

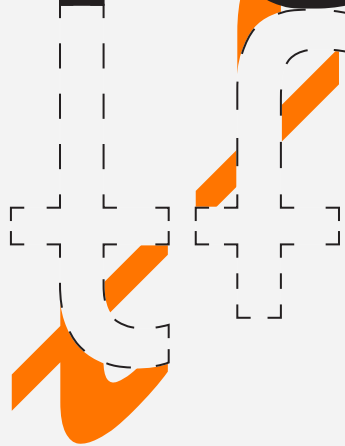
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Mapping of the Donors
Active in the
Western Balkans



DONOR STRATEGIES IN A TIME of PARADIGM SHIFT

Mapping of The Donors Active in The Western Balkans

December 2023

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Executive summary

This third edition of Mapping of Donors Active in the Western Balkans unlocks a wealth of information for all domestic and foreign stakeholders involved in funding civil society in six Western Balkans countries. The main research objective was to map and analyze the current donor landscape to civil society in the Western Balkans, focusing on the work of bilateral, multi-lateral, private foundation, and corporate donors. This research examines both the regionalization of donor support by some donors and the trend towards greater use of regranting through domestic grantmaking organizations. Some of the key questions answered by this research include:

- Which donors are active in the region?
- What is the level of their support?
- Which topics and beneficiary groups are focused on?
- What level of support can be expected in the coming three years, considering the potentially tectonic global geopolitical changes?
- How do donors interact with the civil society organizations they fund?
- What is the perception of donors about the current state of civil society in the Western Balkans region?

The data collection process primarily relied on three different methods: desktop research, online survey, and telephone interviews, each used to further refine a collective understanding of the answers to the key questions. Since this is the third edition of similar research, with the previous two conducted in 2016 and 2019, the survey tool used was adapted from previous ones but with several changes due to the new context and anticipated shifts in donor approaches. In addition, unlike previous reports, this edition also brings a summary of discussions and debates on the most important issues discussed at Balkans Donor Forum III held on 6 and 7 November 2023.

The timing of this research bears additional relevance considering the general continued phenomenon of shrinking space for civil society. Almost all elements of civic space, defined as ‘the set of legal, policy, institutional, and practical conditions necessary for non-governmental actors to access information, express themselves, associate, organize, and participate in public life’, are currently experiencing some form of pressure. Some Western Balkans governments are attempting to enact legislation that imposes stricter regulations on civil society organizations (CSOs), complicating the already tight financing structure. In highly polarized societies, advocating for more civic freedom, access to information of public interest, or investigation into corruption results in the CSOs doing the advocacy having their access to funding from national and local public sources restricted. Yet excessive dependence on foreign donor sources makes the strategic development of organizational capacities difficult, often a main cause of CSOs’ inability to participate fully in public calls. With corporate giving on a current downward trend and the recent or ongoing restructuring of some key international private foundations (resulting in some cases in their withdrawal from the WB), new funding mechanisms for CSOs are badly needed. When asked for a cause of the deterioration of the civic space environment, most CSOs view the lack of a real EU perspective in the immediate term as one of the key reasons.

What Are the Key Messages from the Research?

First, as per the survey findings, the Covid 19 pandemic and the Russia-Ukraine war had a subtle impact on donor activities and funding levels. However, we do see: (1) shifts in whom bilateral and multilateral donors support, (2) what causes foreign private foundations prioritize, and (3) negative trends in corporate philanthropy. Secondly, most donor respondents plan to continue their activities in the region beyond 2023 either at the same or at an increased level of funding. Thirdly, the use of a regional approach as an instrument to achieve greater synergy and cooperation is getting more traction among donors. Fourthly, with respect to Sustainable Development Goals (SDGs) that most donors will be directing their funding to in the coming three years include SDG 5 – Gender Equality (67%), SDG 8 – Decent Work and Economic Growth (62%), and SDG 17 – Partnership for the Goals (62%).

The majority (64%) of survey respondents believed that donor coordination could be improved. There is an untapped potential in digital transformation, with only a few donors responding that support to digital transformation is explicitly present in their strategies for cooperation with host countries. While there is an interest among the donor community to support Western Balkans governments in digitalization, there is a lack of support and leadership for the digital transformation of civil society and within the donor community itself. Based on auxiliary desktop research, digitalization could also be seen as an instrument for increasing donor coordination and process transparency. Vast amounts of data on donor support are provided online through several frameworks, but due to its dispersion, its potential is underutilized.

Finally, in looking at the perception of CSOs, 97% of donors surveyed are of the view that CSOs lack stable and predictable financing, 87% believe that the role of CSOs is underestimated by governments, and only 43% of respondents think that legal framework for CSOs is adequate. Concisely, there is ample space for improving the environment for CSO operations and an equal window of opportunity for this as yet unmeasured sector of the region's economies to contribute even more to development goals and societal transformation. All findings taken together suggest that strengthening the absorption capacity, including through increasing the digital competencies of CSOs, could even expand the overall budget envelope. This is a sentiment that was indicated by several key donors.

This research does have several limitations, primarily stemming from not having received a response from several of the region's largest donors as well as the lack of precise answers by some donor respondents to several important questions including those related to the financial aspects of donor program activities. For example, while the vast majority (84%) of donor respondents in the region indicated their plans to continue operations in the coming three years at either the same or increased level of financing, the absence of a response by some major donors to the percentage of future funds planned for allocation to CSOs makes it difficult to extrapolate the exact potential impact on CSOs. Even when the indicative future budgets of the largest donors are known, the exact share that will be allocated to CSOs in a given country cannot be known in advance simply through the available desk research sources. Our approach in these situations was to discern the overall size of official development assistance, along with the share that would be allocated to civil society, but success was limited. We have carefully reviewed existing donor coordination procedures and concluded that improved mechanisms could facilitate saving some resources committed for CSOs in the region and ensure they get to sub-sectors where they are needed most.

All things taken together, the only possible honest conclusion from all sources used in this research can be summarized in the term “increased uncertainty”. The relevant question is therefore, what can be done to reduce this uncertainty.

An in-depth review of donor websites reveals a pro-active attitude towards project-level transparency, but with less transparency or availability of information on either the impact of past grantmaking or exact plans for the immediate future. Increased uncertainty could also be characterized by potentially pernicious outcomes, namely that those foreign government or government-affiliated donors that increase the overall size of their Official Development Assistance (ODA) commitment allocated to direct host government support (or via the host government) may actually be inadvertently helping those governments that are deliberately reducing civic space.

A way to remedy the paucity of resources that are directed to domestic civil society would be for donors to increase the level of grantmaking directly to domestic CSOs while decreasing funding for governments where space for civil society is being deliberately reduced by the policies of those government. In any case, general statements by donors about the key importance of domestic CSOs for the promotion of liberal democracy and its values are not substantiated when looking at the share allocated to domestic CSOs in overall ODA funding. With corporate giving on a recent downward trend since COVID-19, and the restructuring of several of the key international private foundations resulting in their withdrawal from the WB region, new mechanisms of funding for CSOs are badly needed.

Introduction and Methodology

The attempts to map donors active in the Western Balkans (WB) are as old as donors' assistance itself. This study should be seen as a continuation of the previous efforts in donor mapping, concretely of the studies "Donors' Strategies and Practices in Civil Society Development in the Balkans. Civil Society Lost in Translation."(2011), "Donor Strategies and Practices for Supporting Civil Society in the Western Balkans"(2014), "Speaking to the Future: A Mapping of Donor Investments in the Western Balkans" (2016), and most directly with, "People on the Move, Lives on Hold: A Mapping of Donors Active in the Western Balkans" (2019). It is to the Western Balkans civil society's advantage that a stock-taking exercise has been performed on a regular basis to review donor practices, inform donor decisions, reveal financing mechanisms, and avoid overlapping of resources. In the meantime, the outbreak of the COVID-19 pandemic in 2020 and the Russian-Ukraine war in 2022 has potentially introduced new constraints to donors and additional uncertainties for civil society organizations in the WB.

The research objective is directly related to discovering the trends and behavior of donors with respect to supporting civil society organizations in the WB in the above context. Some of the research questions include: What topics attract donors' attention? Which financing modalities are used? What is the average level of financial support? An effort has been made by this research to separately analyze several different donor types: public, both bilateral and multilateral, and private, both domestic and international, either by foundations or corporations. The survey tool, building off of the tool used in previous research, was designed to create the basis for informed analyses.

Although the absolute number of respondents substantially increased compared to 2019 edition (to 56 from 38), the collected responses did not provide clear answers to all of the research questions. Most substantially, the questions related to grantmaking to CSOs were answered by a very limited number of respondents, making an accurate extrapolation very difficult. Importantly, several of the largest donors to the Western Balkans did not respond to the survey.

In light of these limitations, the research team reviewed in depth the publicly available data and donor strategies in a quest to discern as precisely as possible an overall budget envelope for civil society in the Western Balkans in the forthcoming period. We also attempted with some measure of success to reach the largest donors through the post survey interviews that were conducted.

Through this process, we have also analyzed the donor mapping architecture, in essence. conducting an assessment of institutional arrangements, donor coordination processes, and overall availability of information. Since donors' strategic documents contain information on overall programs, we were able to map with more precision the total overall indicative budgets but lacked the ability to obtain concrete and specific answers regarding the size and type of available financing instruments directed to or through domestic civil society organizations.

Although the largest donors provide very detailed information on the projects implemented in the countries in which they operate, it is not as easy to find information on the type and availability of grants planned to be

given to civil society in the coming period. Indeed, having access to this key data would be crucial for any type of systematic planning by a CSO who seeks to have resilient business development processes. An effort was made to use interviews as an additional tool to discover the overall budget framework, but in the best case we were left with general statements of the type that the overall indicative budget will be sufficient, that programming of activities is underway, or that the binding constraint is on the side of inadequate absorption capacity.

Desktop research focused on the biggest and most important donors, as their activities determine the overall development aid budget envelope for WB countries. However, from the CSO perspective, even increasing donor commitment or indicative budget to WB as a region or individual countries do not necessarily result in more resources available to civil society: type of support and content of intervention is of critical importance. Departure or reduction of activities of a 'small donor' but which operates through operational, institutional or core grants may be of much more importance for CSO survival than overall increase of donor activities which finance technical assistance to support CS enabling environment.

Therefore, numbers and financial info, as we will see, are not only notoriously difficult to obtain, but the conclusion and implications should not be taken for granted and especially not extrapolated. Where the reader expected cross-tabulations and a more nuanced analysis, the reason for its absence usually means a lower response rate on that question (see in Annex - Survey Completion Rate by Question). For example, the research team worked hard on generating responses from private foundations outside of the WB, since it is very relevant to know how they will be continuing in the coming three years, at what financial levels, and which type of funding. However, we received responses from only five organizations of such a type and only three projected they will remain operationally present in the next period with the same level of activities. And yet, we are conscious of how misleading it would be to report that 60% of private donor organizations will remain present in the same capacity. We resisted the temptation to torture the data and claim what can't be statistically proven and tested.

Due to the limited sample through the above-mentioned data sources, the research team believes the findings should be presented and taken with great caution. However, three less than perfect sources have provided sufficient information to serve as the basis for discussion on tendencies, and even more importantly, on potential measures to improve donor efficiency, and raise questions meant to spur joint action to prevent the deterioration of the enabling environment for CSOs in the WB.

Landscape

State of Play

There are several metrics for evaluation of CSO sustainability and enabling environment, which allow comparison between WB countries. Different indexes produce similar results.

As per CIVICUS Monitor¹, all WB countries are ranked as having its civic space Narrowed, except Serbia where civic space is considered Obstructed, while recent developments in BiH have put the country on the CIVICUS Monitor Watchlist.

The USAID CSO Sustainability Index² measures seven dimensions (Advocacy, Financial Viability, Legal Environment, Organizational Capacity, Public Image, Sectoral Infrastructure and Service Provision) in each country on a scale of 1 (enhanced) to 7 (impeded) and is assessed annually.

