

**NATIONAL STRATEGY FOR THE  
CREATION OF AN ENABLING  
ENVIRONMENT FOR CIVIL SOCIETY  
DEVELOPMENT**

**from 2006 to 2011**

**and**

**OPERATIONAL IMPLEMENTATION  
PLAN**

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10 000 Zagreb  
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ENGLISH TRANSLATION BY  
Davies d.o.o.

EDITED BY  
Igor Vidačak, PhD

LAYOUT AND DESIGN  
Denona d.o.o.

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# FOREWORD

The adoption of the National Strategy for the Creation of an Enabling Environment for Civil Society Development and of the Operational Implementation Plan for the Strategy from 2007-2011 is a key step for the Republic of Croatia. It is one of the signs of significant progress made in Croatia in the last decade with regard to the creation of a new legal, financial and institutional framework of support to civil society development.

The drawing up of the Strategy was already announced in the draft Cooperation Programme between the Government of the Republic of Croatia and the Non-Governmental, Non-Profit Sector adopted in January 2001. The first initiative for the preparation of this document was undertaken by the Council for the Development of Civil Society in 2002. After many challenges over the years in this area, the drawing up of the Strategy was initiated through the establishment of the Working Group pursuant to the Decision of the Government of the Republic of Croatia of 12 January 2006.

The special value of this document lies in the fact that more than sixty persons from civil society organisations, local and regional self-government units, state administration bodies, the academic community, and the business sector actively participated in its preparation. In addition, more than a thousand persons made a contribution to the final content of the Strategy through public debates.

As the coordinator of the implementation of measures in the Operational Plan, the Government Office for Cooperation with NGOs, in close cooperation with the Council for the Development of Civil Society, will strive to continuously encourage the relevant institutions to efficiently achieve the set strategic goals in the forthcoming period. At the same time, it will act as facilitator in public discussions in this area. In order to keep this an open and two-way process, we invite you to send us your questions, proposals, suggestions and criticism to the following e-mail address: [info@uzuvrh.hr](mailto:info@uzuvrh.hr)

Possibly more than in any other strategic document adopted by the Government of the Republic Croatia, success in the implementation of the National Strategy for the Creation of an Enabling Environment for Civil Society Development depends on active and responsible engagement and cooperation among the public, profit and non-profit sectors. It also depends on the ready contribution of all people in their everyday life and work to accept and apply the common values which form the basis of this document.

Igor Vidačak, PhD  
Head of the Government  
Office for Cooperation with NGOs



**NATIONAL STRATEGY FOR THE  
CREATION OF AN ENABLING  
ENVIRONMENT FOR  
CIVIL SOCIETY DEVELOPMENT**

**from 2006 to 2011**

Adopted at the session of the Government of the Republic of Croatia  
of 12 July 2006



# INTRODUCTION

The Republic of Croatia was one of the first countries in Central and Southeast Europe to adopt a systematic approach to the creation of an institutional and legal framework for the support and development of civil society.

The turning point took place at the end of the 1990s, with growing awareness of the importance of civil society development as an important factor of pluralism and in the development of democracy in Croatia. Since then, it has been clear that the issue of democratic consolidation is not simply a question of political parties, electoral legislation, capital ownership, shares and stock markets, but it also encompasses the building of a strong civil society – citizens organised and active in a broad spectrum of special and group interests.

The National Strategy for the Creation of an Enabling Environment for Civil Society Development provides basic guidelines for the goals we seek to achieve by 2011 in order to improve the existing and create a new legal, financial and institutional framework of support for civil society development, and to create an enabling environment for the further development of civil society in Republic of Croatia. The measures which will be undertaken to achieve these objectives, the deadlines and the bodies responsible for their implementation will be elaborated in the Operational Plan for the Implementation of the National Strategy for the Creation of an Enabling Environment for Civil Society Development, at the latest within 90 days after the Strategy has been adopted.

The objective of the Strategy is to create conditions for community development in which citizens and civil society organisations, in synergy with other sectors, actively, equally and responsibly, on the basis of the principles of sustainable development and acting for public benefit, participate in the building of a society of wellbeing and equal opportunities for all.

In order to achieve these goals, it is necessary for all stakeholders in society to accept and apply common values of democracy, based on social change, cooperation, openness, solidarity, social justice and social cohesion, publicity of work, personal power and responsibility, participation in the decision-making process, respect for identity and differences, self-organisation, lifelong learning, and free information flow.

Therefore, the creation of an enabling environment for civil society development should be considered much more widely than just as one strategy or the five-year period to which it applies, since it penetrates all pores of social and economic development in the country. Indeed, the extent of the development of democracy and the openness of Croatian society is measured, along with other indicators, by the degree to which civil society is developed.

We expect continuous work on re-examining and widening the space for civil society development, as well as cooperation among sectors in society: the public, profit and the non-governmental, non-profit sectors. The state should have an ever-increasing role as mediator and partner, not as the creator of social and economic

change, while the profit sector should increasingly develop its social responsibility.

In the light of the new roles in society and in an ever-changing world, this Strategy starts from the foundation of values of the relations between the state and civil society, and moves on to the basic preconditions for further development, such as social cohesion, participative democracy, philanthropy and volunteerism, and education for democratic citizenship and human rights. At the same time, it covers the improvement of the legal, financial, tax and institutional framework as a basis of support for civil society development.

# 1. CIVIL SOCIETY DEVELOPMENT IN CROATIA

The basic question arising in the course of drafting the National Strategy for the Creation of an Enabling Environment for Civil Society Development in Croatia (hereinafter: the Strategy) is a theoretical question about what exactly is meant by the term civil society. Numerous men of thought both abroad and in Croatia already started pondering this matter several centuries ago. Their understanding and insights, as well as those of modern times, have been taken into account in drafting this Strategy.

It is evident that the term civil society cannot, and must not, refer merely to non-governmental organisations, but to a broader sphere of social life which does not belong directly either to the state or to the private, that is, profit, sector.

Thus, civil society in itself, in different ways, means the active relations of citizens to public services and affairs, ranging from participating in public debates and influencing the creation of political will, through specific initiatives aimed at certain political and legal measures, to taking over public affairs that the state and public institutions cannot accomplish either at all, entirely, or in a sufficiently high-quality manner.

On the other hand, when the legal structure of civil society organisations themselves is concerned, then we are talking about associations, foundations and funds, private institutions and trade unions, but also about various types of informal civic initiatives.

The number of those who support a certain view or interest is not the decisive factor for civil society; instead, this constitutes the principled grounding of civil society, while the key “procedural values” of civil society are its autonomy, pluralism, openness and horizontality, which denotes the equal rights of participants in a society organised in such a manner.

As far as “substantial values” are concerned, the most important are civil society activities contributing to the actual implementation of the highest values of the constitutional system in Croatia: freedom, equal rights, national equality and equality of genders, love of peace, social justice, respect for human rights, inviolability of ownership, conservation of nature and of the environment, the rule of law and a democratic multiparty system.

In spite of the existence of certain forms of citizens’ organisations in the course of the 20th century, which can be considered as predecessors of civil society in its broader sense, more apparent forms and the first civil society initiatives occurred in the second half of the 1980s.

Civil society theoreticians seem to agree that it takes six months for political transition and for the establishment and legalisation of democratic institutions; it takes six years for the establishment of a market economy; but for civil society development, it takes sixty years.

The common problem of all post-communist countries, including Croatia, is that those three transitions have to be carried out simultaneously, that they are intertwined, and that the final result depends on all of them.

