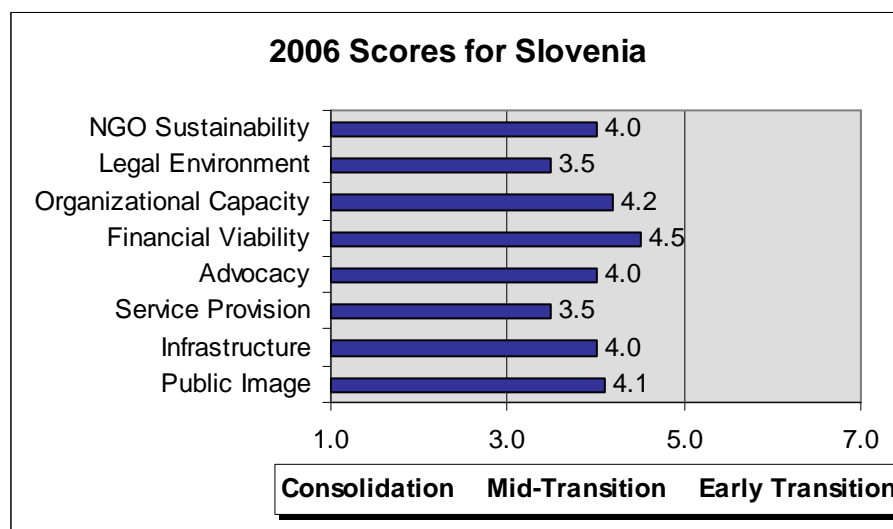


## Slovenia



**Capital:** Ljubljana

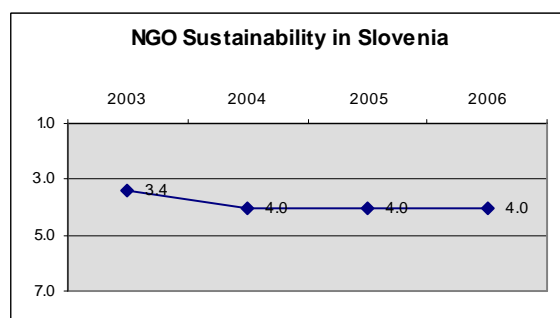
**Polity:**  
Parliamentary  
democracy republic

**Population:**  
2,010,347

**GDP per capita  
(PPP):** \$23,400

### NGO SUSTAINABILITY: 4.0

There are almost 21,000 NGOs in Slovenia, mostly organized as associations on the local and regional level in the fields of sports, culture and art, fire brigades, tourism, etc.



The new Act on Associations and modifications to the Government's Rules of Procedure brought the most significant changes in the year. These changes resulted in as many pluses as minuses. The new Act on Associations brings some improvements, as well as some regulations that will affect the sector in a negative way. The previous act was more flexible and left more space for associations to set their own management structure, while the new one specifically defines certain bodies and competencies. The changes to the Rules of Procedure require obligatory consultations with

NGOs as part of government decision-making, but in practice this article has already been breached several times.

The year 2006 was the last year for European structural funds 2004-2006; the last calls for proposal were issued and at the same time the drafting of the National Development Plan (NDP) 2007-2013 was begun. NGOs had found the process of accessing EU structural funds frustrating and disappointing. Although formally they could apply for several projects, a study conducted by PIC and REC at the end of 2005 showed that NGOs were rarely the beneficiaries of these projects, with the funds often going instead to municipalities, public institutes, etc. The drafting process of the NDP is improving and there were some possibilities for NGOs to participate, but for the most part their comments were not integrated into the text. There is a special chapter dedicated to the development of NGOs and civil and social dialogue in the operational program. However, based on discussions with other NGOs, it does seem that government funds available to support of NGOs are considerably higher in other CEE countries.

