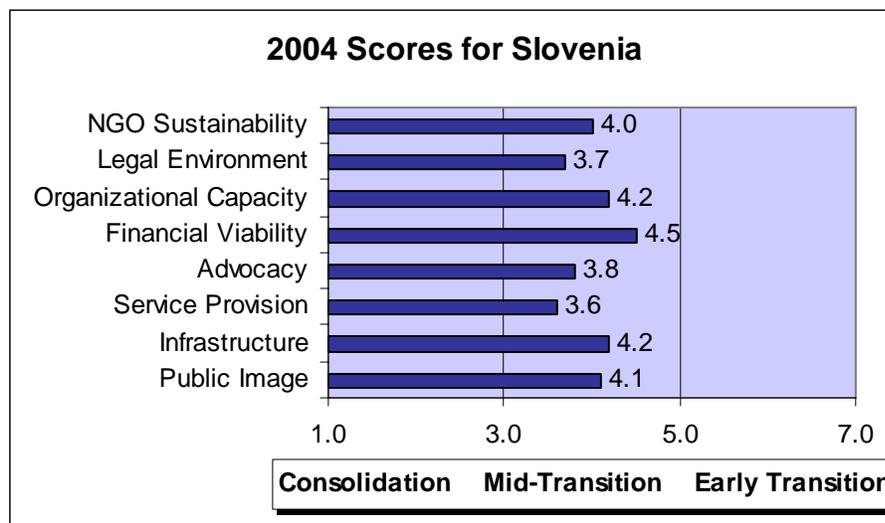


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**SLOVENIA**


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**Capital:** Ljubljana

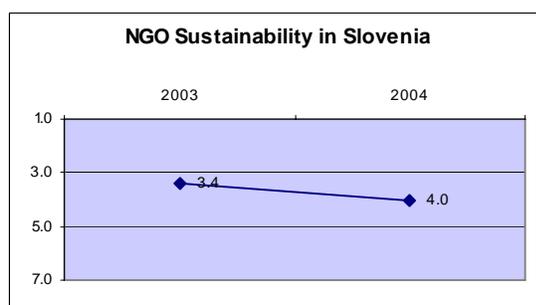
**Polity:** Parliamentary democratic republic

**Population:**  
2,000,000

**GDP per capita (PPP):** \$19,000

### NGO SUSTAINABILITY: 4.0

There are over 20,100 NGOs in Slovenia; 19,200 of them are associations or federations of associations, among them approximately 2,000 have the status of association in the public interest (among which 80 percent are voluntary fire brigades and sport organizations). The rest of the NGOs are foundations (approximately 150) and private institutes (approximately 850). Not all of these are active, but there is no current data as to which are defunct.



The primary field of work in which NGOs operate are voluntary fire brigades, sports,

culture, and social welfare. Most NGOs have their headquarters in urban areas, particularly Ljubljana. 0.7% of all working people are employed in NGO sector.

Slovenia is becoming a member of the European Union, which is the impetus for two important strategic documents. One is the government strategy on the NGO sector in Slovenia, in which the government recognizes the importance of NGOs, and the second is the agreement between the government and NGOs, which is still being negotiated. In this agreement the government promises implementation of civil dialog, necessary needed legal reforms, regulation of mechanisms for financing NGOs, and increased employment in the NGOs sector. While these are not yet yielding positive effects on the NGO sector, they will, as the NGO community and the government both understand the need to cooperate and promote legal reforms to benefit the NGO sector as a whole.

**LEGAL ENVIRONMENT: 3.7**

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Little has changed in the last year. NGOs still face long administrative processes to register, and are governed by the same laws that apply to for-profit entities, thus requiring NGOs to keep accounts and publish annual reports. There has been progress on three new relevant laws. New laws, one for associations and one for public institutions, have been proposed but not yet adopted by the parliament. A new law on voluntary work was also prepared but the responsible government body is still reviewing it. In general, NGO laws are written in a manner that allows for interpretation and inconsistencies in how they are applied. NGOs themselves tend to determine how to manage their operations, and make decisions that may leave them vulnerable to political influences. So although NGOs and their representatives are allowed to operate freely and can address matters of public debate or express criticisms, they often do not have the funds to campaign widely.