Civil society organisations in Croatia gained respect and strength immediately, during and after the Homeland War, when the activities of humanitarian and peace-making organisations were primarily developing. The majority of studies on this period clearly indicate the development of solidarity among Croatian citizens, with a significantly higher level of volunteerism than exists today. Guided by the principle that human rights belong to all persons regardless of their ethnic, racial, religious or other affiliation, this period saw the establishment of non-governmental organisations for the protection and promotion of human rights in Croatia. Besides, women's rights organisations, organisations dealing with environmental protection, and other civil society organisations were also prominent in the same period.

Although a large majority of civil society organisations in Croatia appeared as a spontaneous expression of the wish for civic organisation around certain values or interests, it is indisputable that various international organisations and donors present at that time in Croatia had a significant influence on the development of civil society and the work of certain organisations, transferring to them knowledge and skills necessary for their work and development. Therefore, people sometimes talk about "imported civil society", i.e. a language and terms (such as "facilitacija" [facilitation] or "evaluacija" [evaluation]), which were once incomprehensible to the average Croatian citizen.

In the late 1990s, the attitude of the state towards civil society significantly changed in the sense of enabling the more systematic development of a legal and institutional framework for the activities of civil society organisations in Croatia.

More than 29000 registered associations, 92 foundations, 6 funds and more than 150 private institutions are active in Croatia today. Even bearing in mind that about 10000 associations are registered in the area of sports and recreation, the relatively significant number of civil society organisations should be considered a great wealth.

Some internationally comparable studies conducted in Croatia have shown that the most critical area for civil society development in Croatia is connected to the limited space for action, determined by the desirable legal, political and socio-cultural framework for such development. Consequently, it ensues that, although citizens generally have a positive attitude towards civil society organisations, they are still insufficiently included in the work of such organisations or initiatives for these very reasons. One of the related causes is the lack of an enabling environment for the development of volunteerism and philanthropy in Croatia.

In addition to all these challenges for civil society development, it is necessary to make structural changes in the regional development of Croatia, since the majority of civil society organisations are linked to the four largest cities. Thus, there are markedly large differences in citizens' standards across Croatia's regions which correspond to the level of development of civil society in those regions.

## 2. THE VALUE BASIS OF RELATIONS BETWEEN THE STATE AND CIVIL SOCIETY

The term civil society denotes that citizens, in different groups, organisations and even individually, by participating in the public political process, endeavour to represent different interests and values. Although each of these groups has a more or less clearly articulated value or interest, their freedom of speech and action may not be dependent on any specific kind of value or interest. The only permissible limitation could be the demand not to endanger the freedom of others.

The most important result of such a determination is that the fundamental value, the very basis of relations between the State and civil society relations, is respect for civil society autonomy. It means that the State should ensure for citizens free choice of values and interest orientations, and freedom of speech and public action.

From different, freely chosen values or interests ensues the fundamental value of pluralism as a principle of free speech and the expression of differences. No special interest or value can justify the suppression of other interests or values, either by the State or by other civil society participants. Therefore, the State has to ensure the autonomy of civil society in relation to state bodies, but also the autonomy and freedom of civil society actors in relation to each other.

This Strategy starts from the fact that the State, apart from ensuring the freedom of civil society action, shall respect the potential of civil society as a participant and as a corrective mechanism in the passing of decisions related to public issues and in the implementation of public decisions and measures with public effect. From this ensues the next value, on which relations between the State and civil society are based, which is encompassed in the principle of publicity and openness in passing and implementing public decisions, ensuring public insight, openness to criticism, discussion, objections and suggestions.

In other words, the relations between the State and civil society could be regulated and defined simply by procedural issues and determinants. Fundamental values should be subjected to the public confrontation of different views and public choice between those views.

On the other hand, the highest substantial values already adopted in the Constitution, the State's highest normative act, require not only action by the State and public institutions, but active participation by citizens as well. Freedom, equal rights, national equality and equality of genders, love of peace, social justice, respect for human rights, inviolability of ownership, conservation of nature and the environment, the rule of law and a multiparty democratic system cannot be guaranteed without the active participation of civil society actors.

## Objectives

- **To ensure civil society autonomy and pluralism**

The general legal framework for the establishment and activity of different organisational forms of civil society (informal groups, associations, private institutions, foundations and funds, and the different forms for their coordination, linking and networking) is already provided by the law.

However, pluralism should be ensured not only by legal measures which will not suppress it, but also by providing and stimulating public space for communication that is free of violence or threat. Education, the commitment of the State, the prevention of all forms of threats and calls for discrimination against those who have different opinions or belong to minorities, are necessary measures to constantly reaffirm the right to diversity. Care should be taken that the process of social learning and transformation of the political and cultural paradigm take place over decades, and in most cases involves the change from one generation to the next. Hence, this process cannot be reduced to specific measures or operative solutions that are “passed” and left to themselves.

- **Respect for the activities of civil society organisations that advocate basic constitutional values, i.e. for public benefit**

Working for the public good is not clearly defined and is consequently not elaborated and harmonised in the existing legal regulations. Some important activities, such as those relating to human rights or protection of the environment, are not immediately able to enjoy the special privileges that some other activities of civil society organisations benefit from (games of chance, some tax benefits, etc.).

- **Openness of state institutions and political processes towards the public**

The role of civil society is realised in open dialogue, interaction, cooperation, as well as in partnership with public and state institutions. The adoption of such an active role by citizens, as well as openness and publicity, as fundamental values, requires the State and public institutions to ensure public insight into political measures and decisions already in the process of preparation at the very time when representatives of civil society organisations have the opportunity to influence their final form. Also, regular institutional forms of counselling should be developed and applied, which will accelerate communication between relevant State and public institutions and interested civil society organisations.

### 3. SOCIAL COHESION

Social cohesion mostly implies the capacity of a society to provide wellbeing for all its members, reducing differences and polarisation to the least possible degree, while constantly fighting social exclusion and poverty.

Social cohesion is an ideal to strive for, since, in such a society where social justice reigns, free individuals assist one another by accomplishing common objectives in democratic ways.

Social cohesion is one of the key elements for the economic and social development of any country. It seeks an efficient approach to economic resources and renders it possible for individual and group human potentials and the potential of society as a whole to develop, enabling the further advancement of society in a cultural, economic or some other sense.

One of the most important elements or values of a well-organised society, which is the foundation of social cohesion, is social, socio-cultural or societal capital.

According to the social capital theory and the results of research conducted in western democracies, horizontal social interactions strengthen social trust, enhance social ties and broaden social identities, which contribute to the integration of a pluralistic society. According to a range of authors, social capital refers to the number and quality of interactions in the civil arena – and this includes citizens' participation in the work of citizens' associations, non-governmental organisations, membership in trade unions, work in religious communities, socialising in hobby groups, good neighbourly relations and similar instances.

Empirically, social capital is structured from three elements: (a) trust in people and societal institutions, which is marked by a readiness for cooperation (not only with family members or acquaintances); (b) association and collective actions providing for the direct experience of cooperation and its advantages in the exercise of interests which lie outside the scope of individual action; (c) respect for social and legal norms.

There has been no systematic or continuous research of social cohesion in Croatia. However, those few studies that have been conducted show that social cohesion in Croatia is becoming weaker because of the incomplete transition and problems in the process of privatisation due to the insufficient efficiency of state institutions, especially the judiciary, and a lack of confidence among people and a lack of confidence in institutions.

