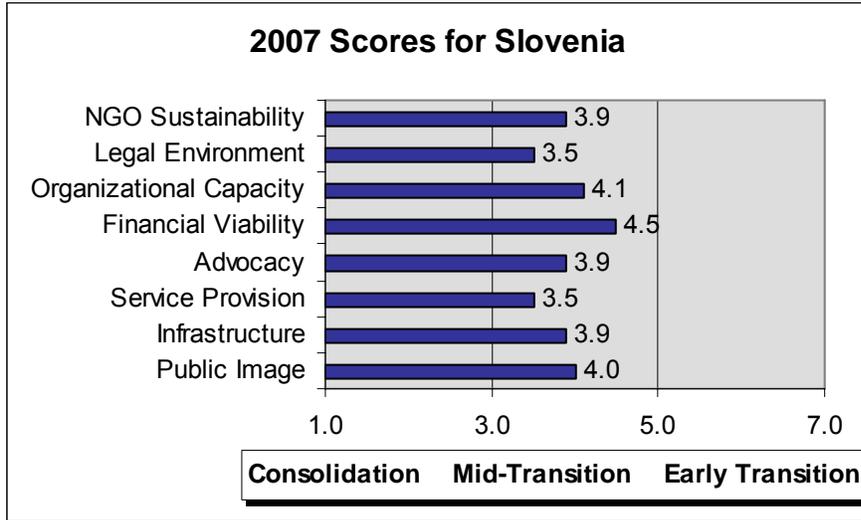


SLOVENIA



Capital: Ljubljana

Polity:
Parliamentary
Democracy Republic

Population:
2,007,711 (July 2008 est.)

GDP per capita (PPP):
\$27,300 (2007 est.)

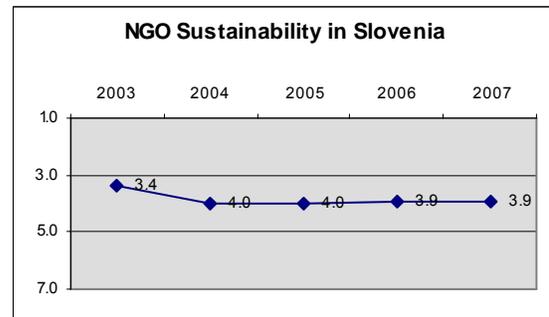
NGO SUSTAINABILITY: 3.9

Of the almost 21,000 NGOs in Slovenia, the majority are organized as associations and work at the local level in the fields of sports, culture and art, fire brigades, etc. Other forms of NGOs are foundations, private institutes, and some sui generis forms. Advocacy and service provision organizations are primarily active on the national level.

2007 marked the beginning of the new EU Structural Funds Financial Period, which lasts through 2013. Throughout the year, NGOs were engaged in setting up programs, seminars, and workshops dedicated to building capacity to implement projects. The most important fund for NGOs is the European Social Fund, which dedicates more than 12 million Euros to civil dialogue and the development of the NGO sector.

This year, the new Personal Income Tax Act came into effect. This law includes a provision similar to those in some other CEE countries allowing citizens to donate 0.5 percent of their taxes to groups benefiting the public, including NGOs, rather than paying it to the tax office.

Unfortunately, in drafting the Slovenian provision the Ministry of Finance did not consider the lessons learned in implementing similar “percentage” laws in other countries and may consequently make similar mistakes. NGOs have proposed different mechanisms to implement the 0.5 percent provision, but their ideas have not been accepted. Currently, the system requests ministries to propose a list of NGOs that they perceive as benefiting the public to the Ministry of Finance. All the ministry lists are then compiled into the final list of potential tax revenue recipients; the list is expected to be updated regularly.

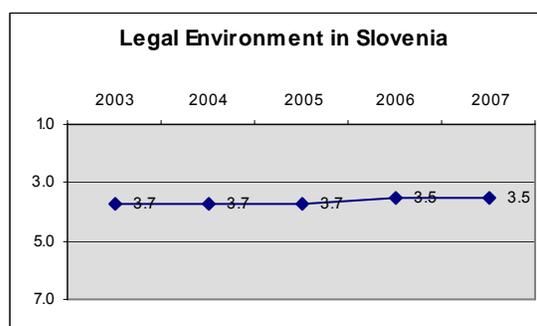


LEGAL ENVIRONMENT: 3.5

The Personal Income Tax Act had a great impact on NGOs in 2007 and has enormous potential to affect them in 2008, as well. As described above, this act allows citizens to donate 0.5 percent of their taxes to political parties, representative trade unions, or public benefit organizations (PBOs). In order to be granted PBO status by the government, a government ministry must recognize the organization as acting in the public interest. Currently, all ministries have separate criteria for this, which places individual NGOs in unequal positions for receiving this status and becoming eligible for tax donations. Furthermore, the Act did not create any tax deductions or other financial incentives for private companies that wish to donate to NGOs. Consequently, the level of private donations to NGOs is increasing at a slow pace.