Examination of the trend over a longer period (2005-2021) in the dimensions of Organizational Capacity or Financial Viability reveals no major or substantial shift. While some deterioration in ranking can be expected in Bosnia and Herzegovina due to recent attempts in the Republic of Srpska to tighten control over CSOs, these fairly stable indexes over the 16 years in these two dimensions signal persistence of the obstacles or deep-rooted causes of the state of environment for CSO operations. While the results to some extent depend on social and political factors outside the control of donors, the question arises if something could have been done differently, especially with respect to strengthening CSOs organizational capacity in the past. This question is even more important in the present and future times, as inability to improve organizational capacity could result in further shrinking of the CSO activities. In such a context, an examination of the type of donors and their plans deserves special attention.

A recent comprehensive report on state of the enabling environment for civil society in the WB “paints a picture of a challenging environment for civil society operations in the region. Only in Kosovo, during 2022, civil society has been operating in a stable, enabling environment, with no major disruptions and a few improvements. Some of the challenges include violations to the fundamental civic freedoms – restrictions on freedom of expression are noted in almost all of the countries, while violations of freedom of assembly have been reported mostly in Serbia. Interference by the state in the internal work of CSOs is another issue, particularly in BiH, and Serbia.”³

The political environment in the Western Balkans seriously impacts CSOs operating in these countries and limits their impact on social transformation. There is a wide sense of a shrinking civic space, with violations of fundamental freedoms, increased smear campaigns, and attacks on CSOs and independent media. Even though the three fundamental freedoms of association, assembly, and expression are legally guaranteed in

¹ <https://monitor.civicus.org/>

² <https://csosi.org/>

³ <https://www.balkanccd.net/monitoring-matrix-on-enabling-environment-for-civil-society-development-regional-report-western-balkans-and-turkey-2022/>

all the countries of the Western Balkans, mostly in line with international standards, in practice there are still many problems stemming from regulatory inconsistencies or biased application, due to political influence over the civil service and/or the judiciary. There is a rise in informal civic movements, most often gathering around local environmental and urban issues, but these lack wider support and organizational structure so their influence is often limited. In practice, representatives of civil society are still not protected from various attacks and pressures from government representatives and other interest groups. There often lacks the appropriate judicial follow-up to these attacks and this situation is gradually growing more worrisome in Serbia and Bosnia and Herzegovina. Watchdog organizations and CSOs dealing with democracy and human rights are often under attack.

The increasing influence of religious communities, especially in the context of its impact on women's movements, was also noted. There is fear that the prospects for developing stable, tolerant societies are under threat due to the influence of fake news and different narratives of the recent history in the region, with the younger generations being perceived as the most prone to this influence.

CSOs financial viability and sustainability remain weak. The culture of giving is being developed in a number of ways and the fiscal treatment of CSOs and/or the giving to CSOs by private individuals and companies have been identified as areas where legal and regulatory changes are most needed. But the most problematic issue in this area is public funding by either national or local government. Public funds allocated to CSOs are low, and often not provided in a transparent manner resulting in a common scenario where GONGOs (Government-Organized NGOs) receive a significant portion of these funds and in return provide the government with the aura of CSO support. Organizations dealing with highly political issues such as democracy, human rights and government monitoring seldom are recipients of these funds.

There is a downward trend in effective and genuine consultations with civil society by state authorities and less consideration of their input in the policy process. Public consultation processes are mostly limited in scope, without proper opportunity for wide engagement of interested stakeholders, while at the same time allowing for the increase in GONGO activities and influence.

According to the OECD, just 14.3% of the total global ODA funding is related to CSO support, specifically, 12.3% through the CSOs, meaning that CSOs implement projects decided by donors, and only 2% of total ODA to the CSOs, when the core contributions and pooled programs and funds are programmed by the CSOs and include contributions to finance the CSOs projects. Furthermore, the vast majority of this spending is done either by international CSOs or donor country CSOs, and only a tiny share by host country CSOs. In other words, even if there is enough money through official channels, only a very small share goes to local CSOs.⁴

⁴ <https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/Aid-for-CSOs-2023.pdf>

Total Bilateral Aid to All Sectors, Current Prices (USD, millions)⁵

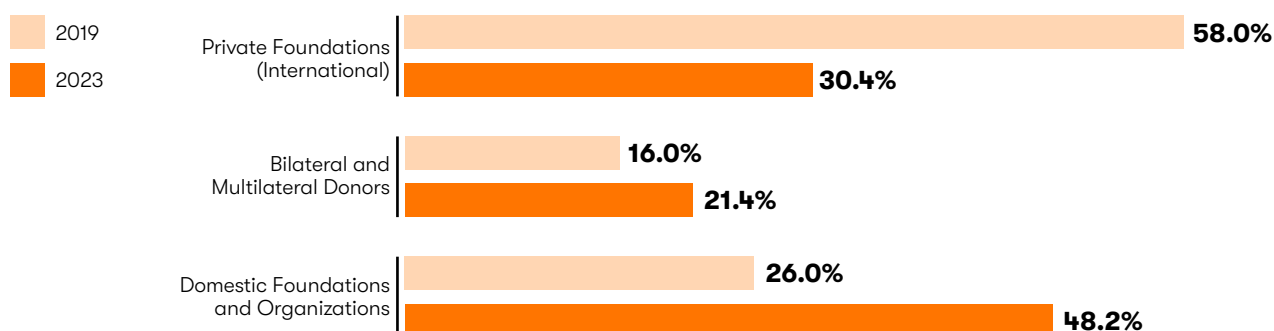
Recipient country	2017	2018	2019	2020	2021
Albania	168.4	344.5	27.1	309.6	633.4
Bosnia and Herzegovina	440.5	356.1	460.5	438.7	564.4
Kosovo	392.4	345.1	344.8	544.1	453.5
Montenegro	118.0	156.2	95.9	205.1	133.2
North Macedonia	150.0	170.3	139.8	282.7	338.2
Serbia	1688.4	1070.1	564.6	488.4	533.3
Grand Total	2957.6	2442.4	1632.6	2268.5	2656.0

Since Serbia drives the results, trends are better discernible, net of Serbia:

Recipient country	2017	2018	2019	2020	2021
Albania	168.4	344.5	27.1	309.6	633.4
Bosnia and Herzegovina	440.5	356.1	460.5	438.7	564.4
Kosovo	392.4	345.1	344.8	544.1	453.5
Montenegro	118.0	156.2	95.9	205.1	133.2
North Macedonia	150.0	170.3	139.8	282.7	338.2
Grand Total	1269.2	1372.2	1068.0	1780.1	2122.7

Trends in Donor Structure

Domestic Foundations and Organizations comprised the largest share of the respondents (48.2%). This demonstrates a shift in the sample from the 2019 research when the largest share of respondents (58.0%) was Private Foundations (International).



Graph 1: Donor Types (2019 vs. 2023)

As mentioned previously, the two largest donors, the United States Agency for International Development (US-AID) and the European Union (EU) did not respond in the 2023 survey. The EU, the biggest multilateral donor, has an operational strategy for cooperation with WB countries until 2027. According to IPA III, the total amount of funding available for WB countries plus Turkey in period 2021-2027 is 14.162 billion Euro or 13.804 net of

⁵ <https://www.oecd.org/dac/financing-sustainable-development/development-finance-topics/Aid-for-CSOs-2023.pdf>

administrative appropriations.⁶ Civil society is one of the 7 thematic topics supported under Window 1/Rule of Law, Fundamental Rights and Democracy, for which 2.089 billion Euros are planned. Additionally, the EU has allocated €1.5 billion for the Global Europe Civil Society Organization Programme for CSOs in countries outside the EU, so presumably only a small portion of that would be granted CSOs in the WB.

USAID, the biggest bilateral donor, has country cooperation strategies in place until 2025. Sweden has strategies until 2027, and Switzerland and the majority of WB countries either until 2024 or 2025. It is those big donors that will determine the overall size of available resources. The challenging question is how to make sure that donors are effectively coordinated in such a manner that CSOs receive sufficient support.

Foreign Private Foundations

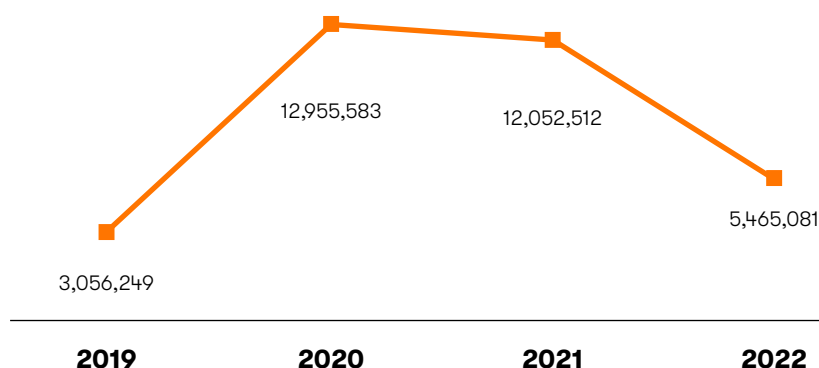
In a time of polycrises, several global private foundations are undergoing significant transformation, with their funding programming reflecting the profound impacts of global upheavals. According to desk research and received feedback, several foreign private foundations are withdrawing from the WB region due to a refocus on Ukraine, while others are adjusting their programmatic priorities and budgets.

Transformation and strategic planning processes often result in “pausing” or a temporary reduction in support. However, we believe that the landscape will become clearer next year regarding foreign private foundations, as many are now embarking on new strategic and programmatic plans tailored to the evolving global context.

Corporate Giving in the Western Balkans

In order to present as complete a picture of donor space as possible, the research team incorporated the Giving Balkans⁷ dataset into its desk research. This provided the research team with evidence of past corporate donations to CSOs through the recording of corporate donations based on data being gathered through press clipping and donor or recipient reporting.

While climbing to nearly €13 million in 2020, it has declined back down to just above pre-COVID levels to almost €5.5 million annually.



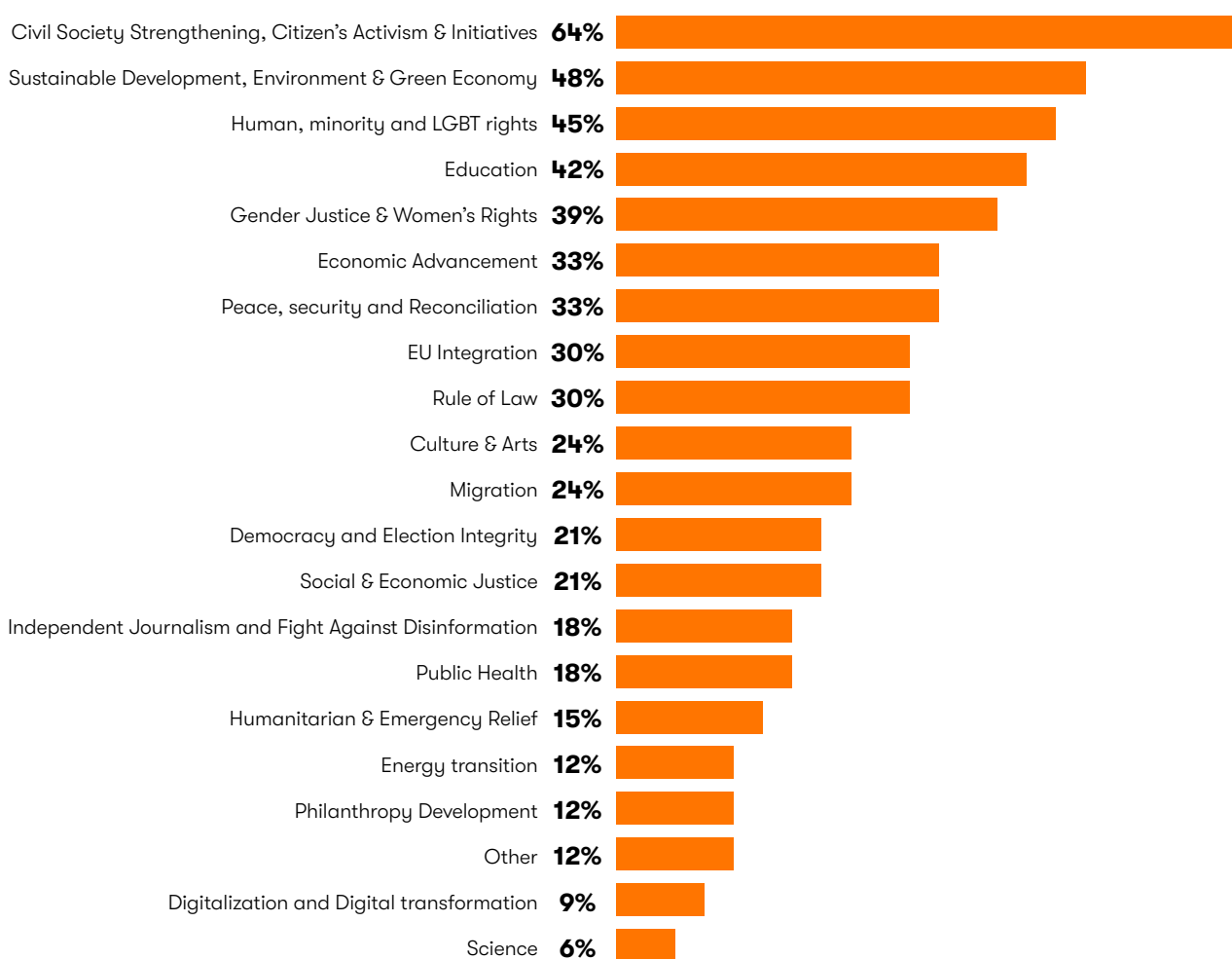
Graph 2: Trend in Corporate Giving

⁶ See the Instrument for Pre-Accession Assistance (IPA III) Programming Framework for the period 2021-2027, https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-01/C_2021_8914_COMMISSION_IMPLEMENTING_DECISION_EN.pdf