A well-developed civil society can most definitely offer many powerful contributions to strengthening social cohesion in Croatia. However, prior to that, it is necessary to ensure opportunities for citizens to be included in all social and political processes through the mechanisms of participative democracy.

## Objectives

- Continuous implementation of research on social cohesion in the Republic of Croatia and the introduction of statistical indicators to measure the level of social cohesion and social exclusion and poverty
- Promotion of a system of social values as a foundation of social cohesion
- Promotion and encouragement of a system of social responsibility in the profit sector in Croatia
- Development of volunteerism and philanthropy as important elements for the development of social cohesion and civil society
- To provide for the timely and comprehensive education of citizens, starting from children all the way to adults, about the values which are the foundation of social cohesion

## 4. CITIZENS' PARTICIPATION IN THE CREATION OF PUBLIC POLICY

The Republic of Croatia is developing a democratic society based, inter alia, on participative democracy, where citizens are the subjects of the overall political and social processes.

It is impossible to imagine a developed civil society without efficient mechanisms for the counselling and participation of citizens, i.e. interested civil society initiatives and organisations, in defining, creating, implementing and assessing public policy.

Citizens' participation implies that they are well-informed, and that they have understanding of and their own opinions about, issues related to public benefit. Such opinions are acquired through the direct participation in public dialogue of groups with different collective interests and identities.

Education for participative democracy is a way for citizens to achieve an appropriate level of basic information on political and social processes; however, what is more important, such education has a vital function in the building of socially active individuals and in the creation of a political community based on the values of democracy and human rights. Along with citizens who are informed about their rights and about the obligation of government bodies to inform citizens about the processes of the adoption and content of political decisions, and apart from education, the responsible activities of independent media represent the third vital precondition for the exercise of participative democracy and the development of civil society.

Systematic education for active democratic citizenship, which affects the degree to which people are informed and the creation of public opinion and the adoption of values, implies cooperation between educational institutions, civil society and the media. Currently, there is a noticeable shortage in the curricula of the Croatian educational system of contents aimed at the adoption of values, attitudes, knowledge and skills necessary for the active participation of citizens in democratic political and social processes. In the previous school year of 2005-2006, the Ministry of Science, Education and Sports implemented experimentally the Croatian National Educational Standard (HNOS) for primary schools. This was introduced in all primary schools from 4 September 2006. The values that HNOS brings into the educational process are elements of education for democratic, civil and human rights, as well as the values that promote civil society.

Media activities based on professional ethics and focused on public interest is an extremely important factor in the creation of an open and pluralistic public space for political dialogue in which different groups have the opportunity to express their political standpoints and, through their interaction, influence the shaping of public opinion, i.e. indirectly influence political decisions. The manner of public communication promoted by the media, based on arguments and respect for different political positions, free of discrimination and hate speech, significantly influences the shaping of the overall political culture.

Croatia's democratic political system and legal and institutional framework already include a series of mechanisms to ensure citizens' participation in political processes and to involve them in shaping, adopting and monitoring the implementation of public policies. The prevalent problem of the current system is the flawed implementation of the existing mechanisms, which is aggravated by the insufficient efficiency of internal and external supervision. Many mechanisms are implemented only formally, without providing enough information or time for the meaningful participation of citizens, their initiatives and their organisations in political decision-making. Therefore, one of the three main objectives of this Strategy is the systematic and qualitative implementation and monitoring of the existing mechanisms for citizens' participation and for the further development of civil society.

## Objectives

- To stimulate the more regular implementation of the existing mechanisms and the adoption of new measures for the publicity of the work of both representative and executive bodies of public authority at all levels, starting with the Croatian Parliament and the Croatian Government, through county assemblies, to local councils and local governments of towns and municipalities
- To improve mechanisms for informing citizens by amending existing and adopting new laws, conventions and other regulations which determine the right of access to information and public participation in deciding upon public benefit issues (judiciary, culture, the application of ICT, environmental protection, social rights, protection and promotion of human rights and other rights)
- To define counselling models for citizens, civic initiatives, and civil society organisations, as well as means of participation in the adoption, implementation and assessment of public policies (Code of Good Practice for counselling)
- To strengthen the rule of law and citizens' confidence in the justice system through the consistent implementation of laws and the provision of information to the public about the work and performance of public services and duties
- To achieve social dialogue with civil society organisations through the existing bodies or through the establishment of new bodies and forums, drawing together representatives of the public, profit and non-profit, non-governmental sector, such as the Council for the Development of Civil Society and the Forum of the Economic and Social Council
- To promote and improve the legal provisions pertaining to the basic constitutional right to freedom of association and the right to the public, peaceful gathering of citizens
- To reconsider the possibility of financing programmes and projects which promote participative democracy
- To introduce into Croatia's education system educational contents directed towards the adoption of values, views, knowledge and skills necessary for the active participation of citizens in democratic political processes
- To introduce educational contents related to participative democracy into the programmes of professional training of civil servants at local and national levels

## 5. EDUCATION FOR DEMOCRATIC CITIZENSHIP AND HUMAN RIGHTS

Education for democratic citizenship has been initiated through the programme of the Council of Europe under the above title within which a framework has been created reflecting the European approach towards civic education, i.e. education for democracy.

Education for democratic citizenship comprises a set of practices and activities designed to help young people and adults to play an active part in democratic life and to exercise their rights and responsibilities in society. An important part of education for democratic citizenship is human rights education.

The objectives of education for democratic citizenship:

- to strengthen democratic societies by nurturing a democratic political culture;
- to create a sense of belonging and commitment to democratic society;
- to raise awareness about basic common values, thus building a free, just and tolerant society.

In broader terms, education for democratic citizenship aims to promote values and a democratic political culture, while in a narrower sense it relates to the knowledge, skills and values needed for citizens' participation in social life and in other activities performed for public benefit.

In order to implement the programme of education for democratic citizenship and human rights, cross-sector cooperation of all relevant actors is needed, from civil society organisations, the Ministry of Science, Education and Sports, other state administration bodies, units of local and regional self-government, as well as university and research institutions, all the way down to schools.

One of the basic tasks of public education as a system of joint public benefit is to ensure a common space for the education of citizens, since public schools draw together future citizens through joint experience and through their inclusion in the values that ought to be shared by all children of a given democratic community. Education that ensures the full participation of citizens encompasses processes that allow individuals and groups to gain knowledge, develop skills and attitudes that will improve their opportunities for active civic action in the process of adopting political decisions, and in monitoring their implementation, to enable them to act responsibly for the public benefit and to engage in effective voluntary work. Likewise, awareness will be raised that they, as citizens and individuals, need to actively participate in resolving certain community problems, and not always expect somebody else to do it for them.

In this context, the activities of civil society organisations are very important, because through work in these organisations and through informal education, citizens are able to gain knowledge, capabilities and values that empower them to actively participate in political and social processes. Awareness is consequently raised

that citizens themselves need to assume part of the responsibility in resolving certain community problems.

Apart from organised education (formal and informal), it is important to emphasise that education in democratic citizenship is conducted in other places, activities and circumstance as well: in the family, among friends, through the media, in political or social activity.

Learning does not stop with young people, pupils and students, but pertains to adults as well, i.e. it is a lifelong process. This fact is today the focus of interest of the national education policy which narrows its interest to the employment of adults, whereas active citizenship and social cohesion are mentioned as adopted European objectives without corresponding implementation measures.

Today, it is almost impossible to imagine learning without the use of information-communication technology (ICT). It serve as tools to produce and exchange contents, find new information on the web, connect people, and assist with all kinds of logical tasks and business processes. ICT as an infrastructure has enabled the dynamic flow of information and creative ideas to become one of the key bearers of social development.