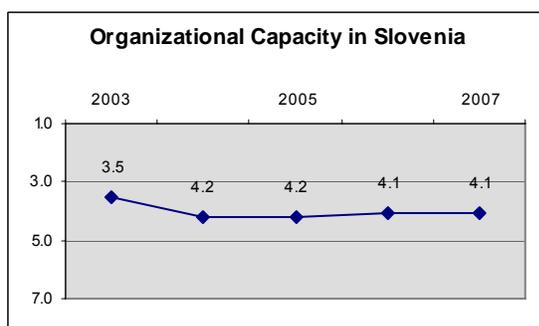
The Act on Associations, adopted in 2006, generated several difficult changes in 2007 for the 20,000 Slovenian NGOs that are registered as associations. The new law pressures associations to revise their statutes, especially

with regard to membership rules, meetings of the general assembly, and financial management. These rules, which are clearer, more detailed, and more useful, are designed to create more transparency in associations. Presidents of associations are now also held personally liable for operations of the association, which has made incoming presidents hesitant to accept the position, especially if they work on a voluntary basis. In general, the changes imposed by the Act will have positive outcomes. Unfortunately, they have also created additional work and bureaucracy, which is a burden particularly on small, grassroots organizations.



ORGANIZATIONAL CAPACITY: 4.1

Awareness of the importance of strategic planning is increasing, and more organizations are utilizing strategic plans, along with action plans, possibly as a result of increased participation in European projects. Both EU legislation and funding requirements require greater organizational capacity, technical knowledge, and efficiency, as well as adaptation to a set of standards.



NGOs are increasingly interested in participating in workshops, meetings, and debates to learn new skills. This is a change from previous years when NGOs did not recognize the value of workshops or felt that they could not afford to attend capacity building activities.

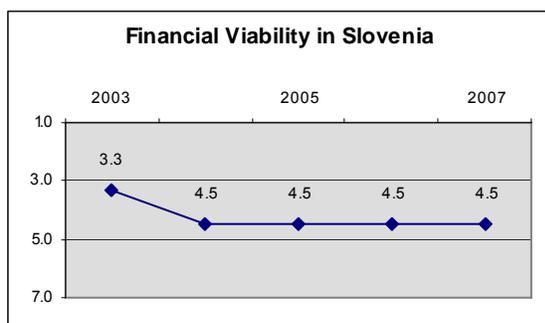
In the second half of the year, the pilot phase of the Quality System for Slovenian NGOs Project began. A project created jointly by a number of NGOs and co-financed by International Civil Society, the U.S. Embassy, and the Ministry of Public Administration, the Quality System for Slovenian NGOs Project has strong support from the Ministry of Public Administration. The quality assurance system is a formal management system NGOs can use to strengthen their organizations, and is intended to raise work standards and ensure consistency. The quality model for Slovenian NGOs was developed on the basis of International Standards Organization

(ISO) 9001:2000, which covers the following issues: definitions, general requirements, management responsibility, employees and volunteers, resource management, management of working processes, monitoring and evaluation, and improvements.¹ Implementation is intended to increase the effectiveness and efficiency of NGOs, making them better able to respond to their beneficiaries' needs. At the same time, the system will help identify weaknesses in NGOs' organizational capacities, allowing capacity building activities to be created to address these weaknesses directly. The quality standards have already been drafted and are now being tested by eleven different organizations. During the pilot phase, NGOs will implement the Quality System and gain theoretical knowledge on the quality standards. In the coming years, these groups will help other

organizations learn how to implement the system.

Nevertheless, organizational capacity is still quite limited, as NGO staffing – both paid and voluntary – continues to suffer. The employment rate in the NGO sector remains very low. A number of NGOs developed the Code of Ethics of Volunteerism to set basic guidelines for voluntary work, as Slovenia still lacks a Law on Voluntary Work. One of the intentions of the Code of Ethics was also to motivate the adoption of the Law; unfortunately, this has not yet occurred. Thus, volunteer work is still not officially recognized, and volunteers do not receive any general benefits. Organizations that have signed the Code of Ethics have formalized voluntary work within their organizations. Thus far, however, the Code has not increased the number of volunteers.