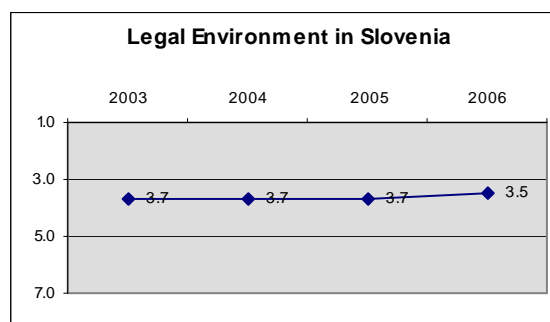
## LEGAL ENVIROMENT: 3.5

The largest change concerning NGO legislation was the newly adopted Act on Associations. It enforces more self-control and more stringent bookkeeping requirements. It also introduces more detailed requirements for performing commercial or profit-making activities. In comparison to previous regulation, it determines some obligatory bodies and their defined competences, which could be seen as state interference with associations' autonomy. For example, an association is obliged to have a supervisory board with certain competencies, which cannot be assigned to another body. There are also certain decisions, such as a change of statutes, which can only be made by a council of all members. The process and requirements to be granted status as a public benefit association were unified. A new tax reform for next year was also adopted by parliament and will be implemented in 2007. The new law will abolish tax deductions for the donations of citizens, but will give citizens the option to donate 0.5% of their taxes to certain non-profit organizations. Some criticism was made of this mechanism as it puts NGOs in the same tax situation as church organizations, political parties, and trade unions, meaning that NGOs must compete with a broad range of other organizations for the tax assignation funds. Furthermore, political parties already had two other mechanisms for financing, and therefore in the opinion of NGOs opinion, there was no compelling need to include political parties as possible recipients for these funds as well.

There were no major changes concerning the registration process of NGOs, except that legal persons (such as companies, public bodies, or public institutions) can now also establish an association. According to the law, the

association is a private legal person whether or not the founders are public institutions.

The new Act on Associations establishes more requirements for control and financial reporting to the state, causing compliance problems for smaller associations.



NGOs are allowed to engage in advocacy and there are no formal barriers which hinder them in monitoring and criticizing the government. However, in some cases smaller organizations fear informal pressure or negative consequences from local authorities if their criticism is too strong.

There were no developments in the field of local legal capacity, as legal advice is not available to NGOs except in the two largest cities.

Other than the changes proposed in draft legislation likely to be enacted next year, NGO tax legislation was not changed in any way. Tax initiatives for individuals and the commercial sector to donate to NGOs remain low and all NGOs are fully taxed for all their commercial activities. NGOs are allowed to earn income from provision of goods and services if such activities are related with their goal or intention of establishment.

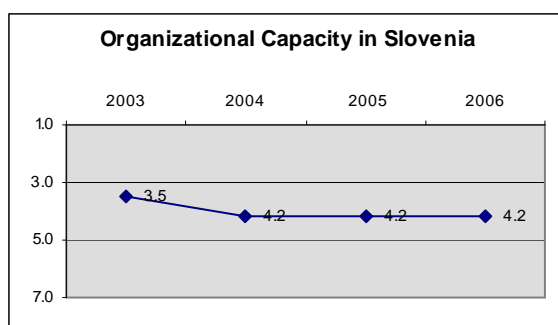
## ORGANIZATIONAL CAPACITY: 4.2

---

At the local level in 2006, four community foundations were registered, but it is too soon to evaluate the results of their work.

Awareness of the importance of strategic planning is increasing, but in practice strategic plans are not implemented or are frequently changed during implementation due to project-oriented activities.

Management structure in NGOs is usually clearly defined in their founding documents and bylaws. Nonetheless, in practice the structure is simplified with indistinct division of roles between founders, board members, beneficiaries, etc.



## FINANCIAL VIABILITY: 4.5

---

The recent analysis also showed that the share of GDP produced by NGOs is the same as it was eight years ago, when a similar analysis was conducted, showing no progress whatsoever. It also showed that the majority of income going to NGOs is for disabled and humanitarian NGOs because these groups are financed by a public foundation, established by the government. When looking at the average income structure for NGOs, most are financed through local governments and membership fees. Nonetheless, the overall share of income from public sources has increased. Ljubljana, the capital city of Slovenia, provides subventions for the rental of public office space for associations and foundations, but not for public institutes. Efforts of some organizations to include all types of NGOs in subvention

The employment rate in the NGO sector remains very low. However, with the measures for higher employment in the NGO sector (Operational Program for Development of Human Resources 2007 – 2013) included in the National Development Plan, the prospects for the future are more positive. Recognition of the importance of volunteers and volunteering is increasing, the Code of Ethics of Voluntarism was passed by the NGOs, and the award Best Volunteer of the Year has become institutionalized and is being made annually.

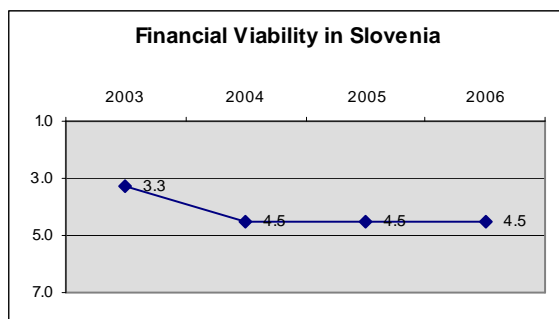
An informal working group with members from NGOs and the government was formed, working on transparency and quality standards for the NGO sector.