⁷ <https://www.givingbalkans.org>

Themes of Support

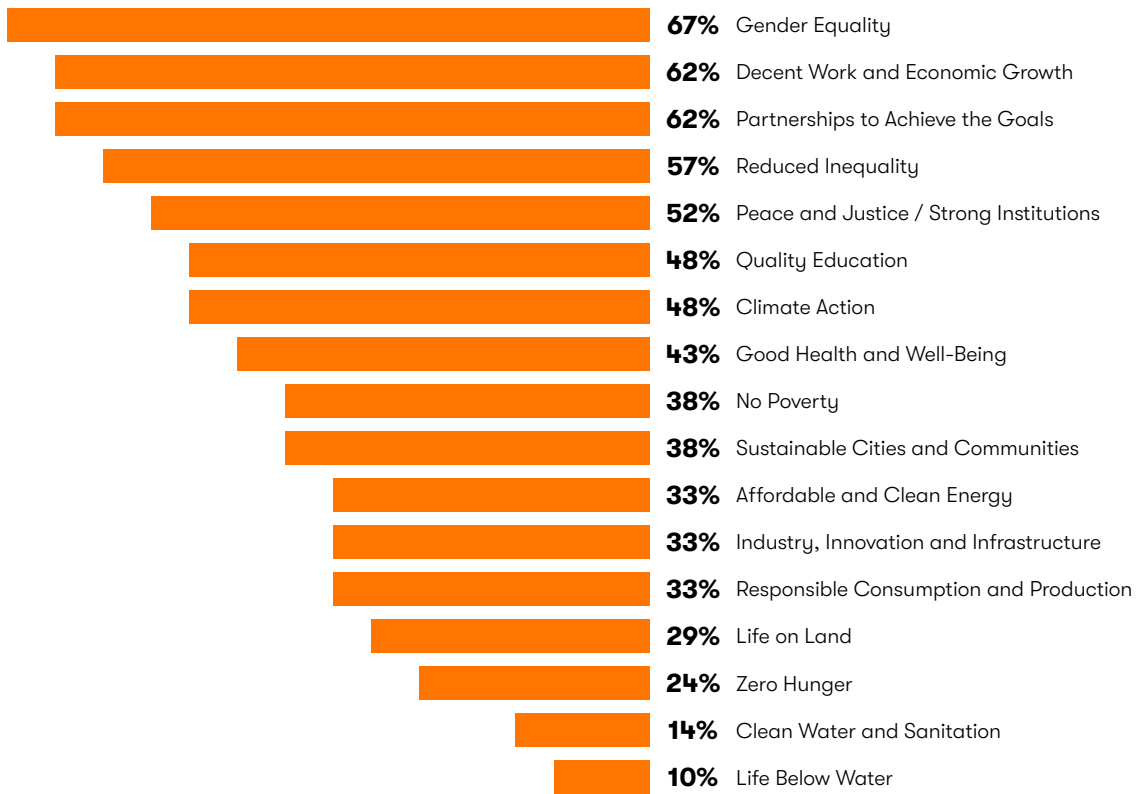
With regard to the themes most commonly funded, CSO Strengthening is funded in one or another by 64% of the survey respondents. In light of the previously mentioned low progress in increasing CSO sustainability over the last 15 years, it is interesting to contrast the most frequent themes of support, CSO Strengthening with two of the least common themes of support, Philanthropy Development and Digitalization and Digital Transformation, which one could argue are both crucially necessary to creating systemic change for developing CSOs into resilient, self-supporting agents of change in their civil societies.



Graph 3: Top Themes

Similarly, regression in the previously achieved progress regarding the support to marginalized groups reflects overall gloomy prospects. Shifts in funding priorities towards peace and resilience, rather than democracy promotion, were also seen as especially concerning. Status quo, or defending achieved results, appears to be a more realistic scenario than setting and achieving new goals, including equality and social justice.

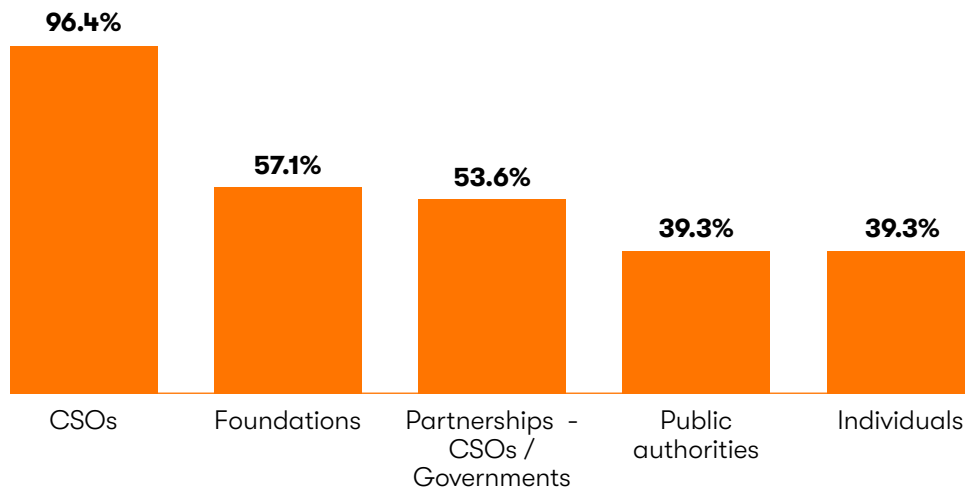
When seen from the SDG perspective, Gender Equality is the most common SDG supported by donors surveyed with 67% funding civil society through this stream.



Graph 4: Targeted SDG Goals

Trends in Recipient Types

Most donors reported funding to several types of recipients, including CSOs (associations) (96.4%), foundations (57.1%), CSO-government (53.6%), public authorities (39.3%), and individuals (39.3%). However, it is important to note that no financial data was accompanied in the majority of responses and therefore the interpretation of the finding is limited.



Graph 5: Recipient Types

Trends in Funding Mechanisms

Donors were asked what funding mechanisms they used when providing support to CSOs. While 100% reported having project grants, 85% reported offering institutional or core grants. 73% of donors also reported providing funds for re-granting by the recipient. While it is great to see the significant number of donors reporting a broader set of grant mechanism, it is important to stress that the actual use of these mechanism is just as important. Within that view, project funding is given 73% of the time and institutional grants in 13% of grants.



Graph 6: Trends in Funding Mechanisms

Bilateral and multilateral funding is often bound by specific legislation, such as requiring invoices for project expenses. This may limit flexibility, as donors impose rules that must be adhered to. Private donors, on the other hand, tend to be more flexible in their financial requirements and reporting. In some cases, combining core and flexible funding may be beneficial, especially when striving to achieve specific goals.

Core funding allows organizations to build trust and rely on long-term support. It requires a significant upfront effort, including capacity building and due diligence, and may not yield immediate results. However, it is an essential resource for organizations looking to operate independently and strategically. When seeking core funding, it is crucial to work on capacity building and tailor-made approaches; this may be time-consuming, but it builds trust with donors and ensures that the funds are well-utilized. Internal regulations and an organization's reputation play a crucial role in securing core funding.

Regarding pooled funding and its relatively little use in the region, some stakeholders argue that donors must understand that alignment makes interventions more effective. Public and private funding could work together so that private funding flexibility compensates for the rigidity of public funding. Building a common understanding among donors is critical for flexibility and simpler procedures. At the same time, some participants think that coordination does not always ensure results while collaboration between private and public donors is not happening at all. A concern was raised that several donors are working with the same grantees on the same topic, and this creates confusion on the grantees' side as, in many cases, the funds are similar, but there is no coordination among donors. Some participants argued that project-based funding made CSOs lose touch with their constituencies as they had to change focus according to the directions stipulated by the donors.

Comparison With the Previous Reports

It is useful to compare similar data between report cycles. We have selected five dimensions of donor assistance to compare between the 2019 and 2023 surveys, namely: Top Themes Funded, Types of Funding Mechanisms, Type of Recipients, Identified Funding Gaps, and Key Opportunities and Challenges. Due to the limited number of responses both in the current as well as in the previous report, the following comparison should be considered and interpreted carefully.

Top Issues: Changing Priorities

2019 Survey Data		2023 Survey Data	
1.	Rule of Law	Strengthening Civil Society and Activism	
2.	Economic Advancement	Sustainable Development	
3.	Education	Human, Minority and LGBTQ Rights	
4.	Sustainable Development	Education	
5.	Social and Economic Justice	Gender Justice and Women's Rights	

The most notable difference between the two rounds of research was that although Rule of Law was a top funding priority in 2019, it has dropped out of the top five in 2023. The likelihood that things have improved in the Rule of Law area is not supported with evidence found in international benchmarks (for example, World Governance Indicators by the World Bank or the Rule of Law Index by the World Justice Project). A different composition of the donors' sample in two research editions could be partly responsible for the change, but some of this difference could be attributed to the changing interests of the donor community.

Types of Funding: No Major Change

2019 Survey Data		2023 Survey Data	
92% Project funding		100% Project funding	
68% Core Grants		85% Core Grants	
68% Regranting		73% Regranting	

Donors typically use different mechanisms for funding. Whereas all donors that responded to the question related to the type of funding do provide project funding, other types of funding are also well represented. Further clarification comes from accompanying the type of funding with the frequency when each type of funding is used as a first option, or a ranking of the different types of funding. According to the 2023 survey results, Core granting has been labeled only in 3 donors as their first or priority type of funding provided. In other words, core grants are used, but the donors who use this funding mechanism as their first choice are rare. In addition, since no data on size of funding is available, the conclusions remain only indicative.

Recipients of Donor Support

This issue attracts a lot of attention since the ODA statistics as a single category has both Government and Civil Society. Both donors and civil society activists operating in WB are fully aware of the huge discrepancies of opinion between these two sectors on certain topics, either de jure or de facto. Several important topics such as gender equality, LGBTQ rights or climate change may be approached from opposing perspectives, by government and civil society. That said, CSOs keep the stable position as receiving the support by the highest percentage of donors. The important questions are, however, whether this is support through CSOs or to CSOs, what is the size or share of support allocated to different types of recipient, and finally what is type of recipient that donors most frequently support. A lack of data prevented weighting the response with financial information and answering the question what the share in total support by each type of recipient is.