ICT makes it easier to access knowledge and information and to practise pluralism in public communication space, free from violence, prejudice and exclusiveness.

However, such intertwining of various areas with ICT has created a need to observe the complexity of ICT as a separate unit within which it is necessary to identify the technologies and resources that increase the dynamics of the flow and exchange of information, broad participation, horizontal non-hierarchical linking and democracy, as well as transparency of communication (especially between the state and citizens). In order to recognise trends that are important for broader social development in the dynamic development of ICT, it is necessary to develop knowledge, skills and critical thinking about information-communication technologies themselves. ICT creates the specific context of a perpetual dynamism of factors, such as the need to protect privacy, freedom of speech, intellectual property rights, patents, and the rights to access information. In this context, a suitable balance must be struck between protection and freedoms for general public benefit. ICT needs to be made more accessible to all citizens through a lowering of the price of use and by breaking up the monopoly on such technologies, since citizens have the right to cheap and universally available information.

Regarding the programmes of education for democratic citizenship and human rights adopted and applied up to now in Croatia, it is necessary to stress that the National Committee for Human Rights Education and Democratic Citizenship has created the National Programme of Education for Human Rights and Democratic Citizenship, while in 1999 special sections of the National Programme for the pre-school, primary school and secondary school levels were published. A section on the responsibilities of the media in that area was subsequently published, and a section on the university level is currently being drafted.

In primary and secondary schools of the Republic of Croatia, education for human rights and democratic citizenship is implemented within several subjects as

well as in the extra-curricular programme, which suits the nature of the problem, but causes difficulties in implementation due to the size of the curricular contents of the obligatory subjects, time limits and a lack of timelines for the implementation of education for human rights and democratic citizenship.

Education of teachers in this field is undertaken through seminars periodically offered in the Catalogue of Expert Meetings, and there are also annual reviews of school subjects in education for human rights and democratic citizenship.

At university level, the first phase of research in the project Studying for Human Rights at University, conducted by the Research and Educational Centre for Human Rights and Democratic Citizenship of the Faculty of Philosophy of the University of Zagreb, has shown that only the Faculty of Medicine and the Catholic Theological Faculty of the University of Zagreb have subjects/courses explicitly devoted to human rights and democratic citizenship, while only a few other faculties include these contents in the curriculum. One of the examples is the Faculty of Philosophy of the University of Rijeka which, from the academic year 1997/1998, has a subject entitled Philanthropy and Education in its Department of Pedagogy, while for the last six years fourth-year students can take the optional module in Education for Civil Society, consisting of three classes: Education for Civil Society, Leisure Pedagogy and Experiential Studying in Extra-curricular Activities.

The Research and Educational Centre for Human Rights and Democratic Citizenship drafted the University curriculum for human rights and democratic citizenship which is intended for teacher-training faculties. Experts in civil society organisation participate in the drafting and experimental implementation of the curriculum.

There are numerous educational programmes for democratic citizenship, usually organised by associations and implemented outside the formal education system. Non-formal education implemented by associations is mostly carried out in larger cities (mostly in Zagreb, Split and Osijek) and is mainly of a local character. A large number of programmes are directed to target groups within the regular educational process. Half of the educational programmes target pupils, students and teachers. In the total number of participants, these target groups are even more dominant because these are educational programmes with numerous participants gathered inside the schools. Another important target group in non-formal education are NGO members who are educated within their own NGOs or who provide educational services to other NGOs. 12% of programmes involve representatives of socially disadvantaged groups and there is a similar representation of programmes for civil servants.

The programmes themselves mostly attempt to assist in raising awareness of the importance of certain social problems in Croatia and in training for active participation in their resolution.

## Objectives

- To support the implementation of civic education for citizens of all ages, both in the forms of formal and informal educational, and to enable quality learning outside organised educational processes

- To include active citizenship and social cohesion in the creation of educational policy as criteria of equal importance to the criterion of the employability of citizens
- To continue financing the programmes of non-formal civic education with clear criteria for the financing and quality evaluation of the results achieved
- To encourage the development and implementation of regional and local programmes of formal and non-formal education for democratic citizenship and human rights through cooperation between public scientific and educational institutions with civil society organisations
- To carry out an analysis of the existing school textbooks in terms of contents related to democratic citizenship, human rights and civil society
- To make information-communication technologies (ICT) available to all citizens, i.e. to allow everybody the right to cheap and accessible information
- To particularly stimulate creativity, innovativeness and quality in creating domestic educational programmes by applying domestic and best international practice in education for democratic citizenship and human rights
- To ensure an independent external evaluation of civil society organisations' programmes in education for democratic citizenship, human rights, cross-cultural education and other similar fields that apply for inclusion in the Catalogue of Expert Meetings and/or implementation in primary and/or secondary schools
- To ensure the continuous education of public and civil servants at the local and national levels to develop professional relations towards the understanding and evaluation of civic initiatives, projects of civil society organisations, as well as the development of professional relations towards the management of public tender procedures for funding projects and monitoring project implementation

## 6. LEGAL FRAMEWORK FOR THE ACTIVITIES AND DEVELOPMENT OF CIVIL SOCIETY ORGANISATIONS

The legal or legislative framework for the activities and development of civil society in the Republic of Croatia is stipulated by numerous regulations, ranging from general international and domestic legal documents, through fundamental laws, to specific regulations regulating individual aspects or subjects of civil society. A diversity of legal regulations is evident which, although providing the basic grounds for the unrestricted establishment and activities of civil society organisations, does not represent a favourable legal environment for their development. Thus, it is necessary to examine the legal framework as a whole and determine the direction and scope of its amendments in accordance with the degree of development of civil society and intersectoral cooperation in Croatia.

### 6.1. Basic laws and regulations

The basic documents, regulations and laws of importance for the development so far of civil society in the Republic of Croatia are as follows:

#### International documents

The Universal Declaration of Human Rights of the United Nations already fore-saw in 1948 the right of all to free expression of opinions, free expression, peaceful gathering and association. Although the document is not legally binding, international legal standards stemming from the Universal Declaration were taken over by other legally binding conventions to which the Republic of Croatia is a party. One of them is the International Covenant on Civil and Political Rights, which creates an obligation for States to pass legal regulations which promote and guarantee the right to expression, peaceful gathering and free association (Articles 17, 19 and 20). Besides, the Republic of Croatia has also included into its legal system the European Convention for the Protection of Human Rights which ensures the right to freedom of expression, freedom of association and peaceful gathering, not only in its articles, but also through the case law of the European Court of Human Rights.

#### Constitution of the Republic of Croatia

The Constitution of the Republic of Croatia guarantees the right to freedom of thought and expression, exchange of information and the right to free association of citizens for the purpose of protection of their interests or for the promotion of their social, economic, political, national, cultural or other convictions and objectives. The right to free association is restricted by the prohibition of any violent threat to the democratic constitutional order and independence, unity and territorial integrity of the Republic of Croatia.

## 6.2. Provisions regulating the establishment and functioning of different types of civil society organisations

There are a number of laws and regulations regulating the establishment and activities of different types of civil society organisations recognised within the legal order of the Republic of Croatia. They are the following:

### The Associations Act

The Associations Act regulates the establishment and activities of associations as the most numerous type of civil society organisation in Croatia. The Act elaborates the right of citizens guaranteed by the Constitution to associate as any form of free and voluntary union of a number of natural or legal persons, for the purpose of the protection of their interests or the promotion of their human rights and freedoms, and their ecological, humanitarian, informational, cultural, national, pronatalist, educational, social, expert, sports, technical, medical, scientific or other convictions and objectives, without the intention of generating profit. The Act also explicitly recognises the possible existence of associations that do not have the status of a legal person and to which regulations pertaining to partnership are applied.