Although it is often assumed that NGOs are technologically well-equipped, and though some ministries have special tenders for technical equipment (e.g., the Ministry of Environment and Spatial Planning), the latest research results suggest otherwise. Only 30 % of NGOs own a computer, 13 % own a fax machine, and only about 50 % use the Internet and e-mail.

schemes remain unsuccessful. A great deal of media attention was given to a questionable denial of application to a public call for proposals, filed by Association Legebitra, active in the field of homosexual rights. The denial was based on the Government's argument that another group was already receiving funding for the same type of program as Legebitra had proposed, when in fact Legebitra's proposal was significantly different. Legebitra took the case to court and won.

Usually, NGOs have diverse sources of funding, but inadequate and unpredictable funding remains a problem. Quite a few NGOs are experiencing problems with funding stability, since government funding or payment for services is not regular or is often delayed. A

positive step was noticed in some ministries, which are recognizing the value of longer-term programs by supporting more than just annual NGO projects.



Only a few NGOs publish annual reports with financial statements. In many cases financial reports are available to the public, but that does not mean financial transparency of the organization can be taken for granted, as reports often only give a few items, which do not give the full picture of a financial condition of a given organization.

Revenues from services and products are an important part of NGOs' income. However, deeper analysis also showed that this share of such income is in fact lower than years ago and is rather low in comparison to other countries.

## ADVOCACY: 4.0

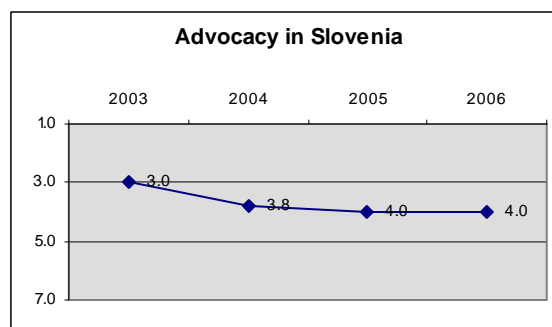
In April 2006 changes to the Government's Rules of Procedure entered into force. In theory, under the new rules public consultations with civil society are required for all draft documents that are subject to government's decisions. Unfortunately, while the Government recognized the importance of public participation in the decision-making process in theory, in practice this is often not the case, and the requirement was already breached several times.

Specifically, in 2006 the Government passed some very important strategic plans and laws, but NGOs were not included, or were included only superficially, in their drafting (e.g., drafting of the National Development plan and most importantly, the new tax reform, which was published only seven days before acceptance by the government).

Civil dialogue and participation of NGOs in the policymaking process still differ from ministry to ministry; there are still no unified participation mechanisms at the Government level.

On the local level, participation is easier due to the reduced challenges of working in smaller

communities. In the process of site selection for low and medium radioactive waste disposal, two local partnerships between local government, the Agency for RadWaste Management and citizens were established.



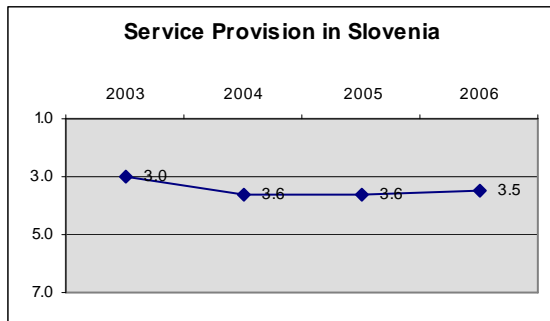
Some ad hoc or issue-based coalitions were established in the process of drafting important strategic documents, but they were rather unsuccessful.

There is still no lobbying for common interests within the NGO sector as a whole. There are some strong NGO lobbies, but their focus is narrow and related to only their primary objectives.

## SERVICE PROVISION: 3.5

---

NGOs provide services mostly in the social field (they run safety houses, take care of victims of crime, offer psychological and social support, or provide health treatment for drug abusers). In general NGOs are successful at providing services and are also sometimes engaged at solving a specific problem in their community.



Goods and services provided by NGOs in general reflect the needs and priorities of their founders and communities, since they successfully track societal needs, though mainly on an ad hoc basis rather than strategically tracking needs. Sometimes their success in responding to those needs is limited due to lack of finances, which are usually tied to a strictly defined purpose.