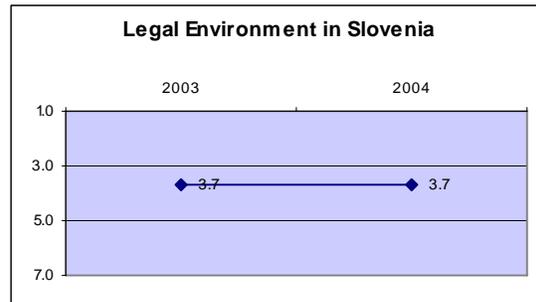
There are no local lawyers trained and familiar with NGO laws, but some individual NGOs are advising other NGOs

**ORGANIZATIONAL CAPACITY: 4.2**

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The lower score in this dimension is as a result of new data on the state of NGOs, which is being systematically researched and analyzed by the Center for Information Service, an organization that supports the coordination and development of NGOs. The research has shown that organizational capacity is especially low in rural areas and less developed regions, and that while volunteers provide an important service to the sector, they are often inexperienced and lack needed skills. Established NGOs

on legal matters. This kind of consultation is only happening in the capital and the second largest city.

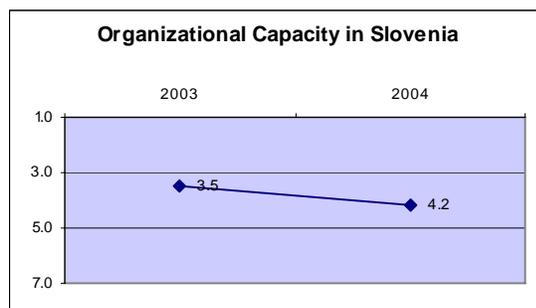


Taxation provisions are not favorable for NGO development, and NGOs have been pushing for changes in the tax legislation. Individuals and corporate donors can receive tax deductions, but they are too low to be an incentive to giving. NGOs are excluded from paying taxes on grants or endowments, but are required to pay VAT on goods and services they provide. In the social sectors, NGOs compete for government contracts and procurements at the local and central levels.

can rely on their constituents, and newer NGOs are quite active in defining themselves before the public and working to gain its support.

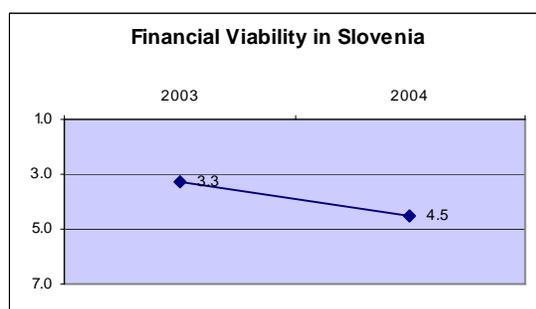
The majority of NGOs define a broad mission at their onset, allowing them to be flexible in the activities that they carry out. NGOs that have continual sources of funding—the government, voluntary work or private contributions—are usually not interested in other kinds of funding. Those

that do note will explore a variety of funding sources. Many of the activities undertaken by NGOs are ad hoc; strategic planning is not commonly practiced. NGOs suffer from a lack of full-time, qualified staff.



Clearly defined management structures can only be found within some NGOs, mostly

#### **FINANCIAL VIABILITY: 4.5**



Initiatives to raise funding through local foundations are currently underway. NGOs raise funds from local municipalities, as well as from foreign donors, service provision, grants and contracts from the government, and from membership fees. Many NGOs rely on volunteer work, and in many cases, the contributions of volunteers enable them to remain viable. Contracts with local business are mainly limited to sponsorship and advertising. The percentage of money raised from local sources is higher than from central sources, and private donations are limited due to

the ones with more funds, more members and more professional staff. Still, many organizations rely on a handful of people who handle all aspects of the organization's operations, and most are volunteers. Similarly, the degree to which an NGO is transparent and accountable depends on the staff and resources available.

Only leading NGOs have sufficient resources in terms of office equipment (personal computers, fax machines, scanners, etc.). Most do not have modernized basic office equipment, and are reliant on the support of their local communities to provide space and other in-kind resources needed.

lack of tax exemptions. There have been cases where private donations have been given as in-kind contributions. Services and products sometimes supplement the earned income, and in rare cases the rent from assets can also be an important part of income.