Type of Recipient	2019 Survey Data	2023 Survey Data
CSOs	89.5%	96.4%
Foundations	50.0%	57.1%
Partnerships between CSO and general government units	47.4%	53.6%
Individuals	47.4%	39.3%
State/general government (Local, National Agencies)	28.9%	39.3%

Identified Gaps: Something Old, Something New

Identifying gaps in issues and recipients might help the donor community to improve their work by addressing these existing weak spots, and thus increase their impact. The gaps in issues mentioned in 2023 differ significantly from those from the 2019 research. It is fascinating to note that a key gap mentioned in 2019 was Civil Society Strengthening which in 2023 is the most commonly supported theme by donors.

2019 Survey Data	2023 Survey Data
Civil society strengthening	Poverty
Education	Climate change
Corruption	Green transition
Delivery of social services	Sexualized violence

In the area of gaps concerning types of recipients, respondents stated that youth and grassroots CSOs are often overlooked, and that more new groups should be included, especially those from marginalized or minority communities. In the previous research cycle, non-formal groups, grassroots, and political movements were those where gaps were considered to exist.

During interviews, weak specialization among CSOs in certain topics was identified as an issue: “there is little room for CSOs of general interest, only those who found their niche, that are specialized, should not be afraid for their future”. One of the reasons behind the recipient gap concerning grassroots movements might be found in the fact that “certain foreign foundations and institutions are not keen on financing organizations

that seem too political to them”. But a more important comment was concerning donor financing strategy, since many of them “support small nonprofessional organizations through a small granting scheme, as well as already established ones with a development strategy through institutional support; however there is no link between these two, in practice not enabling small organizations to grow and ending up in financing limbo” – which is one of the problems identified in the 2019 research as well.

Core grants and institutional support were identified both in 2023 and 2019 as financing mechanisms where gaps are present, pointing out the fact that this financing mechanism is underutilized.

Key Opportunities and Challenges – EU Integration and the National Political Context

Opportunities for social transformation can help donor activities, by fostering reform and positive change. Completely opposite of that, challenges can hamper or even negate donor activities. Most of these challenges are outside of the scope of donor influence, meaning that it is either very hard or completely impossible to manage risks stemming from them, but should be taken into account in order to improve donor actions and programs. EU integration and regional cooperation remain important opportunities, but the list is shorter compared to the previous research.

2019 Survey Data	2023 Survey Data
EU integration	EU integration
Regional cooperation	Regional collaboration
Political awareness	Multisector collaboration
Potential of young people	/
Digital tools	/

The list of challenges, on the other hand, is significantly longer. Most of the challenges stem from the existing political context on the national, regional and the European level, such as stalling reforms, corruption, lack of understanding of political processes and political and social conflicts etc. But economic issues are now mentioned for the first time: economic crises, including high inflation, can limit donors’ resources and their ability to take action.

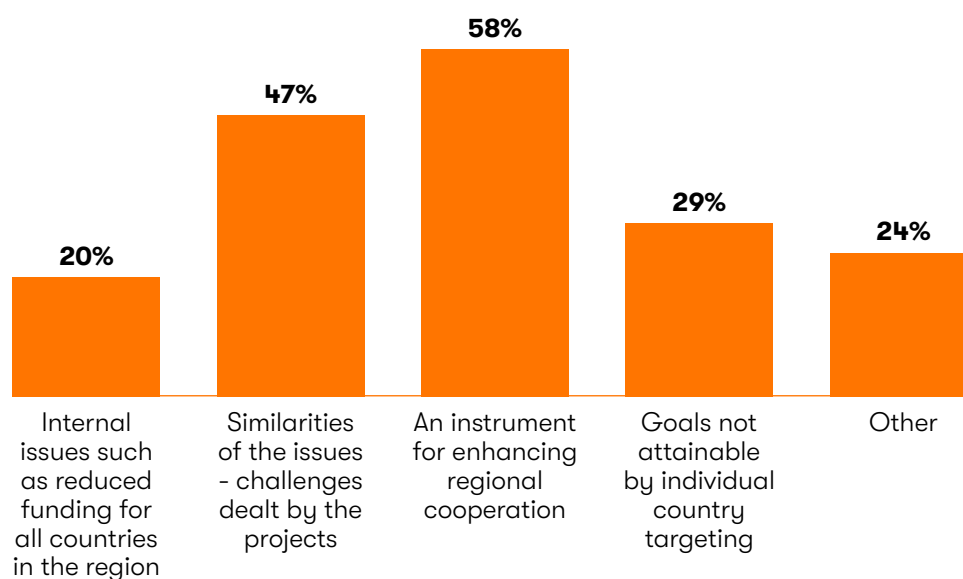
Insufficient funds by donors and international stakeholders are a very prominent challenge (being mentioned on several occasions), which might be connected to the new donor strategies and more attention being given to the situation in Ukraine, even though these topics were also present in the 2019 research. But we now also witness challenges stemming solely from the donor community itself being mentioned: unpredictability of donor policies, shifts in donor priorities, changing funding allocations, and the quality of donor coordination are all mentioned as challenges.

Regionalization

Bearing in mind the similar political, economic and social landscape in the entire Western Balkan region, leading to the existence of similar societal challenges, we wanted to find out whether the regionalization of donor assistance was a topic of interest among our respondents.

Exactly 50% of respondents stated that their strategic documents acknowledged regionalization or a regional approach for the forthcoming 2024-2027 period. Looking at responses by the type of donor, corporate donors are those that do not have a regional approach in their documents, while other types of donors are split between these two solutions. As expected, donors that are active only in one country and not across the entire region also do not have a regional approach in their strategic documents.

We wanted to investigate the reasons behind the push for regionalization or lack of it. The most frequently mentioned answers are that regionalization is an instrument for enhancing regional cooperation and there are similarities of the challenges, followed by the fact that goals are not attainable by a single country and internal issues, such as reduced funding (multiple answers were possible).



Graph 7: Reasons for Regionalization

Finally, regional cross-border activities and the same program / grants were present in a substantial number of interventions, but approximately one out of every three respondents indicated not providing funding for regional activities involving the 6 WB countries. Regional activities were supported by cross border work (40%) and through the same program in different countries (50%). We could not identify any specific themes or topics that were funded by organizations that have regional funding schemes, because of the very different focus among respondents and also because of the high number of top themes / issues of interest that would often overlap.

In interviews, our respondents pointed to a similar background among countries in the region (which leads to more efficient results in terms of necessary reforms that should be undertaken), and cost efficiency in implementing regional activities, as the main reasons for their regional approach. One respondent also pointed to possible cross-pollination of good practices between countries as an opportunity of the regional approach.

To conclude, even though a regional approach is present among the donors active in the WB, it seems that its importance could be better supported, bearing in mind the relatively low number of regional initiatives. Some respondents are currently revising or producing their strategic documents, which would be a good opportunity to give more attention to the regional approach in dealing with social issues in the WB, where needed. It should be stressed that a regional approach ought to be considered as an instrument for achieving better results of donor activities, and not as an end in itself.

The case of Norway, a bilateral donor with 15 ongoing regional projects, including a project of support to CSO implemented by local WB organizations could be examined further as a potential model, especially for stimulating further cooperation between WB CSOs.

Digitalization

Digitalization has transformed the way civil society organizations operate, enabling them to be more effective in advocacy, communication, fundraising, and collaboration. It has also increased transparency and accountability in their activities. However, it is essential for CSOs to address the challenges associated with digitalization to ensure equitable access and data security while harnessing the full potential of digital tools. CSOs can play a crucial role in shaping the direction and impact of digitalization. They act as advocates, educators, watchdogs, and catalysts for responsible, equitable, and inclusive digital transformation, with a focus on promoting the well-being and rights of individuals and communities in the digital age. Digitalization is important both in terms of the content of development programs- especially those strengthening capacity of CSOs and governments, but also as a mechanism for donor coordination. The sooner the programs reflect this obvious fact, the better the environment for development assistance will be. The USAID 2021 CSO Sustainability Index⁸ recognizes the key role that the adoption of digital tools by CSOs has in strengthening their ability to respond to urgent needs in their societies. It elaborates that as pandemic-related restrictions hindered CSOs' ability to engage with their constituents in person, CSOs increasingly used digital tools, including social media platforms, to maintain and build relationships with their stakeholders. The report highlights also that the increased use of digital tools also advanced the use of crowdfunding in the region.

To understand the availability of support for digitalization initiatives and projects, respondents were asked to indicate whether their programs explicitly target digital transformation: out of 25 respondents to this question, only three responded that their programs explicitly target digital transformation. The lack of focus on digitalization was also observed from the overview of donor strategies.

As noted above digitalization contributes to transparency and also enables CSOs to be able to enlarge their funding opportunities. The survey respondents were asked to rate the potential usefulness of an online platform that contains donor information, calls, (1- not at all useful, and 5 - extremely useful) survey results indicate that the vast majority consider it as useful, with only 8% considering as not useful at all. Access to online information by donors was noted to contribute to the decision making process for grants in the Western Balkans for 68% of respondents.

When asked about readiness to share data online, 72% noted to be ready to share information on open calls, 68% to share information on the impact of their interventions but only 40% would be willing to share financial information.

To draw recommendations for digitalization, inputs summarized by the Brkan and Cvjetičanin report (2023)⁹ are utilized. Key recommendations on Digitalization and Connectivity collected from a wide range and number of organizations, institutions, and experts in six Western Balkan countries. Following are the key recommendations:

⁸ <https://www.fhi360.org/sites/default/files/media/documents/csosi-europe-eurasia-2021-report.pdf>

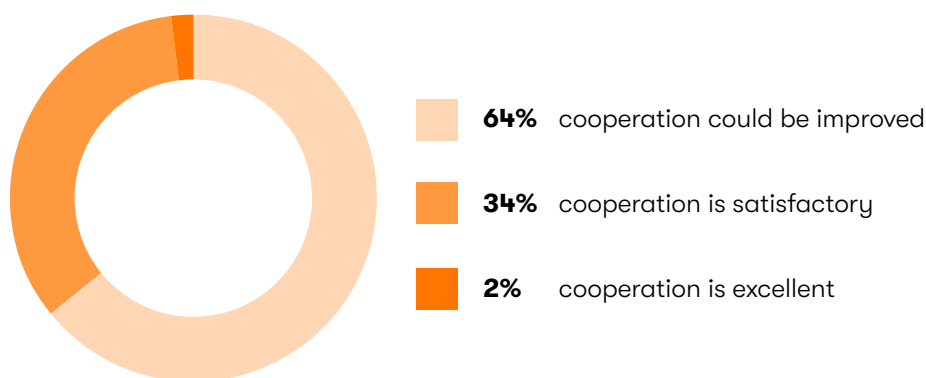
⁹ <https://www.wb-csf.eu/publications-csf/key-recommendations-of-the-thematic-working-group-on-digitalization-and-connectivity>

1. Accelerate and facilitate the entrance of the Western Balkans countries into EU digital single market with CSOs engagement to build a multi-stakeholder coalition with regional representation to actively participate and monitor the mapping of digital preparedness in individual countries and in the regional market;
2. Apply the Digital Services Act (DSA) or an equivalent regulatory instrument in the Western Balkans region. The role of CSOs is envisaged to be to contribute with their relevant expertise and experience in dealing with different aspects of digital services and platforms and respective bodies; to take an active role in the work of Digital Services Coordinators (DSCs), providing continuous participation and expert support for the regional regulatory framework and communication with online platforms; to build region-wide multi-stakeholder coalitions to advocate for Very Large Online Platforms (VLOPs) to make a commitment to grant the Western Balkan citizens the same level of protection and rights as in the EU countries, regarding transparency of their operations and content moderation activities;
3. Advocate for the Very Large Online Platforms and the Very Large Online Search Engines (VLSES) to expand the Code of Practice against Disinformation (CoP) commitments to the Western Balkans region. The role of CSOs is seen to utilize existing networks and partnerships in the region to strengthen relationships with stakeholders already included in the implementation of the Code of Practice against Disinformation (CoP), such as the European Standards Fact-checking network and to continue advocating for the CoP or equivalent commitments to be requested from the European Commission and regional governments and accepted by the VLOPs and VLOSEs.

Coordination

Donor coordination is essential for streamlining and optimizing the support provided to CSOs. It helps ensure that resources are used effectively, priorities are aligned, and CSOs can operate more efficiently, ultimately increasing the positive impact of their work on the communities and causes they serve. Coordination among CSOs is also of pivotal role for achieving common goals, maximizing impact, and addressing complex societal challenges. Effective coordination helps CSOs avoid duplication, pool resources, and work together efficiently.