### The Act on Foundations and Funds

The Act on Foundations and Funds stipulates the manner of the establishment and functioning of a specific type of civil society organisation – foundations, which are properties assigned to serve by themselves, or through their generated income, the accomplishment of some generally beneficial or charitable purpose.

It is necessary to amend the Act on Foundations and Funds in order to simplify the procedure for the establishment of foundations and simultaneously encourage the activities of a larger number of domestic foundations in the Republic of Croatia. In this regard, it is also necessary to amend tax laws in order to encourage philanthropy and provide for certain exemptions for investments for public benefit.

### The Institutions Act

The Institutions Act regulates the establishment and activities of institutions as organisations to permanently perform activities related to education, science, culture, information, sport, physical education, technical culture, child care, health care, social welfare, care for the disabled and other activities, provided they are not performed for the purpose of generating profit. An institution may be established by citizens as natural persons, thus it can belong to civil society organisations, while public institutions are mostly established by the State or regional and local self-government units.

### The Act on Humanitarian Assistance

The Act on Humanitarian Assistance applies to associations, religious communities and other domestic and foreign non-profit legal persons, so-called “humanitarian organisations”, whose statutory objectives include the provision of humanitarian assistance.

Along with the aforementioned laws that lay down the establishment and activities of a larger number of civil society organisations in a general sense, there are also laws pertaining to special types of non-profit organisations, including: the Political Parties Act, the Act on the Fire Service, the Act on the Croatian Red Cross, the Sports Act, the Act on Legal Position of Religious Communities, and the Labour Code.

### **6.3. Provisions regulating the particularities and/or exceptions in the activities and business operations of civil society organisations**

Several laws and a large amount of subordinate legislation exist within the legal system of the Republic of Croatia, stipulating particularities and/or exceptions in the activities and business operations of civil society organisations. The most important are the following:

#### **The Act on Organising Games of Chance and Prize-Winning Games**

The Act contains provisions stipulating the distribution of revenues from games of chance and prize-winning games, the beneficiaries of which are civil society organisations through public tender procedures. The areas of activities of civil society organisations recognised by the Act are as follows: the development of sports, the fight against drugs and all other forms of addiction, social and humanitarian activities, problems and satisfying the needs of disabled persons, technical culture, culture, extra-institutional learning, the education of children and young people, and civil society development. The Regulation on Criteria for Establishing Beneficiaries and the Manner of Distribution of a Part of the Income from Games of Chance elaborates more precisely the manner of distribution of a part of the income from games of chance.

#### **The Act and the Rule Book on Value Added Tax**

The Rule Book on Value Added Tax stipulates that the temporary import of assets exempt from customs duty and the final import of humanitarian aid, apart from oil and oil products, tobacco and tobacco products, alcohol and alcohol beverages, shall be exempt from VAT. Humanitarian aid is considered to include the import of goods for the needs of humanitarian organisations (equipment, consumables) and donations of goods if donated by foreign donors solely to health, educational, cultural, scientific, religious and social institutions, amateur sports clubs, and state, local and regional self-government bodies, as well as the import of goods by these organisations paid for from received foreign financial donations.

#### **The Profit Tax Act**

The Profit Tax Act prescribes that state institutions, institutions of regional self-government units, institutions of local self-government units, state institutes, reli-

gious communities, political parties, unions, chambers, associations, art associations, volunteer fire brigades, technical culture associations, tourist boards, sports clubs, sports associations and alliances, and funds and foundations are not liable to pay profit tax, except if these legal persons perform economic activities and if the exemption from tax would result in acquiring unjustified benefits in the market. By prescribing the expenses that decrease the tax base for profit tax, the Act stipulates that the expenses during a tax period also include donations in kind or money, made within the country for cultural, scientific, educational, health, humanitarian, sport, religious, ecological and other purposes of public benefit, to associations and other persons that perform the aforementioned activities in compliance with special legislation, in the amount of up to 2% of the revenue generated in the previous year.

### **The Income Tax Act**

By regulating the issue of costs for which a payer of income tax may decrease his/her tax base, the Income Tax Act stipulates that taxpayers may increase their personal tax deduction for domestic donations made in kind and money and paid into a direct transfer account for cultural, scientific, educational, health, humanitarian, sport and religious purposes, to associations and other persons that perform the aforementioned activities in compliance with special legislation, in the amount of up to 2% of revenue for which the tax return form was submitted in the previous year and for which annual income tax was determined.

### **The Customs Act**

The Customs Act stipulates that goods for basic human needs, such as food, medicine, clothes, bed linen, hygienic items, imported by registered humanitarian organisations for the purpose of free distribution to vulnerable persons and victims of natural and other disasters, shall be exempt from customs duty. Likewise, customs duty shall not be paid by humanitarian organisations and associations for the blind and deaf, or for hearing-impaired persons, and shall also not be paid by associations for persons who suffer from muscular and neuromuscular disorders, for specific equipment, devices, instruments and spare parts, and consumables for the purposes of those persons, for items that are not produced domestically, along with goods donated to institutions involved in culture or other non-profit legal persons from cultural life, independent artists or artists for the performance of their activities, based on the opinion of the Ministry of Culture.

### **The Act on Court Fees**

This Act stipulates that humanitarian organisations and organisations dealing with the protection of disabled persons and families of persons killed, missing and detained in the course of performing humanitarian activity are exempt from paying court fees. It is stipulated that this exemption also pertains to those humanitarian organisations that have been defined by the Minister of Labour and Social Welfare.

### **The Act on Administrative Fees**

Pursuant to this Act, institutions dealing with preschool children, education, science, culture, protection of cultural goods and the natural heritage, health care,

social welfare, and humanitarian organisations in the performance of their activities, as well as organisations of persons with disabilities, and similar organisations in the performance of their activities, are exempt from paying administrative fees.

All other positive regulations of the Republic of Croatia regulating certain parts of legal transactions and the obligations of all legal persons, irrespective of the legal differences of non-profit legal persons, also concern the activities of civil society organisations.

## 6.4. Documents regulating relations between the State and civil society organisations

The following documents are also indirectly applied to the activities of civil society organisations, especially to the relations between the State and local authorities and civil society organisations:

### **The Proposal of the Programme of Cooperation between the Croatian Government and the Non-governmental, Non-profit Sector in Croatia**

This programme of cooperation, adopted by the Government of Croatia on 4 January 2001, is not legally binding but it does contain key benchmarks for the support of civil society development and also includes further guidelines for its adoption and improvement. It highlights several priorities in the cooperation of the Croatian Government with the non-profit sector or civil society organisations, which primarily pertain to increasing the influence of civil society organisations in the creation, implementation and monitoring of public policies.

Pursuant to the proposals contained in the Programme of Cooperation, approximately 15 charters on cooperation between towns and counties and civil society organisations performing in those areas have been signed.

It is necessary to rapidly include in the Programme the specific features of local and regional charters on cooperation and in so doing to start drafting the final text of the Programme of Cooperation of the Croatian Government and the Non-Governmental, Non-profit Sector in Croatia. The Croatian Government should then send this text to the Croatian Parliament for adoption, so that a document will then exist following many years of consultation that defines the Croatian model of relations between the State and civil society based on standards and values contained in similar documents of the European Union.

