has been implemented to a high extent. Revision of existing or adopting new strategies of Governmental support for the development of CSOs requires strong participation of CSOs themselves.
- Government Council for Cooperation with NGOs, whose half of members come from NGO sector, contributes to the quality of CSO-related legislation and policies and represents an effective mechanism for monitoring of Strategy and Action plan implementation
- Financial sustainability of CSOs, especially when it comes to public sources of funding remains an open question. The survival of mandatory budgetary revenue from games of chance and defining the percentage of the contribution for CSOs from the annual budget are the two issues of strategic importance for the stability of state support to CSOs. Regarding the support of the EU, it is necessary to open a dialogue about the possibilities of redesigning support programs in a manner that would strengthen the partnership of larger and smaller CSOs and open wider opportunities for smaller CSOs to use EU funds.
- 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 sector.
- 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, are a reason for the project to address special attention to the question which organisations should be the 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

4.2.1 Civil Society Environment

- Recently adopted legislative framework, namely the Law on NGOs, is to the highest extent adjusted with international standards and represents a substantial improvement in comparison to previous one in a number of provisions;
- Implementation of institutional mechanisms and adopted legislation aiming at encouraging dialogue between the government and CSOs is limited;
- Extended definition of Public Benefit Areas of CSO Activity have been introduced in the new Law on NGOs;

- Conditions for voluntarism contained in 2010 Law on Volunteer Work are not satisfactory and do not encourage development of volunteerism;
- Tax concessions available to CSOs and incentives for charitable giving to civil society are not satisfactorily used. Civil society development and sustainability could be enhanced through the introduction of a more favourable set of tax measures and better implementation of existing;
- Government's intention to annul the only mandatory budgetary income (lottery income) may seriously affect overall CSO financial sustainability;
- While state funding of CSOs is decreasing, it still represent significant source of CSO funding. However, due to ineffective distribution, results of such funding do not correspond with invested resources;
- Funds available to civil society from all sources at both local and national level are insufficient to sustain the present level of CSO activities;
- 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. Partnerships of smaller and larger NGOs have not been stimulated, nor the institutional and capacity building support foreseen. Funds are allocated without clear application criteria in a non-transparent way, sometimes on an *ad hoc* basis. 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. Recently introduced sub granting scheme for CSO support represent one of the possible ways to extend EU support throughout the CSO sector;
- There is no institutional funding available to CSOs from public sources to assist organisational development and long-term programme planning. New NGO Law allows for such schemes, but it is yet to be seen how this opportunity will be implemented;
- Despite the existence of a basic institutional framework for mediating Government-civil society relations – comprising a Government's 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 provide a suitable policy agenda for strengthening civil society. Government's Council for Cooperation with NGOs represent mechanism for coordinating activities in the action plan and implementation.
- Legal framework defining CSOs' participation in decision-making process at national local level is at the final stage in government procedure. Substantive participation of CSOs in policy dialogue or the legislative process has a positive trend and takes place in the absence of well-defined formal mechanisms and structures. CSOs do not use the available opportunities for participating in the public discussions sufficiently, particularly at local level.
- Civil society enjoys a generally positive public profile, with citizens expressing above regional 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;
- Individual philanthropy and Corporate Social Responsibility are at a low level of development, with a significant space left for improvement of partnerships between CSOs and enterprises;
- Official CSO related statistics are not existing or unreliable (ex. Employment, income, etc).

4.2.2 CSO Organizational Capacities

- The majority of CSOs in Montenegro are small, poorly resourced, more-or-less voluntary organisations that 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. A lot fewer number of 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, as well as specialised know-how in the areas of CSOs work (human rights, gender issues, etc.);
- 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.
- Application form of public funds should adjust to the need of continuous capacity building (technical and specialist) of CSO, through introduction of mandatory amount for the purpose of capacity building in the planned project budget.