Respondents were asked to assess the donor cooperation in the WB, region and results from 47 responses show that only 2% assessed cooperation as excellent; 34% assessed cooperation as satisfactory and 64% noted that cooperation could be improved.



Graph 8: Donor Cooperation

Key messages from the research on donor coordination are that there is a need to increase coordination among donors and CSOs. Governments can play a key role in setting up coordination units and carry out regular formal coordination meetings at the national but also sectoral level. Some cases of government coordination include, High-Level Forum of Donors in Kosovo, organized annually, but based on available information, it seems more like a formal meeting with general discussion rather than a structured and decision-making mechanism. Coordination at the sectoral level seems to be a more commonly utilized approach in Kosovo. Albania recently established the State Agency for Strategic Programming and Aid Coordination (SASPAC) which will conduct coordination among donors. In Bosnia and Herzegovina, the Ministry of Finance and Treasury is formally in charge of organizing donor coordination meetings, there are also numerous sectoral donor coordination working groups, but the impact on overall donor activities beyond information sharing, is not easily discernible.

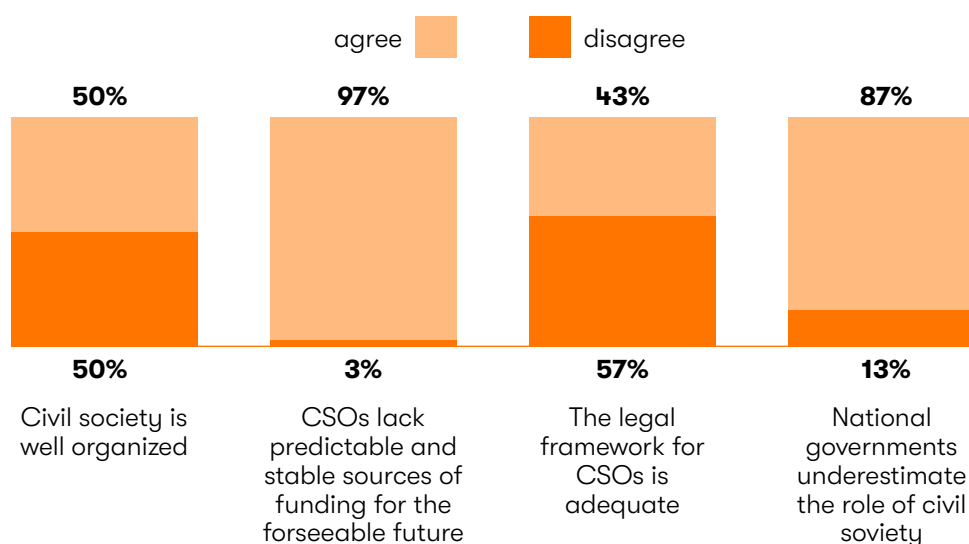
There are no official state institutions in Serbia or Montenegro that coordinate on the sectoral level among the donors. Donor coordination is in most cases constricted to information sharing, even though some joint financing takes place. Donor coordination and information sharing varies with the location, with donors present in Belgrade (these offices in some cases cover even other smaller countries in the region) being more involved in regular meeting and information sharing, simply due to proximity of their counterparts.

Participation

Strong, vibrant and sustainable civil society organizations are an important stakeholder in the process of securing stable and prosperous societies in WB countries. Since the transition to a market economy began, and political pluralism was introduced, investment in civil society has been considered an important aspect of development cooperation. However, the goal of securing influential civil society that would promote democratic values and allow public participation in political decision-making is far from being achieved. Therefore, it is important to understand how the donor community perceives the CSOs in the region, and how they cooperate with them.

A striking 97% of our respondents believe that CSOs lack stable funding. The consequences of a lack of stable and predictable funding have detrimental effects on CSO operations. As one of the interviewees from a donor organization stated: “Many CSO are operating as a result of available donor funding, but less mission-driven or explicitly representing specific constituencies.” This might point out a situation where the majority of donor support is project financing, with little overall opportunities for other types of financing. CSOs, therefore need to secure financing in any way possible, and thus many of them shift their focus and have difficulties in gaining trust and influence among their target audience.

At the same time, 87% of the respondents believe that national governments underestimate the role of CSOs, only 43% of the respondents are of the view that legal framework is adequate. Assessment of the state of organization among CSOs is evenly split.



Graph 9: Current State of Civil Society

Donors that have conducted interventions with the goal of civil society strengthening also paint a not so optimistic picture. Only 18% of our respondents believe that the goals of these projects were achieved and that long standing effects are secured, while 64% of them believe that the long-term effects are questionable even when project goals are achieved.

Similar concerns were also present in interviews. These could be roughly divided in concerns over:

1. Internal factors – including CSO capacities and expertise, weak staff retention.

“Sustainability of the projects outcomes is questionable because of the frequent fluctuations of staff in CSOs and their weak financial and program planning, which cause situation where there is no specialization for some topics...”

2. External environmental factors – hostile governments, lack of media pluralism, lack of trust by the wider population towards the CSOs, ineffective cooperation with institution and weak influence over policy making.

One respondent stated that “new big development programs attract staff from CSOs and weaken their management” while another added that “the growing nationalism is an obstacle to regional collaboration”.

3. External financing factors – weak culture of civic activism, nascent culture of donation among wider population and local stakeholders, lack of donor coordination and emphasis on project financing, over-dependence on donors, lack of will among donors to finance CSO that seem to be “too political”.

“Donors do not always work together. Larger CSOs take on funding that should go to grass roots CSOs, or they (and others) regrant short term, project based when the opposite is needed.”

One of possible solutions could be more reliance on core grants and better coordination among the donors. A new approach of participatory grant-making was mentioned by one of the interviewees that is involved in the sub-granting mechanism, where organizations from the sector involved would vote and decide themselves, in an open and transparent manner, what projects would be supported.

At the same time, some donors raised the lack of absorption capacity among CSOs as a severe binding constraint to more resources being available to CSOs. This leads to a vicious circle: capacity depends on resources, but resources depend on capacity. A potential solution therefore lies in intentional targeting of CSO capacity strengthening.

On the question whether CSOs take part in designing donor programming activities, 69% of our respondents answered affirmatively but the situation is less favorable when a deeper CSO involvement is mentioned – less than half of respondent or 42% affirm that CSOs actively participate in the monitoring and evaluation of their donors’ programs.

There was an open discussion whether the CSO sector is mission-driven or donor-driven – values promoted by CSOs point to the first, but financial weaknesses and reliance on project financing point out to the second conclusion. The truth is probably in the middle with organizations having to cater to the needs of donors in order to survive, which leaves little room for constituency building.

Developing trust between donors and civil society would bring an extra dividend. Donors need to be accountable to civil society, especially in relation to changing priorities and deciding on exit strategies. Donors should be more open to support different new actors, beyond established NGOs, such as grassroots movements, individual activists, and informal initiatives. Better donor coordination, including broadly sharing best practice cases, would also help civil society development.

Conclusions

The good news is that most donors will continue their presence in the region and that no radical shift in funds available was reported. However, due to the small sample size, this self-reported behavior does not mean that there will be no change in the total amount of resources allocated to donor assistance or that donor programs and strategies will not change. The report findings are indicative and should be carefully interpreted; while Gender Equality was most often chosen as priority SDG, lack of financial data in responses limit any firm conclusions that funding for this purpose is secured.

Information gathered from some of the survey responses and interviews do point out to the fact that some bilateral donors will decrease their financial commitments to some of their offices in the WB region, and that corporate philanthropy would also continue edge downward. These changes should be viewed in light of the war in Ukraine, which is already a more important location for donor assistance bearing in mind the pressing and rising needs stemming from the conflict.

Currently, most of our respondents still do not feel significant changes in this regard, but this may well soon change. Corporate philanthropy depends on the financial success of the private sector, which can allocate less resources than in previous years in the situation of protracted macroeconomic imbalances (high and lasting inflation) and low economic growth, which weakens their profitability.

On the other hand, survey responses identified ample room for improvement in the process of donor cooperation. Better donor coordination, which is currently assessed as less than adequate, would lead to synergies and savings, so better results could be achieved with the same finances already committed to the region. But donor cooperation must improve beyond simple information sharing and not rely on complicated and time / resource consuming mechanisms. A precondition for this is also the willingness to share potentially sensitive data, and a stronger integration of local partners into strategy development.

Regionalization is another important tool to increase donor assistance effectiveness – it is already mentioned in strategic documents and put into practice among many of our respondents' institutions. It could lead to savings, synergy effects and exchange of good practices between individual countries.

CSOs remain in a vulnerable state, operating in an environment not conducive to their development and even basic operations. The shrinking of opportunities to fulfill their role in the individual societies of the region is connected to the political space that is becoming less welcoming to public debate and critique, and also has a significant impact on the work of CSOs.

Furthermore, CSOs lack predictable and stable sources of funding, which is still mostly awarded through project financing, with little other financing mechanisms such as core grants. A mechanism to secure more long-lasting funding for CSOs should be considered: offering flexible, multi-year funding, including support for core operations, allows organizations to plan for the future thoughtfully and focus on their work's impact rather than the needs of funders. Creating agreements that enable organizations to build financial reserves would demonstrate a considered and foresighted approach, providing CSOs with stability and resilience.

Stakeholders also highlight a trend towards the “professionalization” of civil society, characterized by a concentration and monopolization of funding access. This trend can inadvertently hinder the growth of authentic citizen activism and grassroots initiatives. Such a concentration of resources can also contribute to a broader public skepticism towards civil society organizations, potentially diminishing their effectiveness and societal impact. On the other hand, informal groups or individuals, particularly those focused on specific, often local issues like environmental protection or pollution prevention, seem to have a greater capacity for direct impact. Nonetheless, a small minority of the donors acknowledge that their organizations possess the funding mechanisms necessary to assist these informal entities.

Digitalization is not yet recognized as an important topic among the donors and CSOs. Donor architecture is mostly not well developed, and donor transparency need to continue to improve. Funding to foster learning among and between CSOs and thus develop their capacities to disseminate good practice and success stories across the region and strengthen collaboration.

Plans for the Future

CSOs operating in WB countries face increased uncertainty, especially in relation to financing opportunities. Although most of the major bilateral and multilateral donors have strategic documents with commitments remaining valid for the next couple of years, the share of the total assistance to the CSO sector is not known with certainty. During the research, only one big donor stated that the amount for WB countries will be reduced after 2024. Geopolitical developments do not reflect favorably either—commitments may be redirected if higher political goals require. In addition, reduced private sector donations, although based on the available data the picture is far complete, coupled with elevated private economic sector challenges further add a pressure on CSOs potentially tightening overall envelope. At the same time, partial informal data on donations from the non-traditional donors, show an increasing trend, suggesting that resources for social transformation may be available for causes not really compatible with liberal democracy. That brings us to the conclusion that behavior and actions by major players, namely EU, could dominantly determine results in the next period.

Role of the EU

The EU role could be decisive for both financing and the role of CSOs in WB societies. Given the EU accession as a declared common objective of WB countries’ governments, the EU has the leverage to influence or reverse the shrinking space for CSO operations; indeed, the way WB governments treat CSOs is one of the best tests of readiness to accept the principles prevailing in EU member states. Second, the information on funding levels committed to WB countries in the coming three year, including for CSOs, confirm that the EU will remain the biggest donor, reinforcing the EU’s role as the donor with highest potential leverage. Whether this capacity will be utilized, and to what extent, remains to be seen.

Annexes

Albania

This section provides an overview of the USAID 2021 CSO Sustainability Index. The report indicates that as of the end of 2021, a total of 12,240 CSOs were registered nationwide while according to the tax authorities 2,217 CSOs were financially active during 2021¹⁰.

Overall CSO sustainability did not change in 2021, although there were slight deteriorations in the legal environment, advocacy, and public image dimensions. The legal environment declined slightly due to several changes to the legal framework for CSOs. Prolonged restrictions on assemblies, limited transparency, and lack of opportunities to consult with the government undermined CSOs' advocacy initiatives, while the CSO sector's public image deteriorated slightly as a result of the constant government and government-influenced media attacks on CSOs and activists.