## INFRASTRUCTURE: 4.0

---

There are some NGO resource centers, but their scope of activity is limited due to the lack of financial and human resources. The Government (Ministry of Public Administration) recognized the need to strengthen the sector as a whole and as such launched two-year tenders for services in support of support NGOs (i.e., technical assistance with project writing, legal aid, information services, etc.). Resource centers charge fees for administrating some projects, but the amount they can charge is negligible.

Four community foundations that were established in 2006 made a priority of fundraising. By the end of the year, they had raised considerable amounts of money and

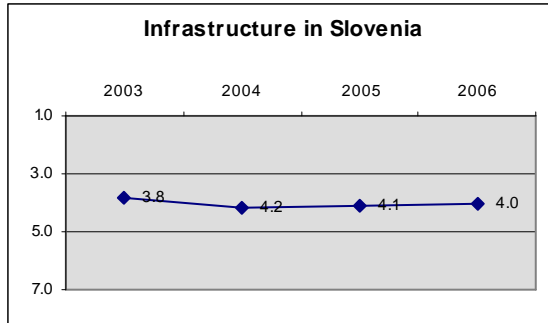
NGOs provide goods and services not only for their members but also to others, as this is required in order to receive public funding. Some NGOs offer workshops, provide information and publish handbooks for other NGOs. There were also some cases of NGOs conducting expert analysis for the government, but there is no data for services provided for church or religious organizations or academia.

NGOs recover part of their costs by charging fees for their services (around 30% of their income comes from fees for their goods and services), but they are often unable to compete with the commercial sector, given that they are not as familiar with market demands and market rules.

Sometimes NGOs themselves also lobby the government to provide public services to the population. In the field of social care, the government recognized the value of NGOs and is providing contracts for their services. Such transfers of services from public to private sector also continue in the field of health care, but NGOs fear these transfers may go directly to the commercial sector instead.

received matching grants from the Trust for Civil Society in Central & Eastern Europe (CEE Trust). It is expected that they will open tenders for local NGOs in March 2007.

Information-sharing is increasing, mostly through web pages (such as web pages with all relevant information related to calls for proposal, e-participation, etc.) and different thematic mailing lists. Competition among NGOs still exists; however, NGOs recognize the need for coalition building and partnership between them in order gain a stronger voice in public decision-making and fundraising.



Although training for NGOs is frequently organized and offer a broad scope of knowledge and skill development (for example, fundraising, governance, management of finances, legal issues, etc.), NGOs do not tend to participate in such trainings due to their lack of time and human resources.

There are some cases of strategic partnerships between the Government, NGOs and the media, but this is still not a common practice.

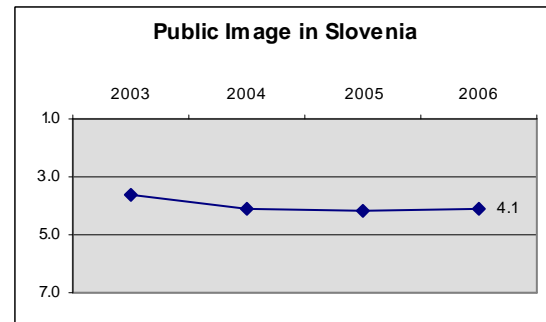
## PUBLIC IMAGE: 4.1

NGOs are slowly moving into media space, despite the lack of adequate knowledge on how to confront and deal with media in general (with exception of some organizations, which are quite successful at their communication with the media). A study on civil society in the media revealed that the media show NGOs in a positive light, and that the most positive coverage is given to advocacy NGOs and NGOs working in the field of social and health care. News showing civil society in a negative way reported mostly on corruption in society as a whole. The distinction between public service announcements and corporate advertising is not always very clear.

In comparison to other institutions, such as the press, police or central government, trust in the NGO sector is rather high. In addition the public believes that voluntary organizations are a better service provider to marginalized people than state agencies. The term “non-governmental organization” is usually understood in connection with local organizations close to the population and is rarely used to describe organizations working on the national level.

The attitude of the commercial sector towards NGOs is, in general, indifferent, and companies rarely participate in broader NGOs’ activities. However, social responsibility appears to be more and more important for companies, also thanks to media promotion. The largest financial newspaper had a feature highlighting the company with the best record in corporate

social responsibility and dedicated a monthly enclosure on philanthropy, showing a positive perception of NGOs.



Expertise in the sector is limited, causing NGOs not to be recognized as a vital and reliable source of expertise by the commercial and public sectors. The lack of a uniform definition of what NGOs are is causing additional confusion in both the private and public sectors.

No code of ethics was prepared and adopted for the whole NGO sector, but a code of ethics of voluntarism was prepared, and NGOs can subscribe to it.