Most NGOs rely on a small number of funders, and are unable to diversify their funding bases because of a lack of staff with knowledge about fundraising. Though NGOs have recently engaged in membership outreach and philanthropy development programs, there is no evidence yet that they have successfully expanded their funding bases. Generally, large NGOs that are well known and have clear humanitarian goals get more support. Slovenian membership in the European Union provides more opportunities for NGOs to qualify for EU funds, but given NGOs' limited capacity to participate in such tenders, few have applied.

## NGO SUSTAINABILITY INDEX

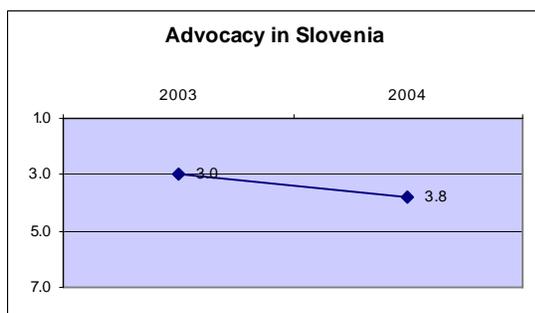
Only a small percentage of NGOs publish annual reports with financial statements.

Most do not have the capacity, but do operate transparently in many other ways.

### ADVOCACY: 3.8

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Formal communication channels exist between NGOs and policy makers, as there are many working groups and advisory bodies that take on an advocacy role. Central or regional governments invite NGOs to policy-making procedures more often than in the past. Notable progress was made in improving communication between NGOs and central government in the areas of environmental protection and social affairs, where NGOs are invited to discuss legislation before it is adopted. NGOs have played an important role in providing social services under government contracts, and have begun having a voice in the policy process as well.



Each ministry has its own rules about communicating with the NGO sector, as there are no general regulations on the

issue; in this way, it is not unusual for select NGOs to be privy to information. Informal direct lines of communication are still commonly used, whereby NGOs use personal relationships to access government officials and vice versa.

In general, NGOs are not comfortable and do not understand the concept of lobbying. There are some, however, that are very successful lobbyists. One example is the Initiative for the Future of NGOs, which was the foundation to start the negotiation with the government about the civil dialog, legal reforms, mechanisms of financing and employment in the sector. Lobbying by NGOs was also a crucial part of preparation of the Association Act. It is too early to see tangible results, but there has been rising awareness in the NGO community on how to press for a favorable legal and regulatory framework in order to enhance its working environment and sustainability. Only some individual NGOs push for legal reforms that will benefit NGOs and local philanthropy. Some NGOs have formed coalitions and have formed a Strategy for Development of NGO Sector (covering tenders for legal reforms, public awareness, relationship to the government and financing), which was a good framework for the negotiations about the agreement with the government.

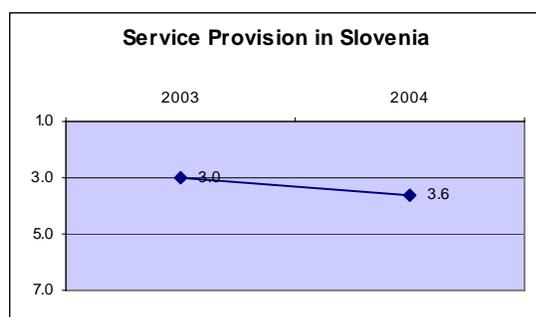
### SERVICE PROVISION: 3.6

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NGOs provide services in a variety of fields, including some basic social services

such as health care, education, help for the disabled, relief and housing, and

environmental protection. In the social sectors, many NGOs cover the gap in services not provided by the government on a national and local level; this has led to recent discussions about further privatization of public services. The government at the national and local levels increasingly recognizes the value that NGOs add in the provision of basic social services. There are many multiple-year programs contracted by government entities to NGOs that are being extended and expanded.



Goods and services that NGOs provide reflect the needs and priorities of their constituents and communities. NGOs successfully track needs, though more on

an ad-hoc basis than a strategic one. Goods and services that go beyond basic social needs are provided to members and non-members of NGOs. NGOs that have a status of association in the public interest are obligated by law to provide the service to members as well as to non-members.