Other dimensions of CSO sustainability remained largely unchanged. In June 2021, the government enacted Law No. 80/2021 on the Registration of Non-Profit Organizations, which was broadly welcomed by CSOs in enhancing the enabling environment and transparency of CSOs by streamlining registration procedures and creating an online CSO registry. However, 119 CSOs raised serious concerns about the law, arguing that the vague powers it grants the government would have a chilling effect on civil society, especially organizations focused on public accountability. In August 2021, Albania's High Judicial Council, mandated by the law to create the online CSO registry, but due to lack of funds the registry had not been created by the end of the year.

The Index also highlights that most well-established CSOs operate in Tirana and have more resources while local CSOs typically have limited access to funding and human capital, which limits their ability to develop their organizational capacities. This is reinforced by the ongoing practice of international donors to direct most of their support to larger, well-established CSOs. In addition, many CSOs lack core funds to support their operational needs and allow them to become sustainable. The CSO sector's public image worsened slightly in 2021 as a result of the ongoing attacks on the sector by the government and government-influenced media over the past few years.

Donor Architecture

In total, 53 donors, institutions, and organizations in Albania were requested to fill out the online survey, but only 9 responded: one bilateral donor; one intergovernmental regional organization; three private foundations; one government agency and one corporation. There is no comprehensive list of donors or grants made available to the general public. Desk research revealed key donors in Albania to be the EU, USAID, World Bank, Swiss Cooperation/Switzerland Embassy, Austrian Development Agency, GIZ, and Council of Europe. The World Bank indicates total support of 595 million USD to Albania in 2021, marking a decline from 309 million USD in 2020.

¹⁰ The most recent data show the total number of registered CSO is 14,734, or 70 per 10,000 inhabitants. Due to the potential difference in definition of active, these figures appear to be less subjective. See more on <https://www.balkancsd.net/novo/wp-content/uploads/2023/09/112-4-FINAL-Policy-Paper-AMLCFT-Regulations-and-Implications-on-Civil-Society-in-WBT.pdf>

The EU is the primary financial supporter of Albania, providing €639.5 million from 2014-2020 for priority sectors such as democracy, governance, rule of law, environment, climate action, transport, innovation, education, employment, agriculture, and regional cooperation. Switzerland, USAID, GIZ, Council of Europe, ADA, Sweden, and EBRD also contribute to Albania's development, focusing on various thematic priorities such as job creation, climate change, governance, justice strengthening, and sustainable economic development. Survey results indicate strong support for Sustainable Development, Environment & Green Economy during 2020-2023, with lesser emphasis on other themes like Economic Advancement, Civil Society Strengthening, and Rule of Law.

Top Causes

With regard to the themes supported during 2020-2023, the survey results show that Sustainable Development, Environment & Green Economy was the most supported. Topics such as Economic Advancement; Civil Society Strengthening, Citizen's Activism & Initiatives; Culture and Arts; Education; EU integration; Gender Justice & Women's Rights; Human, minority and LGBT rights; Rule of Law, and other listed topics were supported to a lesser extent.

Structure of Recipients

With regards to who is most commonly supported recipients of grant-making (ranking from 1 most common to 5 the least common and 6 indicating Not Supporting), 4 respondents (44%) indicated CSOs as the most common, one respondent (11%) indicated foundations as the most common recipients of grant-making. Partnerships between CSOs and general government sector units and support to individuals were ranked as the least common recipients of grant-making.

With regards to funding of regional activities involving all 6 countries or any subset of these countries, 2 respondents provide funding to regional, cross-border work, and 3 respondents have run the programs / grant in more than one country.

Plans for the Future

With most of the strategic documents of the key donors outlined in the report run through the coming 2-3 years, the key areas of support include: Sustainable Development, Environment & Green Economy; Rule of Law; General Population/ Citizens; People in Economic Need. As for the target groups the most commonly noted groups include: General Population / Citizens; People in Economic Need; and Population of Local Communities.

With regards to SDG goals that will be targeted for 2024-2027 the most commonly noted goal is GOAL 8: Decent Work and Economic Growth; GOAL 13: Climate Action; GOAL 15: Life on Land.

Given the low response rate of donors, it is not possible to provide information on the future trend of the donor funding.

Bosnia and Herzegovina

The regulatory framework for civil society organizations follows a constitutional set up, implying that there are four separate legislative processes, one at the national level of Institutions of BiH, two at the entity level, Federation of Bosnia and Herzegovina and Republic of Srpska, and one in the Brcko District of Bosnia and Herzegovina. In similar fashion, domestic grants to CSO organizations are provided across a decentralized fiscal architecture with less than full transparency. Recent research on the topic of the size of grants by well renowned local think tank Gea Banja Luka, states that domestic public grants to CSOs are bigger than foreign but are mostly allocated to sport associations. One of the practical implications of the decentralized regulatory set up is that the trends or attitude of government towards CSOs may differ in different parts of the countries.

This is exactly happening at the time of writing this report. The Draft Law on the Special Register and Publicity of the Work of Non-Profit Organizations is being discussed in the RS National Assembly explicitly targeting CSOs that receive foreign funding. The draft law is not only discriminatory, since it leaves out the stricter control of the CSOs receiving funding from domestic sources but it could lead to arbitrary actions against those organizations that critically evaluate government policies. Put simply, freedom of speech is under threat.

Donor Architecture

The Bosnian model for how donors and government cooperate has some features that could be, if further refined, applied universally across the WB. Bilateral and multilateral project information is available at the following link: <http://www.donormapping.ba/home>. The accompanying database with detailed info on projects could be a standard setter for the region, as it collects in one place (all) the projects implemented under ODA funds. In addition, this donor mapping site also has bilateral and multilateral donors' reports, unfortunately the latest one covers 2021.

On the negative side, there are no strategies and future plans that are publicly available, something that could easily be compiled, since this data and information exists within donors' internal systems and web platforms. With respect to the private sector, The Philanthropy Forum of BiH (<https://filantropski.ba>) is a good source of information on domestic donors. One of the questions related to donor mapping is who should be in charge of the process or owner of the data on donor activities. The Bosnian case is interesting, because the process was initiated by one donor and then transmitted to the national authorities. In light of the SDGs, as overarching policy goals, it appears as a logical solution to assign the coordination role to the national institutions.

A second important question is related to existence of a regular and formal coordination process. A special department with the Ministry of Finance and Treasury of BiH is in charge of bilateral and multilateral donor coordination. It is important to stress that we are not attempting to evaluate how effective coordination is but rather whether the process itself is present.

An analyses of the transparency of the biggest donors reveal that due to their own policies, major donors such as EU, USAID, Sweden, Swiss do provide comprehensive list of all projects around the world, with fairly friendly user interfaces¹¹. This implies that with some additional effort, all donor country partnership strategies, programs of

¹¹ EU: full list of individual projects (<https://ec.europa.eu/budget/financial-transparency-system/analysis.html>), USAID: full list of individual projects (<https://results.usaid.gov/results/country/bosnia-and-herzegovina?fiscalYear=2022>) (also <https://www.foreignassistances.gov/data>), Sweden: <https://openaid.se>

cooperation could easily be deposited or linked together, for easy to access for BiH citizens. Since citizens and CSO are most likely interested in grants, the next question is related to the existence of information on donors and grants. Indeed, a web site run by Network for Building Peace with USAID funding, a very comprehensive list and database of donors to BiH can be found. See <https://donatori.snagalokalnog.ba/public/>.

The importance of this list going beyond Bosnia and Herzegovina and is relevant for the entire WB region, as it contains info on more than 600 donors, not all with a formal seat or presence in WB. In the survey process we learned about the existence of some other donor databases in other WB countries. Obviously, if there is one database financed by one donor, broad enough to cover all the donors present in the WB, there is no need to do the same project in other countries.

Another aspect of donor architecture is related to national statistic coverage; this is relevant for many reasons. First, ESA 2010 statistical standard is very important due to the EU accession process. Since digitalization of government will require a comprehensive overview of the different agencies' needs, database interoperability, etc., it is of the utmost importance that donor assistance is analyzed from different angles, including the formal statistical one.

Occasionally there are public debates on the effects of international assistance, including in the parliamentary assembly. Informed debate requires sound statistical data, in addition to individual projects and evaluation of their impact¹². We could not find a comprehensive domestic source of ODA to Bosnia and Herzegovina beyond 2021, and no data at all at the national statistical office.

On the topic of whether there is a direct link between SDG goals and accompanying indicators with projects working towards respective SDG. The answer is negative; BHAS maintains the database of SDG goals and indicators (<https://sdg.bhas.gov.ba>). However, we were unable to establish the link between SDG goal indicators and individual donor finance projects. Since not all indicators are yet developed, this is an excellent opportunity to enlist ongoing and forthcoming projects in a direct link to respective SDGs.

Top Causes

As per the topic in 2019, EU allocated most funds to Rule of Law and fundamental rights, USAID to Government and civil society sector, Sweden to Government and civil society sector, Swiss to Local governance and municipal service. Unfortunately, no further break down between Government and civil society was available.

Structure of Recipients

Rough estimate of total grants allocated to BiH in period 2014-2021 is in the range of 200-269 million euros per year, with slight upward trend. However, the structure of recipients is not presented in a single place. Most of the beneficiaries, i.e. those that implement projects, are foreign legal entities.

¹² Note: for the sake of completeness of information on donor activities, that is, in order to present also the data on domestic, private sector philanthropic activities, the financial information agency (FIA) in Federation BiH and Agency for Intermediary, IT and financial services (APIF) in Republika Srpska, should slightly innovate reporting requirements, in close cooperation with respective entities' ministries of finance, to allow for explicit reporting of the donations. This is a special topic that requires additional research and can't be pursued further for this report.

Plans for the Future¹³

There is ample space for improvement with respect to future donor coordination, timing of data availability and public participation in the process. Initial steps are discussed below. Each recommendation can be further elaborated and justified.

The existing donor mapping architecture is better designed to reveal history rather than for planning. The available data therefore suits better auditors and researchers rather than CSOs planning the next phase or next fiscal year budgets. That said, currently available micro data and data on individual projects should be accompanied with evaluation reports, results, or impact assessment, wherever available¹⁴. That would complete historical information. More money doesn't necessarily mean better outcomes; the focus should shift from input to results. No information on the effects of donor-financed projects was found on the government's donor coordination website.

With respect to organizing data availability in order to improve the planning process of CSOs, this appears to be a relatively inexpensive mechanism to reduce uncertainty, provide stronger partnership, facilitate cooperation and reduce the costs of delivering the results, especially for foreign aid. The above-mentioned web site (<http://donor-mapping.ba/home>) site could serve as a repository for 1) open calls for project proposals 2) draft country partnership strategies with open invitation for consultation to elucidate public opinion. Given the fact that strategies are prepared every 3, 5 or 7 years, that would not be too burdensome of a task. In addition to giving the opportunity to CSOs and citizens to actively participate, this mechanism would secure smoother cooperation among donors. With respect to program planning and work on new strategy documents, usage could be made also of the eKonsultacije web platform: <https://ekonsultacije.gov.ba/>. Practically without any additional investment, donors could be offered an option to upload the documents they work on and invite public input, comments and suggestions. The input would be visible publicly as a mechanism that would secure full inclusion of domestic perspective and transparency. Time and costs of donor coordination should not be underestimated.

The Agency responsible for SDG goal reporting should develop a link with MFT and donor mapping so that spending per SDG goal and achievements are connected (<https://sdg.bhas.gov.ba>). When the cooperation strategies are developed, in a very early stage it would be possible to link SDG indicators with a prospective program of support. This would facilitate government planning and at the same time would shorten the period of donor coordination. Finally, this process would secure that the trends in financing for specific goals are known in advance. Until there is a direct link between SDG indicators and individual projects, it will be very difficult to understand not only what goals need additional attention but also no unification of monitoring and evaluation will be feasible. All donors working on the same SDGs should adopt a uniform set of indicators. This would save money for the content and would allow for better assessment of the interventions that work versus those that fail. Finally, donors should explicitly state the share of grants implemented to or through local civil society organizations.