FINANCIAL VIABILITY: 4.5



Inadequate and unpredictable funding flows remain a problem for NGOs, since payments by the government and the European Union are not regular and are often delayed. With the new EU Structural Funds, however, new funding will be available between 2007 and 2013. For example, more than €12 million have been dedicated solely to the development of the NGO sector and civil dialogue under the specific priority axis.² Furthermore, NGOs are eligible for an additional seven percent of the funds from the other

priority axes in the European Social Fund. However, in order to access these funds, NGOs have to compete with other legal entities, such as municipalities, public organizations, and companies. In sum, no EU Structural Funds were distributed during 2007, although applications were being evaluated; thus, they did not affect NGO financial viability this year.

NGOs did not experience any increase in funding in 2007. The majority of funds were still granted to humanitarian NGOs and those that work with the disabled. These NGOs are financed by public foundations established by the government to distribute lottery proceeds. As a result of changes made to the Financing of Municipalities Act, the municipality of Ljubljana cut some of its financing for NGOs. However, some positive changes regarding financial viability were noted. The cooperation between NGOs and private companies is increasing, especially in areas outside of Ljubljana. The

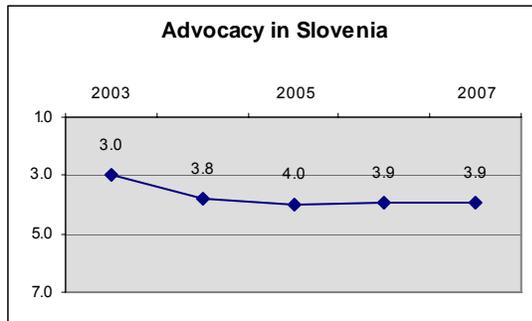
¹ ISO 9001:2000, http://www.iso.org/iso/catalogue_detail?csnumber=21823.

² A generally accepted theory of civil dialogue does not exist. Usually, it means a dialogue between NGOs and national or local governments with the intention of establishment, continuation, or evaluation of the relations between them (Sporar, 2004). Priority axis refers to a chapter in the Operational Program of Development of Human Resources (European Social Fund).

increasing number of NGOs cooperating with private companies could also be the result of the establishment of community foundations which

aim to make positive changes in society, especially in communities outside the capital.

ADVOCACY: 3.9



In the spring of 2007, the Ministry of Public Administration invited NGOs to select the draft laws on which they wished to comment. When the consultation process for these particular drafts began, NGOs were invited to participate actively. NGOs and the public are now also invited to participate in this dialogue via the Internet. However, NGOs and the public must actively check ministry websites to find out which laws the ministries are preparing and then express interest in advance in order to receive an email notification when the drafts are available and ready for comment. NGOs must be extremely careful not to miss the invitations. Beginning in 2008, any comments made by the public, especially NGOs, will go directly to an appointed official who will have to respond to them. This procedure will be governed by special guidelines, which are now being drafted.

These guidelines will aim to unify participation mechanisms throughout the government, since civil dialogue and participation of NGOs in the policymaking process still differ from ministry to ministry.

In 2007, there were both positive and negative instances of public participation in the decision making process. Thanks to cooperative efforts between a group of three NGO networks³ and the Ministry of Public Administration, NGOs got involved in the drafting of the Slovenian program for development projects to be financed with Structural Funds. Thus, NGOs had an opportunity to propose project ideas and help the Ministry conduct a needs assessment of the NGO sector. On the basis of this proposal, the Ministry developed an action plan for a program dedicated to the development of the NGO sector and civil dialogue. In contrast to this successful undertaking, less positive instances of public participation in the policy process were seen in the passage of the International Protection Act and drafting of changes to the Free Legal Aid Act. In both of these cases, comments made by the public were more or less ignored. In order to be more effective in the policymaking process, NGOs need to develop an advocacy approach that will address likely opposition, while also taking advantage of support.

SERVICE PROVISION: 3.5

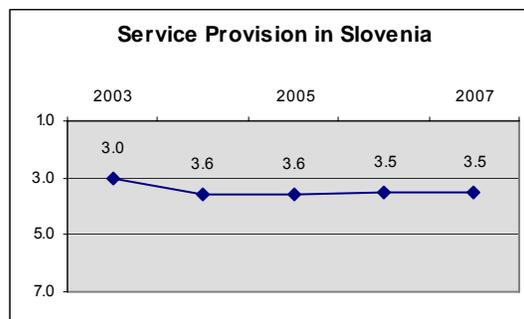
In 2007, NGOs were very active in service provision, especially in the social sector. In September, a horrific flood in Železniki, a small town in northwest Slovenia, killed five people and damaged most of the private property in town. A large number of NGOs, including the Red Cross, Karitas, and voluntary fire brigades, and volunteers helped the residents to repair the

damage. While there was a lack of government funds available for disaster relief, these NGOs helped raise money to rebuild the city.