### **National Programme of the Croatian Government for the Integration of the Republic of Croatia into the European Union**

This National Programme, which is adopted once a year, in the Chapter entitled Political Criteria, explicitly calls for the encouragement of further development of civil society organisations and their participation in the creation, implementation and monitoring of public policies. The adopted proposal of the Programme of Cooperation between the Croatian Government and the Non-governmental, Non-prof-

it Sector in Croatia is also mentioned as a basic document. There is a clear wish of the Croatian Government to enhance the role of civil society organisations in promoting European values through these means, and through the monitoring and assessment of the implementation of the objectives envisaged in the Programme.

## Rules of Procedure of the Croatian Government

The Rules of Procedure of the Croatian Government lay down the structure and mode of conduct and operation of the Croatian Government, especially the manner of calling and holding its sessions. Since the Government discusses and decides on issues within its remit precisely at its sessions, the Rules of Procedure represent the current potential extent of public participation, including that of civil society organisations, in the decision-making process.

In the section of the Rules of Procedure relating to the commitments of state administration bodies, it is particularly specified that in the preparation of the proposal and opinion for the Government of Croatia, the opinion of professional associations involved in the issues subject to the proposals and opinions should be previously required.

In recent years, representatives of the state administration and civil society organisations have jointly participated in the preparation and drafting of several regulations to improve the activities of civil society organisations. Such regulations should be adopted urgently, so that benefit will clearly be seen from their application and possible shortcomings can be eliminated as soon as possible.

In the course of the past few years, a clear need has arisen in the Republic of Croatia for the adoption of a new model of classification of civil society organisations. This is evident both from practice, since civil society organisations are established for various reasons, ranging from the protection of their own interests and the interests of their founders, to the protection and promotion of the values guaranteed by the Constitution of the Republic of Croatia, as well as from an inconsistent legal framework that does not contain systematic criteria for awarding a certain status and/or benefits to civil society organisations. A need has been highlighted to differentiate between two categories of civil society organisations, that is, to introduce the status of organisations that work for public benefit or that promote exclusively the aforementioned constitutional values. Only some types of civil society organisations have been systematically recognised by the legal framework as organisations that work for public benefit, and their status has been regulated in all, or at least in the majority, of the relevant regulations. In order to create a system that would recognise all organisations (according to their legal form and the activities they perform) which work for public benefit, it is necessary to establish in one of the existing laws or in a new law a unique notion of organisations working for public benefit and to clearly stipulate the conditions which need to be met by a legal person in order to be able to acquire such a status. By doing so, the chances of unequal treatment being given to non-profit organisations of different legal forms or different activities would be eliminated. In the same way, legal insecurity could be avoided, since every organisation would be aware whether or not it meets the conditions for acquiring a privileged status.

## Objectives

- Taking into consideration the complexity and lack of harmonisation of the legal framework for the establishment and functioning of civil society organisations, the prime need arises to harmonise primary and secondary legislation horizontally (one regulation with the other) and vertically (subordinate regulations with superior ones)
- To adopt new enabling regulations for the development of voluntarism and foundations
- To establish a need for the comprehensive harmonisation of the legal framework regulating the activities of civil society organisations, with special emphasis on regulations that indirectly concern their activities
- To adopt a new model of classification of civil society organisations in order to clearly differentiate between organisations that perform activities in the public interest or for public benefit on the one hand, and organisations established for the purpose of meeting the needs of their members on the other hand;
- To change the tax laws in order to stimulate philanthropy and the culture of donations for public benefit through the means of certain tax benefits
- To produce a Programme on Cooperation of the Government of the Republic of Croatia with the Non-governmental, Non-profit Sector in Croatia, accepting the specific features of the local programme of cooperation/charters on cooperation of the local self-government units and regional self-government and civil society organisations active in this area
- To adopt the Code of Good Practice, Standards and Benchmarks for the Allocation of Funding for Programmes and Projects of NGOs in order to ensure clear conditions for financing the programmes and projects of NGOs and other civil society organisations, as well as to measure their impact on the changes within the community accomplished through projects financed with public money
- To comprehensively harmonise the legal framework, especially those regulations indirectly related to the functioning of civil society organisations, for example, labour relations and protection at work, taxes, participation in legal transactions within and outside the country, transactions in foreign and domestic currency, etc. Not a single regulation pertaining to legal persons in general, including civil society organisations with legal personality, recognises the particularities of non-profit organisations and their limits and purpose of functioning
- To abandon the practice of separately listing different types of benefits and categories of privileged civil society organisations in the laws pertaining to the functioning of civil society organisations, since the listing, in the absence of firm criteria, leads to unevenness of regulations and discrimination of certain types of civil society organisations
- To improve the legal and institutional framework for the work of non-profit media for the purpose of democratisation and the development of civil society

## 7. INSTITUTIONAL FRAMEWORK FOR CIVIL SOCIETY DEVELOPMENT SUPPORT

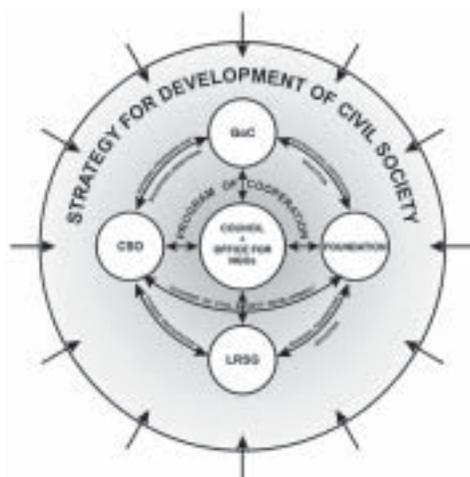
The institutional framework supporting civil society development, as well as intersectoral cooperation in Croatia, is based on several significant regulations and conclusions of the Croatian Government, such as: the Regulation on the Government Office for Cooperation with NGOs of 1 October 1998, the Decision on the Establishment of the Council for the Development of Civil Society of 14 March 2002, the Conclusion of the Croatian Government of 18 April 2002 introducing a decentralised model for the allocation of funding for projects and programmes of NGOs, and the Conclusion of 27 February 2003 which initiated the preparation of the Draft Proposal of the Act on the National Foundation for Civil Society Development.

The decentralised model (see chart on next page) involves numerous stakeholders, but also key institutions and bodies, such as: the Government Office for Cooperation with NGOs, the National Foundation for Civil Society Development and the Council for the Development of Civil Society. The basic links and activities of individual stakeholders in the decentralised model are also stated. Although the aforementioned institutional framework is an important precondition for civil society development, as well as for the democratisation of society as a whole, there is still space for further improvement and harmonisation of functioning with the aim of promoting civil society development.

The basic preconditions for the implementation of the new organisational structure for promoting the development of civil society in the Republic of Croatia are as follows: the establishment of the Council for the Development of Civil Society, the decentralisation of funds for associations from the Government Office for Cooperation with NGOs to the budget of competent state administration bodies, the introduction of the principle of publicity and accountability in allocating and using public money through the application of good practice in distributing funding for the projects and programmes of NGOs, and the establishment of the National Foundation for Civil Society Development.