NGOs recognize the need to charge fees for services and other products—such as publications, workshops and expert analyses—which are marketed to other NGOs and government officials. Though NGOs generally have a good sense of the market demand for their products, two issues complicate their ability to earn revenue through sales. When NGOs provide goods and services, they recover their costs by charging fees, but they are obligated to charge VAT as well, making the products expensive—sometimes too expensive for their customers. Also, because of a lack of staff and resources, few NGOs have the capacity to provide the high standards of service provision expected.

## INFRASTRUCTURE: 4.2

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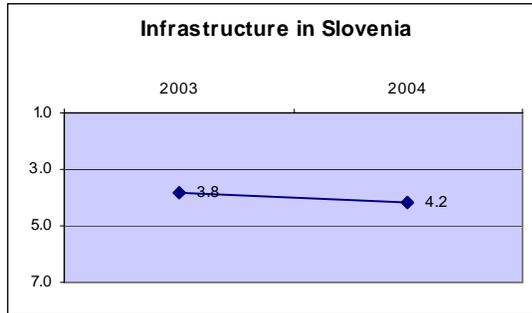
NGO resource centers were established in the two biggest cities, providing access to the Internet and to computer hardware and software for free. Such centers were proven successful and there is a need for more regional offices like these.

There are no local community foundations, but some are in the process of being established.

NGOs are aware of the importance and advantages of networking and sharing information with each other, so many networks have been established and operate successfully (for example: CNVOS – Centre for Information Service, Cooperation and Development of NGOs; ZDOS – Association of Slovenian Societies; ZSU – Association of Slovenian Foundations; ZZZ – Federation of Private Institutes; MISSS – Information, counseling youth centre; Mama network). There are also some networks specific to

## NGO SUSTAINABILITY INDEX

issues such as culture and environmental protection. Most of them communicate using the Internet.

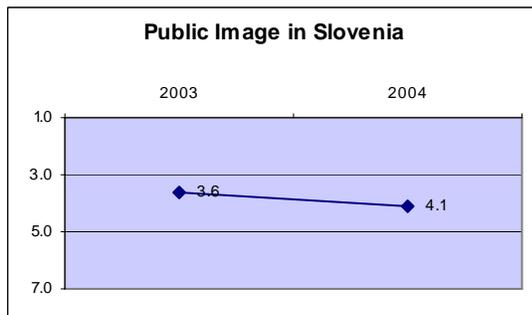


Some local NGOs provide management training, seminars and workshops on strategic management, accounting, fundraising, media relations and human resource management. These opportunities are available in the local language, and only held in the larger cities.

There are only a few good examples where NGOs have developed partnerships with the private sector and media, and this will most likely slowly improve in the future as awareness grows about the utility of such relationships.

### PUBLIC IMAGE: 4.1

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In general, the media is well disposed toward the NGO sector, sometimes reserving special columns for NGO activities. At the local level, the media gladly provide coverage, and on the national level, the media is very interested in NGOs' work in particular sectors. The media tends to report on NGOs in negative situations more often than positive ones, but NGOs are partly to blame, as they do not communicate well with the media. There is much room for improvement, whereby the NGOs could enjoy more positive public exposure.

The public has a neutral perception of NGOs, because it does not know what NGOs do. The perception is more positive on the local level, where people are more in contact with the NGOs that operate in their municipalities. When the media reports negatively on affairs in NGOs, it affects public perception.

The relationships between NGOs and the business sector are positive on an individual level; however, the function of the NGO sector as a whole is often not understood. The perception is also more positive than negative from governmental officials, as demonstrated by their reliance on NGOs as a source of expertise in public competitions.

In general, NGOs do not publicize their activities or promote their public image, but there are individual NGOs that do, and they have been very successful at forging relationships with the media. Small and newly established NGOs lack the skills to deal with the media. NGOs are aware of

the importance of publicity, but do not have the staff or knowledge to harness it.

Unchanged from last year, some leading NGOs publish their annual reports, but others do not due to lack of resources.

NGOs are becoming aware of the importance of transparency for their public image and are trying to demonstrate it in their activities. As for now, there is no code of ethics on transparency.