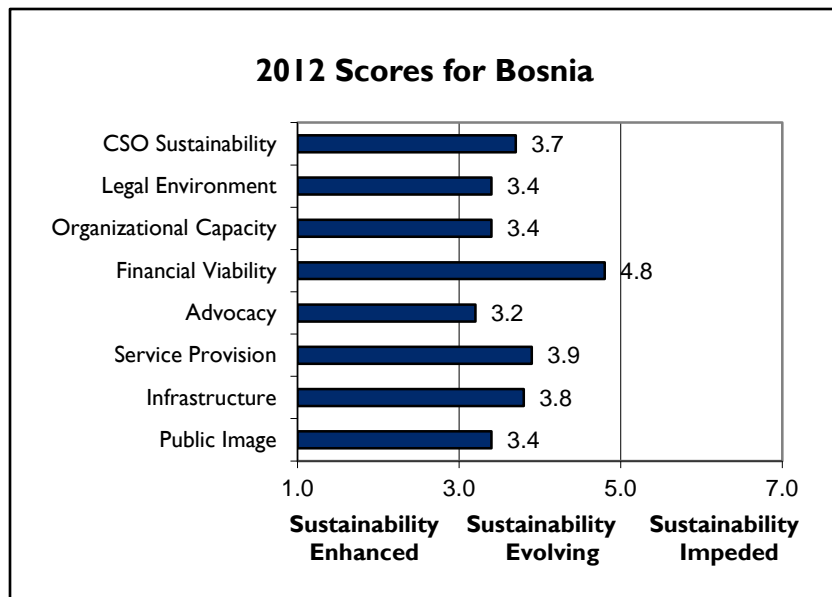


BOSNIA AND HERZEGOVINA



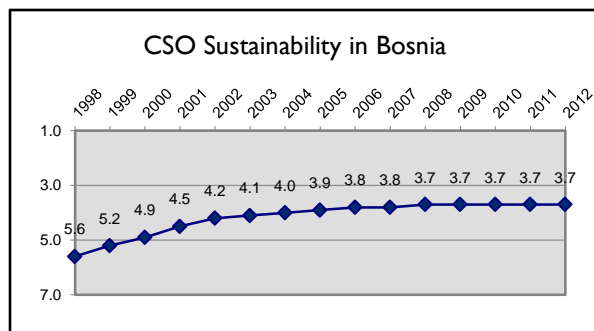
Capital: Sarajevo

Population: 3,875,723

GDP per capita (PPP):
\$8,300

Human Development Index: 81

CSO SUSTAINABILITY: 3.7



The political instability that characterized Bosnia and Herzegovina (BiH) in 2011 continued throughout 2012. Local elections in October and the consequent shifts in alliances among leading political parties led to the dissolution of the government of the Federation of BiH as well as several cantonal parliaments.

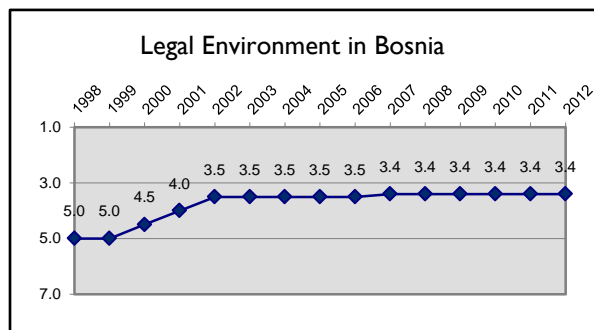
This political instability led to a decrease in CSO sustainability. Notably, CSOs' advocacy impact declined. Public image has also decreased, driven by a lack of understanding of the sector's work among the

general population. Financial viability remains the most problematic dimension of sustainability as CSOs struggle to diversify their funding and compete for EU funds.

There is still a lack of reliable data on the number of CSOs operating in the country. The last available estimate, which put the size of the sector at around 12,000 CSOs, comes from a 2008 analysis of the civil society sector in BiH by Kronauer Consulting.



LEGAL ENVIRONMENT: 3.4



Registration procedures for CSOs did not change in 2012. Registration costs 200KM (about \$130). The process is fairly simple, but time consuming. Online registration is still not available. High costs (approximately \$70) keep CSOs from reporting changes in their statutes, thereby distorting the number of active CSOs in the country.

Registration authorities have made it common practice to deny CSOs the right to use the words “center,” “institute,” or “agency” in their names. Even though

this is not directly prohibited by law, they argue that it is necessary to prevent people from confusing CSOs with government institutions.

Current legislation requires a CSO to have an assembly, board, and statute, but does not allow for government interference with internal management or the scope of activities defined in its statute. The state can only dissolve a CSO if its operations directly conflict with the BiH constitution. In addition, any CSO that does not hold a meeting of its assembly every two years is supposed to be automatically dissolved. In reality, however, there is no mechanism to monitor or enforce this requirement.