The Council for the Development of Civil Society and the Government Office for Cooperation with NGOs are the central institutions of this model which, at the operational level, apply and promote the values of the Proposal of the Programme of Cooperation between the Government of the Republic of Croatia and the Non-governmental, Non-profit Sector in Croatia. All other stakeholders, such as state administration bodies, civil society organisations, the National Foundation for Civil Society Development and local and regional self-government units, in interaction, from the implementation of national programmes and strategies through intersectoral cooperation and training, regional development and citizens' participation in the preparation and adoption of public policies, participate in the elaboration and

A new form of organisational structure to encourage the development of the civil society in Croatia



**Abbreviations:**

- CSO – civil society organisations
- GoC – Government of the Republic of Croatia
- LRSB – local and regional self-government units

implementation of the basic strategic objectives of creating an enabling environment for civil society development in Croatia.

**The Government Office for Cooperation with NGOs**

The Government Office for Cooperation with NGOs was established in 1998 by the Decree on the Government Office for Cooperation with NGOs, for the purpose of performing expert tasks in the remit of the Croatian Government in relation to creating conditions for partnerships and intersectoral cooperation with the non-profit sector and particularly with associations in the Republic of Croatia. The Office has a wide range of potential activities, ranging from cooperation with regard to designing and proposing new legal frameworks for the activities of the non-governmental and non-profit sector in the Republic of Croatia, monitoring the implementation of the adopted Proposal of the Programme of Cooperation between the Croatian Government and the Non-governmental, Non-profit Sector in Croatia, and proposing improvements in that Programme, to designing programmes, standards and recommendations for the financing of civil society organisations’ activities from the state budget and other public sources, as well as from the pre-accession and structural funds of the European Union.

**The Council for the Development of Civil Society**

The Council for the Development of Civil Society was established as a consultative and expert body of the Croatian Government. The functioning of the Council is based on the Decision on the Establishment of the Council for the Development of Civil Society, stipulating that it is the task of the Council to monitor, analyse and evaluate the implementation of the Programme of Cooperation between the Croatian Government and the Non-governmental, Non-profit Sector in Croatia, the strategy of civil society development, as well as grants from the state budget for the projects and programmes of NGOs. The expert and administrative tasks are performed for the Council by the Government Office for Cooperation with NGOs, while the activities of the Council are regulated by its Rules of Procedure.

## The National Foundation for Civil Society Development

The Foundation was established by the Act on the National Foundation for Civil Society Development with the basic purpose of promoting and developing civil society in Croatia. The foundation offers expert and financial support to programmes that encourage the sustainability of the non-profit sector, intersectoral cooperation, civil initiatives, philanthropy and volunteerism and which improve the democratic institutions of society. The Foundation has its Statute and Strategy defining in more detail its structure, the way it functions, and the publicity of its work.

### Objectives

- To define the tasks and regulate relations between the Government Office for Cooperation with NGOs, the Council for the Development of Civil Society, and the National Foundation for Civil Society Development
- To create a high-quality model of counselling with civil society organisations through the Council for the Development of Civil Society as an institutional counselling mechanism of the Government of the Republic of Croatia on all issues of significance for the development of civil society and intersectoral co-operation.
- To further the improvement of cooperation and the understanding of civil society development in all the bodies of state administration and units of local and regional self-government, ranging from the bodies in charge of the registration of civil society organisations, to the bodies involved in financing and providing support for the development of civil society

## 8. FINANCING THE SUPPORT AND DEVELOPMENT OF CIVIL SOCIETY

For the provision of further support to civil society development in Croatia, it is necessary, apart from the already established methods and sources of financing the initiatives, projects and programmes of civil society organisations, to invest additional efforts in the identification of new innovative models, that is, into adjusting those which have proven successful in other countries.

The three already mentioned important documents, the Proposal of the Programme of Cooperation between the Government of the Republic of Croatia and Non-governmental, Non-profit Sector, the Associations Act, and the Act on Organising Games of Chance and Prize-Winning Games, elaborate the need and possibilities for financing projects and programmes of civil society organisations.

The Proposal of the Programme of Cooperation is based on the common values of a modern democracy and the values of citizen and civil initiatives, whose very foundations are social change, cooperation, solidarity, social justice, transparency, personal power and responsibility, participation in decision-making, respect for personality, self-organisation, respect for organisational diversity, and lifelong learning. It is aimed at the creation of effective mechanisms to improve relations between the Government and the non-governmental, non-profit sector since they have different roles and responsibilities in the resolution of problems and in the development of the community as a whole. Both sectors strive to base their relations on cooperation, in certain cases also on partnership relations, transparent agreements, mutual exchange of information and joint monitoring of the implementation of the harmonised Programme of Cooperation.

With the adoption of the Associations Act, the Croatian Government committed itself in Article 23 to drafting a Code of Good Practice, Standards and Benchmarks for the Allocation of Funding for Programmes and Projects of NGOs (hereinafter: the Code) and to proposing it to the Croatian Parliament.

The Act on Organising Games of Chance and Prize-Winning Games stipulates the obligation to finance eight different activity areas of civil society organisations, ranging from the development of sports to civil society development, to the amount of 50% of the total revenue from games of chance.

### 8.1. Financing the initiatives, projects and programmes of civil society organisations

The establishment of the Croatian Government's Office for Cooperation with NGOs was the beginning of the systematic development of confidence and cooperation between the Croatian Government and associations which are active in

Croatia, by financing, and through consultations and the regular provision of information.

In the first, centralised stage (from 1998 to 2003) of the implementation of the Programme of Allocation of Funding, the Government Office for Cooperation with NGOs financed a total of 1.997 projects and programmes of associations in a total amount of HRK 105.328.942,33 through public tenders, and systematically monitored the implementation of these financed projects and programmes.

Following the introduction of the decentralised model in 2003, state administration bodies and offices of the Government of the Republic of Croatia have ensured funds for the financing of associations' programmes/projects at special positions in the budgets of those state administration bodies and Government offices, and at the position of the National Foundation for Civil Society Development which was established for the purpose of promoting and developing civil society, that is, financing part of the associations' projects and programmes which pertain to democratisation and civil society development.

In the decentralised model, particularly in the period from 2004 to the present day, the amount of funds directed towards initiatives, projects and programmes of civil society organisations by state administration bodies, the offices of the Government of the Republic of Croatia, and the National Foundation for Civil Society Development represents more than twice the amount of the previous five-year period, moreover achieved in not more than two years. Thus, just in 2005, apart from the funds ensured from the State Budget for 2005, more than HRK 170 million was invested in projects and programmes of civil society organisations from part of the income earned from games of chance alone.

Further advances in financing the initiatives, projects, programmes and organisational development of civil society organisations need to be ensured according to the principles of the Proposal of the Code of Good Practice, Standards and Benchmarks for the Allocation of Funding for Programmes and Projects of NGOs, according to which it is required to:

- establish priorities for financing;
- announce public tenders;
- carry out an expert assessment and selection of the highest-quality projects and programmes submitted for public tenders;
- forward written replies to all applicants for tenders on whether funding has been awarded or not;
- publicly announce the results of tenders;
- conclude contracts on financial support;
- monitor and assess the implementation of the financial programmes and projects.

The financing of the programmes and projects of civil society organisations from state budget funds and other public sources, including the budgets of local and regional self-government units, needs to be ensured at several levels: through multi-year contracts on the financing of general, public needs in society, year-long (or shorter) projects and small incentives to those civic initiatives which bring new ideas and new models of development or new ways of resolving existing problems.

Within the system of the allocation of grants, it is also necessary to earmark a part of the funds intended for providing institutional support to civil society organisations, that is, support for the performance of the basic activity of those organisations which have been assessed as significant contributors to civil society development or to the area in which they are active.