4.3 RECOMMENDATIONS FOR COUNTRY-SPECIFIC WORK PLAN

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, as well as revision of these documents.
- Strengthen 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. Reassess its position within the state administration system.
- Support Government Council for Cooperation with NGOs in terms of capacity building, expertise, work of specialised working bodies, strengthening cooperation with other institutions at national level engaged in interaction with CSOs.
- Support implementation of recently adopted Law of Non-governmental organizations
- 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 public (government and local government) sources;
- Capacity building for government liaison officers in the public administration responsible for cooperation with CSOs;

- Work with civil society to pressure for revision of a Law on Voluntarism, defining roles and responsibilities of volunteers and volunteer-involving organisation;
- Support implementation of the recently adopted act on procedures for cooperation between state administration bodies and NGOs, as well as act on public debate in law drafting and decision-making process at national level;
- 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;
- Further promote Corporate Social Responsibility and CSO – Business sector relations;
- Support civil society in its efforts to gain government acceptance of proper, transparent procedures for allocating states funds from public sources at the national and local level. Similarly, assist civil society to negotiate a predetermined minimum yearly contribution to CSOs from national and municipal budgets (e.g. 1%);
- Support initiatives to create schemes both on national and local level to provide co-financing to CSO projects supported by EU. This might be particularly important at the local level when it comes to CBC programmes;
- Improve communication and cooperation between NGOs and Trade unions;
- Improve communication and cooperation between CSOs and media;
- Further strengthen communication and cooperation between CSOs and the Delegation of European Union in Montenegro, in particular through regular topic oriented meetings;
- Create preconditions for enhancement of official CSO statistics.

CSO Organisational Capacities

- Supply capacity building to CSOs, according to individual needs of organizations, 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 areas that require training. 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;
- Support development of methodology for start up trainings and trainings for new members/ staff in CSOs;
- Support exchange of experience/knowledge/information between CSOs which implemented EU funded projects and CSOs which are just starting the implementation of EU funded projects;
- Trainings in specific thematic fields, such as those related to EU accession negotiations (EU Law, EU policies, Human rights, etc.)
- Information on EU policies in relation to specific sectors in which Montenegrin CSOs work should be assessed and made widely available. This should include the further advancement of information databases on the project website.
- Assistance should be provided to CSOs, in cooperation with CBIB, 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.
- Support capable local NGOs to create and provide services-resources for local NGO communities in cooperation with local governments
- Facilitate creation and implementation of donor schemes that engage smaller CSOs to cooperate with professional CSOs as project partners
- Support the change of application form within public funds open calls and adjust the need of continuous capacity building (technical and specialist) of CSO, through introduction of mandatory amount for the purpose of capacity building in the planned project budget (eg 5% of the total budget directed to capacity building of applicant -CSO).

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 the general public perceives civil society.

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. Three consultative meetings were held with representatives from a total of 60 CSOs in Bar, Podgorica and Bijelo Polje - towns from the main geographical areas of the country (south, central region, north). Interviews were held with the Chief of the Government's Office for Cooperation with CSOs, as well as with the OSCE Mission to Montenegro and the Delegation of European Union in Montenegro.

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

Annex 3 List of organisations consulted

Governmental organizations

1. Government office for cooperation with NGOs
2. Ministry of Internal Affairs
3. Ministry of Foreign Relations and European Integrations

International organizations

1. Fund for Active Citizenship - FAKT
2. Foundation Open Society Institute, Regional office Montenegro - FOSI ROM
3. Organization for Security and Cooperation in Europe – OSCE Mission to Montenegro
4. EU Delegation in Montenegro

Civil society organizations

1. NVO Udruzenje za zastitu zivotinja
2. Centar za razvoj nevladinih organizacija –CRNVO
3. Juventas
4. Multimedial
5. Udruzenje mladih sa hendikepom – MHCG
6. NVO Bijelopoljski demokratski centar
7. Nasa inicijativa
8. NVO Ekobjelasica
9. Svetionik
10. Putokaz
11. Adria
12. NVO Drustvo Maslinara
13. Eco delfin
14. Centar za monitoring CEMI
15. Centar za gradansko obrazovanje CGO
16. Udruzenje paraplegicara Crne Gore
17. Savez slijepih
18. NVO Roda
19. Crnogorski zenski lobi
20. Centar za prava djeteta
21. NVO Nada
22. Evropski pokret u Crnoj Gori
23. NVO Enfants
24. NVO Bonton
25. NVO Ekopokret Bijelo Polje
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27. Udruzenje za restituciju

28. Euromost
29. Udruženje paraplegicara Bijelo Polje i Mojkovac
30. NVO Dječji savez Bijelo Polje
31. Zene za bolje sutra
32. Razvojni klub
33. NVO Svijetlost duše
34. Mreža 9
35. NVO Savez slijepih i slabovidih Bijelo Polje i Mojkovac
36. NVO Udruženje raseljenih Roma i Egipćana
37. NVO Evropski omladinski centar Crne Gore
38. NVO Radnik
39. NVO Limska Adria
40. Union of Municipalities
41. Union of employers

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