The sector faced a major setback when the parliament rejected three major pieces of legislation during the year due to the inability of the country’s two entities to agree on their provisions. First, parliament failed to pass the draft framework Law for Joint Registry of Non-Governmental Organizations in BiH, proposed in September 2011, which would have created a centralized database of CSOs in the country, as well as unified registration procedures. Second, parliament rejected a proposal by the Ministry of Justice that would have created separate legislation for foundations and associations, which are currently addressed in a single law. Parliament also failed to adopt the draft Strategy for Establishment of Incentives for Development of Sustainable Civil Society in BiH, which was created by a working group appointed by the BiH Council of Ministers with the support of UNDP. The Strategy would have been the first national legal and institutional framework aimed at stimulating the development of civil society.

On the positive side, parliament adopted the Law on Volunteerism in November 2012, following years of CSO lobbying. This law regulates the principles of volunteering and describes the rights and obligations of both volunteers and host organizations.

Unfavorable tax treatment continues to create problems for CSOs. CSOs are obliged to pay Value Added Tax (VAT) for expenses, such as hotel stays during business trips, per diems for participants in seminars or conferences, and travel expenses, which international donor funding often does not cover. CSOs are exempt from paying taxes on the income earned from providing services up to 50,000 KM (about \$33,000). Individual and corporate donors can deduct donations from their taxable incomes.

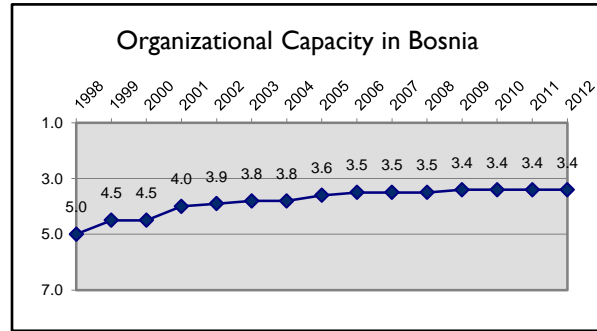
No educational institutions provide formal training in CSO-related legislation. As a result, there are not enough lawyers with expertise to provide legal support to CSOs.

ORGANIZATIONAL CAPACITY: 3.4

CSOs in Bosnia and Herzegovina strive to communicate with their local constituencies and promote their work through the media and public presentations. However, CSOs still do not possess clear strategic goals or strategic planning capabilities. Many CSOs make their statutes broad so they can apply for as many grants as

possible, even when they lack the staff capacity to implement diverse projects. As a result, CSOs often need to engage outside expertise to implement projects.

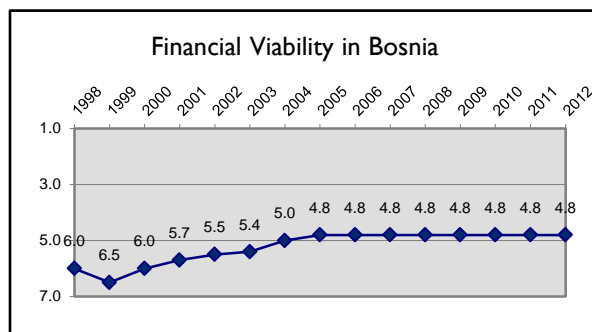
The internal management structures of CSOs might be well-defined on paper, but are often not implemented in reality. CSOs are legally required to have boards, although these are rarely well-functioning and active. Few CSOs have clear procedures for selecting board members. The Alumni Association of the Center for Interdisciplinary Postgraduate Studies (ACIPS) is one of the few organizations that engages its assembly in the selection of board members. It is common for a single person to perform multiple duties. Employees are often hired on part-time or short-term bases due to the high costs of taxation and employment benefits.



Very few CSOs have the capacity or will to engage volunteers. Many CSOs consider the process of recruiting and training volunteers to be too time and energy consuming to be worth the effort. Other organizations, though, not only utilize volunteers in their own work, but try to create a skilled and knowledgeable workforce through volunteer experience. The Institute for Youth Development KULT’s Learn, Think, Act program consists of seminars, practical exercises, and volunteer work that provide young people between the ages of fourteen and twenty-five with the opportunity to gain confidence, develop their capabilities, and increase their senses of responsibility. A total of 145 youth completed this program in 2012. KULT has also created a “volunteer diary” network that promotes volunteerism and provides young people with work experience. The diary lists the tasks and responsibilities each volunteer must complete in order to be certified as a youth leader by the mayor of his or her municipality. A total of 205 volunteers throughout the country participated in this program in 2012.

CSOs are generally equipped with the necessary office equipment, although in most cases, equipment is outdated due to decreases in funding for these items.