¹³ EU and Swiss strategic document cover cooperation until 2027, USAID until 2025 and Swiss until 2024.

¹⁴ We are fully aware of the complexities establishing causal connection between project activities and result, including time lag between intervention and outcome. Nevertheless, the only way foreign aid can become more efficient is by continuous examination of the value for money/see for the list of issues well provided explanation by the USAID, <https://results.usaid.gov/NotesforDataUser.pdf>

Kosovo

A total of 11,232 organizations were registered in Kosovo as of the end of 2021. This represented an increase of nearly 1,000 organizations over the previous year and double the growth of the year before. (USAID 2021 CSO Sustainability Index). According to latest and most accurate data, the growth continued and reached number of 12,117 CSOs in 2022¹⁵. The majority of registered organizations are member-based associations, while approximately 500 are foundations.

The CSO Sustainability Index also reports that sustainability of CSOs in Kosovo has enhanced. The report indicates that the CSO sector's financial viability improved moderately in 2021 due to the increased availability and predictability of public funding, which is the largest source of funding for CSOs in Kosovo. The 2021 Report on Public Financial Support for Non-Governmental Organizations shows that public funding increased to more than EUR 29 million to CSOs, compared to the average of EUR 15 million over previous years. CSOs in Kosovo are positively perceived by the public. In the latest UNDP Public Pulse, which was published in November 2021, 56% of respondents were firmly convinced that CSOs serve as a truthful monitor of democratic developments in Kosovo (USAID, 2023).

"CSOs are vital partners for donors", was highlighted by one of the interviewed donors. By working with local CSOs, the results will be more sustainable, and the capacities of local staff will be better developed to continue to run future activities and implement interventions to support their community. There is a need to provide institutional support grants to strengthen the capacities of CSOs and prepare them to be more sustainable. Supporting CSO strategies is an approach to contribute to the sustainability of CSOs and their impact.

"In Kosovo, there are some strong and experienced CSOs, which have also developed their strategies in line with the needs of Kosovo. Supporting their strategies will contribute to sustainable results and also CSOs sustainability", was noted by one CSO. "The Office for Governance at the Prime Minister's Office of Kosovo is an important body in coordinating the process of policy-making for the involvement of civil society in policy-making and decision-making and support the Government-civil society cooperation."

Donor Architecture

Kosovo does not possess a single platform which provides a map of donors and their projects and programs. With the joint initiative of donors, a platform for reporting financial contributions of donors was established. However, during interviews it was emphasized that while the platform is an important source of information, it is possible that information is not complete and updated regularly. For the period of 2020-2023, projects financed from the following donors were available: Embassy of Germany in Kosovo, European Union Office in Kosovo, British Embassy, Federal Ministry for Economic Cooperation and Development BMZ and United States Agency for International Development (USAID). The total budget recorded was 28 million EUR. A larger number of donors is shown when the reporting period is expanded to previous years. However, the lack of formal ownership and structures for monitoring and ensuring regular recording of data to the platform is a weakness, which most likely leads to incompleteness of the data and hence underreporting of the financial aid in Kosovo.

¹⁵ <https://balkanicsd.net/novo/wp-content/uploads/2017/07/Kosovo-MM-Brief-2022.pdf>

Top Causes

The survey in Kosovo had only four respondents, limiting its representativeness. Instead, a more comprehensive understanding can be derived from key donors' strategic documents. Swiss Cooperation allocates 83.7 million CHF for 2022-25, focusing on democratic governance, sustainable economic development, climate change, water, health, gender, governance, and migration. USAID's 2020-2025 strategy emphasizes accountable governance and increased opportunities for inclusive democratic and economic participation. GIZ prioritizes sustainable economic development, public administration, democracy, civil society, and energy in its cooperation with Kosovo. Luxembourg Development aims to support skills development, health services quality improvement, sustainable and inclusive growth, and Kosovo's energy transition and climate mitigation plans with a budget of about 28 million Eur. ADA and Sweden's strategies for the Western Balkans align with EU pre-accession assistance, emphasizing good governance, rule of law, sustainable development, and climate.

Structure of Recipients

There is no available information on the structure of recipients in Kosovo. Survey results indicate that two respondents ranked project funding as the most common approach; institutional (core) funding was ranked with 2 and 3 while re-granting funds was ranked as highest by one respondent and with 3 by another one. When asked about the most common recipients of grant-making, one ranked with 1 CSOs, foundations were ranked with 2 and 3; public authorities and partnerships between CSOs and general government sector units as the least common (ranked with 5 and 6). Grants to individuals were ranked with 3-as somewhat frequent recipients.

Inputs received during interviews that 'big fish' CSOs remain the key donor beneficiaries was emphasized by one of the NGOs. In turn this has negative implications to further development of the CSOs which may also deter inclusiveness principle during implementation: for example, small CSOs operating in and/or supporting rural areas will not be able to be sustainable and support people most in need. The short duration of projects was mentioned as a barrier to delivering sustainable results. Projects usually have a duration of 6, 8, 12 and very rarely 18 months. A diversification of target CSOs should be done and innovative ideas and approaches should be sought rather than focusing on historical data and solely on the capacity of CSOs.

Plans for the Future

Plans for the future can be extracted from the strategies of donors which cover the coming years. The following areas will be supported until 2025: Democratic governance and peace; Sustainable economic development; Climate change, water and health; Transversal themes: gender and governance; Special focus: Migration; good governance and accountability; inclusive democratic and economic participation; public administration, democracy, civil society; energy sector; climate and environment, rule of law; Human rights, democracy, the rule of law and gender equality.

Montenegro

The CSOs in Montenegro operate in an environment very similar to that of other countries in the WB region. According to the USAID 2021 CSO Sustainability Index, there were 6,426 NGOs registered in Montenegro in 2021, who declared €34.7 million in income for the year 2020.

Our survey and interview respondents offer sub-granting schemes and project financing, while other financing mechanisms, like core granting, are much less used. One interviewee stated that poses a problem for CSOs because they need to hunt for projects, but also that there is a missing link, since most of the funding is allocated either for big professional CSOs or for small still growing local CSOs, and that there is nothing in the middle, which would actually help in their development and growth.

Our respondents among donors perceive the civil society sector in Montenegro as lacking in predictable sources of funding and as underestimated by the national government; at the same time there are divided opinions whether the sector is well-organized or if the legal framework is adequate.

Respondents that had interventions regarding the strengthening of CSOs believe these projects achieved the set results, but that their long-term effects are questionable. They also stated that CSOs actively participate in their programs planning but are not included in project monitoring or evaluation.

Donor Architecture

Unfortunately, there is no single resource that gathers all the donor financial assistance in Montenegro. The latest data from BCSDN for this country are from 2010, more than a decade ago. There are no comprehensive lists of donor and programs they support in Montenegro. Due to cultural and language similarities, it is plausible to assume that Montenegrin CSOs and citizens in search of donor assistance can use resources from Serbia (such as the online Guide to Donors published by Civic Initiatives) or the region (BCSDN) for the list of prospective donors, but not all of them cover Montenegro.

The biggest donors are the European Union, followed by bilateral donors such as the Swedish development agency (SIDA). Some of the donors active in the rest of the WB region (e.g. USAID) do not operate in Montenegro, and the perceived cause for this fact is the belief that some of the problems present in the region are already solved there or their impact is less pronounced.

As stated in the interviews and the survey, our respondents do not know of any new institutional donors coming from countries that are not already traditional donor sources (for example, Russia, Turkey, Qatar, UAE and China would be considered as "new sources" of financial assistance).

Top Causes

The mentioned topics in which organizations of our respondents offer support are: Human rights, Minority and LGBT rights, Civil Society Strengthening, Citizen Activism & Initiatives, Education and Social and Sustainable development.

Regarding the target groups, our respondents work with migrants, citizens and citizen groups, children and youth at risk, people with disabilities and local communities (survey), as well as political parties and civil servants, youth and artists (interview).

Structure of Recipients

Our respondents stated that they mostly work with CSOs, with the funding made on a project financing basis, but some also stated that they in some of their programs support cooperation between CSOs and state institutions and even endeavors by individuals or informal groups. When asked who would be an ideal partner to cooperate with, they stated that it would be an established organization with expertise in a niche subject.

Plans for the Future

In the interviews, donor institutions stated that they see little changes in their financing orientation on the medium-term horizon, neither regarding the topics they cover, nor the way financing is taking place / primary target groups. One of our respondents stated that they plan to continue their programs with the same level of financing, while another stated that they would decrease their financial involvement. Survey respondents do not plan any regional programs in the 2024-2027 period, while one of our respondents from the interviews will allocate a significant part of his total activities to these projects with a regional component. One respondent stated that including projects concerning innovation and gender as new issues is under consideration.

As future challenges, our respondents see a low level of understanding of the local context and existing problems among foreign donors; rising nationalism followed by deep divisions between people from different ethnic or religious groups. Also, some perceive that retreat of big donors from Montenegro had created a vacuum – institutions such as USAID and Swiss Aid were particularly mentioned as the ones not operating in Montenegro anymore even though they remain active in other countries in the region. A vehicle for enabling positive changes is the EU accession, mentioned by all interlocutors. As another important topic that will arise in the future, one respondent mentioned innovation and sustainable development.

As current gaps that need to be addressed, our interviewees consider the lack of communication of their target groups with the decision makers, and inadequate resources to work with political stakeholders on the local level.

Regarding possible mechanisms to improve the quality of the environment in which CSOs operate, only one possible solution was mentioned, for the government to increase its financing commitment for CSOs, especially those smaller ones.

North Macedonia

With 11,507 registered CSOs in 2022, an increase of 558 compared to 2021¹⁶, 1,742 employees and volunteers¹⁷ and around €5 million in grants to CSOs available from domestic public sources, the functioning of civil society is highly dependent on foreign official sources as well as private sector. The limited number of domestic resources available to CSOs implies that bilateral and multilateral donors requiring co-financing practically rule out support to the domestic CSO sector.

Donor Architecture

An examination of the ease with which data can be found on different types of donors led us to <http://cdad.sep.gov.mk/>, a website with detailed information on over 3,000 individual projects funded by bilateral and multilateral donors. However, we learned during the interview process that the database is neither complete nor up-to-date.

There does exist a formal and regular donor coordination process, organized by the Secretariat for European Questions (SEP), but in a non-consistent and non-regular fashion. Neither formal reports on donor activities nor reports of the meetings were found on the SEP website. With respect to donors themselves, we learned of informal meetings among some donors to avoid overlapping.

In addition, we learned of the Project CSO Dialogue-Platform for Structural Participation in EU Integration (<https://dijalogkoneu.mk/>); however, it appears that no activities have been reported after the project ended last year. In relation to potential both donor coordination and inclusion of country perspective into program for cooperation with donors, it is worth mentioning the website <https://ener.gov.mk/Default.aspx>, a national register of regulations that serves as a platform for consultations with citizens. It could easily be used to gather public opinion, including CSO opinions on preferred modalities of donor support. This could be arranged in such a manner that all the comments and inputs are visible to everyone, making it possible to evaluate the adopted donors' strategies with the CSOs revealed preferences.

In looking at the transparency of major donors. The biggest donors such as EU and USAID, Sweden and Switzerland do provide comprehensive list of all projects around the world, with a fairly friendly user interface¹⁸. That means that most of the data needed for informed debate about the optimal type of development aid, especially to CSOs, already exists dispersed across different web platforms.

Given the main interest of this research is the subject of donor assistance to CSOs, we looked at whether there is a comprehensive list of donors and grants available to the general public? We were able to identify partial information only.