Nonetheless, although NGOs help society in times of distress, they remain unable to compete effectively with the commercial sector. In general, the private sector has more money and

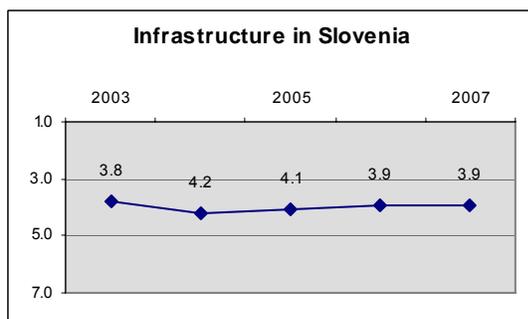
³ Center for Information, Cooperation and Development of NGOs (CNVOS), the Slovenian Association of Foundation, the Association of Associations Slovenia.

resources and is more successful when competing for solicitations, whether government or other. NGOs may be more experienced, but they lack the resources for advertising, which makes them less competitive. The provision of some services, such as daycare centers for the mentally disabled and reintegration centers for former drug abusers, is more or less limited to public institutions founded by ministries or municipalities or to NGOs, meaning that NGOs do not have to compete for these contracts. Nevertheless, a unified approach of all the ministries is needed in order to encourage NGOs to improve their ability to provide different services.



As previously mentioned, while EU Structural Funds were not awarded in 2007, national experts expect these funds to affect service provision in 2008.

INFRASTRUCTURE: 3.9



Information sharing, especially through web pages and mailing lists, is increasing in Slovenia. The Internet has improved networking, and there are a few positive examples of networks developing. Slovenian NGOs have sufficient knowledge which could be used to strengthen organizational capacity, especially if they worked together.

However, NGOs still need to make improvements in this arena. Rather than cooperating with other organizations working in the same or similar sectors, NGOs more often turn to outside experts for support and training,

which can be costly. NGOs still lack an Intermediate Support Organization (ISO) that provides capacity building services. An ISO, combined with stronger networks, would greatly improve the information infrastructure of Slovenian NGOs.

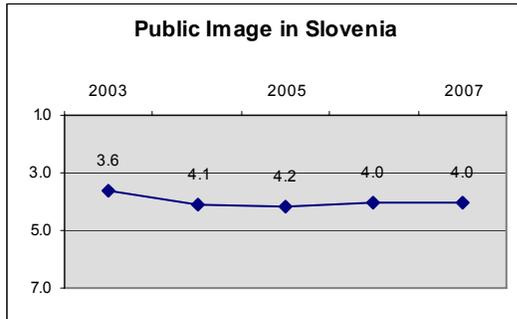
The first community foundations that join the public, private and third sectors under the same roof for the benefit of local NGOs were established in 2006, and some new initiatives are developing. The awareness of the importance of socially responsible partnerships between NGOs and companies is rising, as well.

With the help of some good practices,⁴ companies are starting to understand the benefits of such partnerships. Cooperation between grass-roots organizations and local businesses has always been strong, but this relationship is based almost entirely on the basis of sponsorships. There have also been some good partnership projects between NGOs and public institutions, especially in the environmental field.

⁴ Examples include the partnership between Europa Dona Slovenia and PR agency Pristop, and the partnership between the Association of Friends of Youth with several different companies, among others.

PUBLIC IMAGE: 4.0

The public image of NGOs is slowly improving. NGOs appear in newspapers on an almost daily basis. Several radio programs discuss issues on which NGOs focus. While some well-



established NGOs regularly address the media, newer or smaller ones have a tough time getting media attention. Most NGOs do not have sufficient financial resources to hire a public relations expert to work on their public image; consequently, they appear in the media less frequently. Some NGOs have very good relations with PR agencies, which have helped

them with their public image. Nevertheless, NGOs are well-regarded by the general public, especially when compared to state agencies, which the public perceives as providing services to marginalized peoples less effectively than NGOs.

NGOs have to send annual reports to Agency of the Republic of Slovenia for Public Legal Records and Related Services. Many NGOs also publish the report on their web pages, and some of the largest NGOs physically publish their reports and send them to relevant stakeholders. Transparency is a hot issue in the sector at the moment for several reasons, including increasingly strict calls for proposals and demands from donors and the public for more transparency, especially because of some NGO financial scandals in the recent past. In this regard, the Quality System for Slovenian NGOs is very important, since one of its main aims is increased transparency.