FINANCIAL VIABILITY: 4.8



CSOs continue to be heavily dependent on support from the international community. The Donor Coordination Forum’s Donor Mapping Report shows that international donors allocated approximately €175 million in the first six months of 2012, up from €136.7 million in the first half of 2011. On the other hand, funding from local sources, including government, private, and corporate donors, remained negligible and primarily benefited public benefit organizations such as charities, sports associations, and veterans associations. The ability to obtain local funds often seems to be

based on long-standing personal relationships. Similarly, some CSOs rely on support from the same donors year after year, doing little or nothing to attract new funders or raise money themselves.

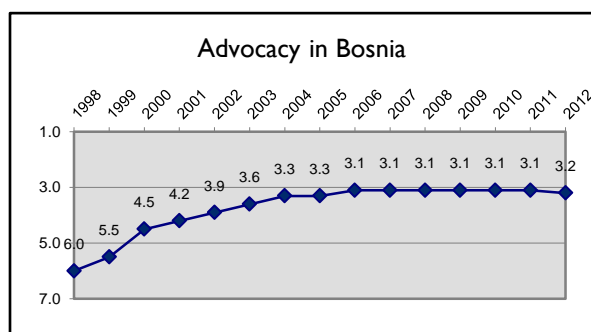
Large grants, such as those from the EU, are often inaccessible for small CSOs because the application process is too complicated and they are unable to meet the requirements. For that reason, in 2012 the Republika Srpska, one of the BiH entities, started co-financing all EU projects, thus enabling smaller CSOs to compete for these grants.

Some organizations successfully supplement their incomes with revenue from services. For example, in 2012, 25 percent of KULT's income (approximately 200,000 KM or \$130,000) came from fees it charged for conference room rentals, corporate training, and other courses and seminars. Other organizations, such as the Center for Information and Legal Help and the NGO Council, collect membership dues to help offset their expenses.

CSOs are very lax when it comes to financial management practices. They are generally reluctant to publish or share their financial reports unless a donor specifically requests this information. Many CSOs do not have the financial resources to employ accountants or bookkeepers and can not afford independent audits.

ADVOCACY: 3.2

CSOs continued to be active advocates in 2012, but their efforts were less successful than in previous years due to the government's unresponsiveness. For example, as described above, parliament blocked several important pieces of legislation that CSOs endorsed, including the Strategy for Establishment of Incentives for Development of Sustainable Civil Society, the new laws on associations and foundations, as well as the Law on Audits.



Some long-term advocacy efforts, however, were finally successful in 2012. For example, in spring 2012, KULT's work drafting and lobbying for the Law on Volunteerism finally paid off.

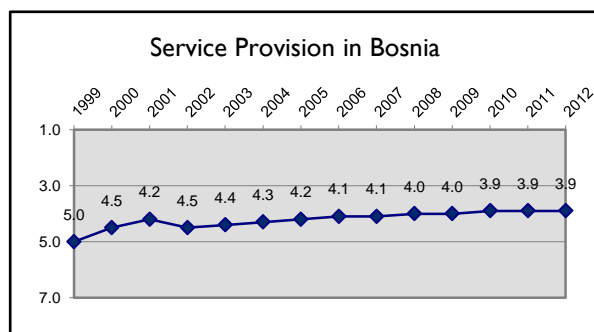
The Initiative for Freedom of Declaration, a coalition of several human rights groups and other CSOs, successfully amended the questionnaire for the 2013 census, the first census in the country in over two decades. The initial questionnaire required citizens to declare an ethnicity, marginalizing those who did not want to define themselves in ethnic or religious terms. Amendments to the questionnaire also ensure additional freedom in answering certain questions, for example, by allowing citizens to declare themselves agnostics or atheists.

There is some cooperation between the state and entity governments and CSOs. As a potential candidate for EU membership, BiH is obligated to consult with CSOs when amending and harmonizing its legislation with EU standards and the Acquis, or the accumulated legislation, legal acts, and court decisions which constitute the body of EU law. KULT has a history of productive cooperation with local governments, having signed memorandums of cooperation with over 100 municipalities across the country. In addition, 10 percent of each KULT project is financed by local governments. In cooperation with local governments, KULT seeks to foster participation by youth in all relevant decision-making processes by creating youth strategies and councils at all levels of government.

SERVICE PROVISION: 3.9

CSO service provision did not change significantly in 2012. CSOs continue to provide a variety of services to marginalized groups, youth, and rural communities, among others. The majority of issues addressed by CSOs reflect the current trends and demands of the European Union and not necessarily the true needs and priorities of the local population.

CSOs disseminate their publications either through their websites or municipal offices and information centers. However, due to donor demands, many of these publications are only available in English, thus limiting their use by other CSOs whose primary working language is Bosnian-Croatian-Serbian.



Certain organizations extend their services beyond their primary constituencies. For example, Association XY held a series of workshops and trainings on the topic of sexual health and the prevention of sexually transmitted diseases in correctional facilities across the country.