¹⁶ <https://www.fhi360.org/sites/default/files/media/documents/csosi-europe-eurasia-2021-report.pdf>

¹⁷ <https://balkanccd.net/novo/wp-content/uploads/2017/07/North-Macedonia-MM-Brief-2022.pdf>

¹⁸ EU: full list of individual projects (<https://ec.europa.eu/budget/financial-transparency-system/analysis.html>), USAID: full list of individual projects (<https://results.usaid.gov/results/country/bosnia-and-herzegovina?fiscalYear=2022>, <https://www.foreignassistance.gov/data>), SIDA: <https://openaid.se>, Swiss International Cooperation: <https://www.eda.admin.ch/deza/en/home/countries/nordmazedonien.html>

Although not of primary interest, for the sake of completeness, we mention the need for full and comprehensive coverage of foreign development assistance in national accounts. The ESA 2010 statistical standard is very important due to EU accession process. Since the digitalization of government will require a comprehensive overview of the different agencies' needs, database interoperability, etc., it is of the utmost importance that donor assistance is analyzed from different angles, including the formal statistical.

Finally, we examine whether there is a link between SDG goals and indicators and projects working towards respective SDG. We were not able to identify a link between common projects and SDG indicators. During an interview, we learned that with respect to SDG 5-Gender equality, there is a tendency or potential of all donors working towards SDG5 goal to use same indicators. Switzerland serves as a good practice in explicitly linking SDG indicators with program interventions.

Top Causes

The current Swiss Cooperation Program with North Macedonia covers 2021-2024. The total indicative amount planned for development aid for this period equals around 65 million CHF; with 35% of support devoted to Democratic governance.

Total support committed by EU in period 2021/2023 amounts to €335.68 million, of which €208.12 went to grants. Out of this amount, around €13 million was implemented by beneficiaries from North Macedonia.

USAID, in the period 2020/2022, provided slightly over 43 million USD, with the largest share devoted to Government and civil society.

Sweden provided around 8.3 million USD dollars in 2022, of which 8.47% went through North Macedonia-based NGOs. The presentation of this info on a dedicated website deserves special mention. In the period of 2020/2022, total support amounted slightly above 22.1 million USD. The major area of support is to Government and civil society sector (55%).

Plans for the Future

There is ample space for improvement with respect to donor coordination, timing of data availability and public participation in the process. Initial steps are discussed below. Each recommendation can be further elaborated and justified. More can be done with less resources if coordination processes are improved.

The existing donor mapping architecture is better designed to reveal history rather than for planning. The available project database represents a good starting point for further development of the web platform that could unify and present in a comprehensive manner both ongoing as well as future planned activities. That said, currently available data on individual projects should be accompanied with evaluation reports, results, or impact assessment, wherever available. That would complete historical information. Since SEP is in charge of donor coordination, it would be important to provide project evaluation reports on its website.

With respect to organizing data availability in order to improve the planning process on the side of CSOs, there appears to be an affordable mechanism to reduce uncertainty, provide stronger partnership, facilitate cooperation and reduce the costs of delivering the results.

The SEP website could serve as a repository for: 1) open calls for project proposals; and, 2) major donor draft country partnership strategies with open invitation for consultation to elucidate public opinion. Given the fact that strategies are prepared every 3, 4 or 7 years, that would not be too burdensome of a task. In addition to giving the opportunity to CSOs and citizens to actively participate, this mechanism would secure smoother cooperation among donors. With respect to program planning and work on new strategy documents, usage could be made also of the electronic consultation process, through which general public would be invited to comment and propose different activities. Web site <https://ener.gov.mk/Default.aspx> could also be used for that purpose. Practically without any additional investment, donors could be offered an option to upload the documents they work on and invite public input, comments and suggestions.

This is easily achievable as a part of the government digitalization process. When the country partnership strategies are being prepared by individual donors, they would be able or perhaps “obliged” to put an early draft of a tentative country partnership strategy to the centralized repository—and invite public comments. Each CSO would be able to upload its questions, publicly present ideas, needs, suggestions. Final adopted documents would then be testable whether they indeed reflect local needs. Unintended benefits of using the government consultation site also for donors mapping activities would contribute to increase citizens activism related to other government regulations or policies.

An attempt should be made to connect at least major and biggest donors’ interventions with respective SDG goal. When the cooperation strategies are developed, in a very early stage it would be possible to link SDG indicators and prospective program of support. This would facilitate government planning and at the same time would shorten the period of donor coordination. Finally, this process would secure that the trends in financing for specific goals are known in advance. Until there is a direct link between SDG indicators and individual projects, it will be very difficult to understand not only what goals need additional attention but also no unification of monitoring and evaluation will be feasible.

Finally, given the importance of foreign donors to CSOs, the explicit share of interventions through or to North Macedonian CSOs should be stated in advance and its conditioning adjusted to circumstances. The true relevance donors assign to the CSOs in transforming society into liberal democracy is reflected in the share of total resources implemented through domestic partners.

Serbia

Civil society in Serbia functions under similar conditions as in other WB countries, characterized by political polarization, hostile government and low level of trust by the local population. There were 35,733 registered CSOs in 2021, according to the Business Registry Agency, which generated €216.6 million in revenue.

What sets Serbia apart from other WB countries is that some donors have their regional offices located in Belgrade, from which they operate their programs in other smaller countries in the region (most notably, Montenegro and North Macedonia). As such, the regionalization of programs and projects is slightly more pronounced among our respondents from Serbia (n=21) compared to the regional average, even when the reasons for regionalization are cited the same.

Regarding the types of grants provided to CSOs, respondents from Serbia mostly stated that they supported project funding, while institutional (core) support and regranting were far less likely to be chosen as answers. CSOs are also the most preferred type of entities for whom our respondents provide financial assistance, followed by public authorities, with foundations and partnerships between CSOs and general government significantly less likely to be supported, while support for individuals was at the bottom of the list.

The perception of civil society among donors differs across topics. There is a wide consensus that civil society role is underestimated by the national authorities and that it lacks predictable and stable sources of funding in the near future. On the other hand, this perception is divided on the issues whether the civil society is well organized or if the legal framework for civil society is adequate (n=12, skipped 9). As major challenges in further strengthening of civil society, our respondents state their dependency on donors, lack of new approaches, inefficient CSO capacities, and little work on constituency building, as topics that we could describe as those suffering from internal organizational issues and operations. Inadequate access to policy making, ineffective cooperation with institutions, existence of GONGOs and shrinking space for civil society due to threats and negative media campaigns were also mentioned, as parts of the unfavorable existing climate.

Regarding the role that CSOs play in relation to institutional donors, their impact seems quite limited. Even though 7 entities stated that CSOs take part in designing their institution's programming (4 stated that they do not), only 3 confirmed that CSOs are involved in monitoring and evaluations process of their donors' programs.

Regarding new "non-traditional donors", interviewees were not sure if there are really present in the region. One respondent stated there must be some funds coming from Russia but that he does not have any information on it since these countries are by default non-transparent, another identified the Turkish state agency TIKa as a relevant factor. One respondent stated that she took part recently in an international donor conference and that she did not see a single donor that was already not part of the existing framework.

Donor Architecture

In Serbia, there is no official data on the donor financial support nor any kind of official architecture from the donor community. The existing data is scattered among individual donors and donors' networks. However, there is an unofficial list of the donor organizations that provide grants for CSOs in the region (Guide through

potential sources of financing)¹⁹ published by the Civic Initiatives. This is a comprehensive overview of the private and state donors, but with some shortcomings since it does not cover all of active donors, and yet it can include some donors that stopped supporting projects in the country due to shifting focus to other regions. Also, there is very little coverage of corporate donors and local foundations.

Top Causes

Top themes and issues supported by donors show significant differences in terms of existing priorities among different stakeholders. However, there are some significant overlaps as well. Civic activism and citizen initiatives are by far the most important topic supported by donors in Serbia, closely followed by education and sustainable development. Significant attention is also provided to human and minority rights, EU integration, peace and security, rule of law and gender justice. Public health, philanthropy development and digital transformation are at the back of the list, with none of the respondents choosing science as an important theme for their support.

There seems to be a lack of focus among donors in the area of primary target groups. Only 2 respondents stated that they have 1 or 2 primary target groups, while all others reported an increasingly high number of them, up to 18, with the average number of target groups standing at 8.6. This is unusually high number of target groups, that can lead to inefficiencies, similar to casting a fishing net so wide that hardly any fish are actually caught because they slip away. Only very big institutional donors with resources to actually cover many target groups can act in such a way and still achieve impact.

Cooperation between donors still offers many possibilities for improvement. The number of respondents having regular communication with their peers in order to secure synergy is the same of those whose cooperation does go beyond mere information sharing. On the good side, there are those reporting joint projects in order to avoid overlapping, and even more encouraging, there are no respondents that do not cooperate with other donors.

Structure of Recipients

It was very difficult for our respondents to describe a typical grant, due to large differences between respondents, but the most preferred recipient were CSOs. The preferred partner from the CSO sector are professional organizations with expert knowledge of a certain topic they are covering, but that also has a certain political influence in the sense that it is considered as a relevant stakeholder.

One of the gaps identified is the weak specialization among CSOs in certain topics – as one of the respondents stated: “once you enter a certain topic, there is little room for CSOs of general interest, only those who found their niche, that are specialized should not be afraid for their future”. Furthermore, certain foreign foundations and institutions are not keen on financing organizations that seem too political to them, once again restricting CSO impact. One interview respondent explained that there is a gap in their financing strategy – they support small nonprofessional organization via a small granting scheme, and already established ones with a development strategy via institutional support, however there is no link between these two, in practice not enabling small organizations to grow, ending up in financing limbo.

¹⁹ Vodič kroz potencijalne izvore finansiranja <https://vodici.gradjanske.org/>

Plans for the Future

Respondents do not expect significant changes in their approach regarding their specific target groups or themes they are focusing on already. Green transition is probably the only change in this regard, since one respondent stated inclusion of this topic in their future portfolio. However, one respondent did say that they were discussing internally to include new target groups in order to address the diversity agenda in the future.

Important topics not already financed by our respondents' organizations mentioned are digitalization and AI, natural resources including minerals, public health, and the relations between Belgrade and Pristina, but also the importance of education and pollution were highlighted.

The impact of the war in Ukraine, on the other hand, seems to have led to some serious consequences – even though again majority of respondents stated that they did not experience tangible impact until now, they might in the future – some did point to the fact that significant aid resources were transferred to Ukraine from budget lines that were previously appropriated for their projects in the WB.

Future plans in the next three years seem not to differ much from the existing situation today for the institutional donors, concerning the top themes / issues, primary target groups and SDG goals they are aiming at. This should probably be understood through the fact that individual donors operate on a longer time span than a one year.

Our respondents identify several potential opportunities to achieve significant results in their priority topics, such as EU integration, momentum in green topics and vocational education, regional cooperation and network expansion. On the other hand, as the main potential challenges they see lack of funding, stalling of the reform process, political situation, geopolitical and social conflicts and shifting attention of donors to other countries.

Survey Completion Rate

Question #	Answered	Skipped	Completion rate per question
1	56	0	100%
2	56	0	100%
3	56	0	100%
4	54	2	96%
5	56	0	100%
6	48	8	86%
7	53	3	95%
8	54	2	96%
9	45	11	80%
10	47	9	84%
11	32	24	57%
12	37	19	66%
13	21	35	38%
14	22	34	39%
15	14	42	25%
16	26	30	46%
17	28	28	50%
18	30	26	54%
19	33	23	59%
20	31	25	55%
21	14	42	25%
22	32	24	57%
23	7	49	13%
24	22	34	39%
25	9	47	16%
26	17	39	30%
27	26	30	46%
28	26	30	46%
29	27	29	48%
30	21	35	38%
31	28	28	50%
32	7	49	13%
33	26	30	46%
34	26	30	46%
35	30	26	54%
36	18	38	32%
37	16	40	29%
38	24	32	43%
39	26	30	46%
40	24	32	43%
41	25	31	45%
42	8	48	14%

43	4	52	7%
44	26	30	46%
45	5	51	9%
46	23	33	41%
47	25	31	45%
48	25	31	45%
49	7	49	13%
50	9	47	16%
51	5	51	9%
52	25	31	45%
53	30	26	54%
54	9	47	16%
55	25	31	45%
56	25	31	45%
57	25	31	45%
58	5	51	9%

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The contents of this research are the responsibility of Catalyst Balkans and do not necessarily reflect the views of Open Society Foundations – Western Balkans, Rockefeller Brothers Fund, Balkan Civil Society Development Network, CSO Partnership for Development Effectiveness, or the European Commission.

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