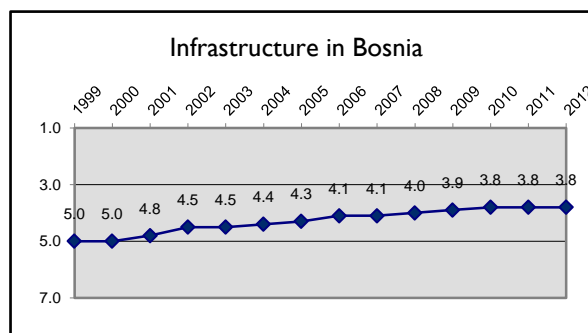
Some CSOs are able to generate income through service provision. For example, the Youth Center from Vlasenica in the Republika Srpska is almost entirely self-sufficient from the fees it charges for the use of its Internet café, scanners, and copiers, as well as

recreational games available at the center.

CSOs continue to be leaders in the provision of basic social services, such as soup kitchens, elderly care, and informal education. Despite this, the government is slow to recognize their importance and offer its full support, either in terms of finances or certifications that would enable these CSOs to offer better quality care.

INFRASTRUCTURE: 3.8

Six resource centers (in Sarajevo, Livno, Travnik, Prijedor, Dobo, and Tuzla) continue to offer trainings, consulting, education, and networking services to their constituencies. All resource centers charge fees for services and trainings, and some, like the resource center in Sarajevo, generate additional income by renting their conference rooms and equipment to other parties. Some larger organizations and resource centers, such as the Centers for Civil Initiative (CCI), the Civil Society Promotion Center (CPCD), and the Fund for Social Inclusion, re-grant donor funds to local CSOs.



The EU-funded Technical Assistance for Civil Society Organizations (TACSO) remains an important training hub for CSOs in BiH, offering trainings and informational seminars on topics related to EU grants. There is still a lack of specialized training on CSO management.

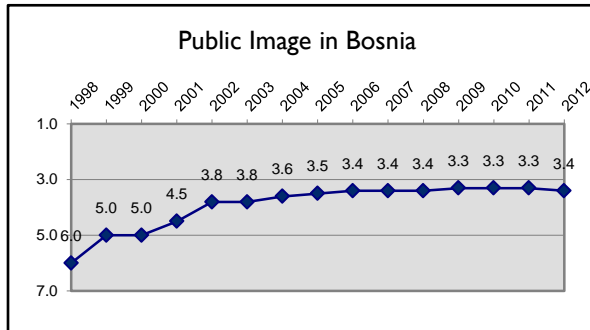
CSOs continue to cooperate through a variety of networks. With the support of UNICEF and the Ministry of Justice, in the spring of 2012, CPCD initiated the creation of a network focused on eliminating violence against children; the network was still not officially formed by the end of the year. The Network of Local Volunteer Services, which unites fourteen volunteer services throughout BiH, advocates for a legal framework for volunteerism on the state level and serves as an information center and hub for the exchange of ideas, knowledge, and experiences in the field of volunteerism.

In general, however, the level of support and information sharing among CSOs is relatively poor, as CSOs often view each other as competitors. Coalitions such as the NGO Council are supposed to facilitate communication among CSOs, but due to the large number of members, many CSOs, especially smaller ones, feel like their voices are not heard. No organization or committee serves to promote the entire sector's interests in society.

Positive and productive cooperation between civil society and other sectors is rare, but does happen on occasion. The Mozaik Foundation, for example, supported Company Shuttle, a project by the International

Association for the Exchange of Students for Technical Experience that brought together academia and the business sector to introduce students to local firms and allow them to network with potential employers.

PUBLIC IMAGE: 3.4



The public image of the CSO sector declined slightly in 2012. The public commonly believes that CSOs only talk without delivering any concrete results. The media's attitude toward CSOs is largely the same. Media outlets, especially daily print newspapers, often ignore CSO stories as they lack the sensationalism that drives the media industry.

On the other hand, CSOs do not do enough to promote their work. Only a few CSOs, such as KULT, employ public relations professionals to promote their

media presence. Others have launched their own web TV stations to inform the public about various problems facing BiH society and the work of CSOs. For example, CCP's Initiative TV allocates a certain portion of its air time to local and regional CSOs and TV stations. Similarly, radio Open Network (currently in its test phase) is the first radio station aimed specifically at the civil sector in BiH. It aspires to become the go-to media outlet for all social forces in the country aimed at generating positive changes, the promotion and protection of human rights, and free access to information.

In general, the government in BiH does not rely on CSOs for advice or assistance, but there is a certain level of cooperation at the county and city levels.

CSOs generally do not practice self-regulation. Few organizations issue financial or annual reports or engage in other transparency measures, and the sector as a whole continues to operate without a code of ethics.