Additional possibilities for financing civil society organisations could be achieved by introducing tax benefits for the activities undertaken for public benefit. Such an approach would enable civil society organisations which seek to enjoy those tax benefits, based on the criteria establishing which activities are of significance for public benefit, to register with tax administration bodies or another body specialised for this purpose.

## Objectives

- To adopt the Code of Good Practice, Standards and Benchmarks for the Allocation of Funding for Programmes and Projects of NGOs
- To prepare a practical manual for the implementation of the Code
- To encourage education of civil servants and employees in local and regional self-government units regarding the implementation of the provisions contained in the Code
- To determine the procedure of selecting members of commissions for the assessment of projects and programmes of civil society organisations submitted for tenders announced by state administration bodies, and in the procedure of assessing and selecting the highest-quality proposals
- To determine measures for the prevention of possible conflicts of interests among members of the assessment commissions
- To prepare annual plans and calendars for announcing public tenders for the allocation of funding for projects and programmes of civil society organisations
- To create an efficient system of reporting for the grant beneficiaries on the results of the implementation of financed projects and programmes
- To consider the introduction of a practice by which the State concludes contracts on the performance of services of social benefit and tasks with civil society organisations using a procedure based on provisions regulating the procedure of public procurement, taking into account good practice of the European Union
- To define a system to determine activities for public benefit and, by amending tax and other relevant regulations, enable organisations performing activities for public benefit to take advantage of these benefits
- To determine the results of introducing an allowed tax deduction of 2% against donations to civil society organisations on the basis of appropriate analyses in relevant bodies and, in accordance with the data obtained, to improve the existing regulations
- To ensure high-quality methods to attract and use EU funds intended for civil society development through the national system of management of EU grants

## 8.2. Conclusion of contracts with civil society organisations on the provision of public services

Since 2002, the Government Office for Cooperation with NGOs introduced a novelty into the former Programme of Allocating Funding to NGOs by providing the possibility of financing multi-year programmes of associations implemented in the area of social welfare, health protection and extra-institutional education.

A total of 131 programmes were financed in this manner for a period of three years, whereby the provision of a part of public services in the area of social welfare, the health service and education was systematically contracted to civil society organisations for the first time.

Taking into account the importance of decentralisation and the denationalisation of those public services which the State can no longer provide, and the good practice developed in this respect in the European Union, the Government of the Republic of Croatia has concluded a contract with the European Commission on the financing of a project within the CARDS 2002 Programme in connection with the allocation of grants to non-profit organisations which implement programmes in the area of social welfare, health protection and extra-institutional education. In this manner, grants have been provided over and above the continual support given over the years to the non-profit organisations financed by the State. In addition, relevant state administration bodies have been drawn in, and use has been made of the experiences of signing contracts with non-profit organisations for the provision of public services in the process of the preparation and implementation of reforms in the social welfare, health and education sectors.

In addition to allocating grants to civil society organisations for initiatives and short-term projects, contracting out the provision of public services can be used for long-term and more systematic cooperation. In this way, the public and non-profit sector can be complemented, and more economical use made of public funds for the resolution of problems ranging from social exclusion and the fight against poverty to the conservation of nature and the environment, and the promotion of culture and sustainable development.

### Objectives

- To include civil society organisations as service providers in the implementation of reforms in the areas of social welfare, health and education, as well as in other areas, and to change the relevant legislation to that effect
- Define standards, priorities and criteria for signing high-quality social contracts, that is, contracts with civil society organisations on the provision of public services

### 8.3. Development of the social economy and non-profit entrepreneurship

The social economy (or according to some authors “the economy of solidarity”) includes a wide range of economic activities conducted in the area between the market, state and non-market sectors (traditional activities of family and neighbourly assistance) aimed at achieving certain social and economic benefits for citizens. Activities of the social economy that generate income are based on solidarity and sustainable development, and not on profit (which predominates in the market), or on redistribution (employed by the state). In order for an economic activity to be qualified as part of the social economy, it should include all three significant distinctive features: social (to associate), economic (to undertake), and political (to realise something new and “different”).

The stakeholders of the social economy are:

- companies that are not driven by the interest of capital, but which create social results along with economic ones;
- different civil society actors who create associations for the purpose of creating companies that satisfy the basic needs of target social groups or communities.

The social economy is also marked by:

- a series of structures and rules of participative decision-making, where power is not shared according to the quantity of invested capital;
- collective activities aimed at the production of commodities and services developed through the mutual cooperation of all participants in the process of income generation.

Therefore, the social economy stands for a very wide range of activities of different participants in society (public, business and the civil sector) aimed at the improvement of the economic and social wellbeing of people in less developed local communities.

A society of the future (which is a sustainable society), as opposed to the so-called developed capitalist society which is an owner/consumer society, replaces the conflict of interest between work and capital by uniting those two driving forces of development. In compliance with the Lisbon Declaration, the European Union puts great emphasis precisely on the market economy under socially acceptable general conditions, along with respect for regulations on environmental conservation.

Within the social economy, social or non-profit entrepreneurship appears in different forms and through different income-generating entities, aiming simultaneously to achieve economic, social and ecological effects. Social entrepreneurship represents the practical level of the idea of the social economy. According to one definition, every entrepreneurial objective is the creation of new value, meaning income. When we talk about non-profit or social entrepreneurship, it is again the case of the creation of new value, but not exclusively income. A new value may also be seen through social objectives, such as the sustainability of a non-profit organisation, the creation of new working posts, the employment of marginalised categories, the promotion of values, etc. However, along with added social value, the basic

difference between profit and non-profit entrepreneurship lies in the manner of income distribution.

Non-profit entrepreneurship aims to create income that will be used by the organisation which realised it to accomplish the mission for which it was established. With non-profit organisations, there is ultimately no distribution of income to owners, founders, heads or persons who earned the money. With a decision of the organisation's management body, the money is used for programme activities or, more frequently, to cover operational costs.

Of course, a distinction should be made between the two basic levels of non-profit entrepreneurship:

a) Income Generating Activity

A non-profit organisation generates income from an economic activity which is then directed to programme activities and/or to cover operational costs. One of the basic motives for the initiation of business activities within a non-profit organisation is to generate income, or free assets, a fund which the organisation can use to cover operating costs, independently from donors, and use the funds independently for desired programme activities in compliance with the organisation's mission. A non-profit organisation, through the means of non-profit entrepreneurship, strives to realise its own sustainability in order to be able to perform activities for the purpose for which it was established.

Some forms of independent income generation for non-profit organisations are membership fees, the sale of products (hand-made items, books, eco-products), charging for services from their scope of activities (legal, psycho-social, etc.), renting of facilities, equipment, income from interests and intellectual property (copyrights, licences, patents).

b) Social Employment (Micro-Enterprise Initiative)

A non-profit organisation, independently or in partnership, initiates a programme for the social employment of the members of a local community in the following manner:

- it provides technical and/or financial assistance to beneficiaries to start their own business (a craft, collective or company);
- it establishes a company or a cooperative whose basic objective is the employment of as large a number of the socially vulnerable population as possible, or those who have great difficulties in finding employment.

Of the two levels, social employment is the far more demanding one; it requires additional capacities (primarily human ones), good knowledge of the market and resource management and, of course, a good foundation and support in the local community.

There is a frequent dilemma about whether civil society organisations are able to perform economic activities. Laws and positive regulations of the Republic of Croatia render it possible for non-profit organisations to become involved in income generation, that is, economic activities. The organisation may involve itself in anything that is not legally prohibited and in activities for which it is registered, in accordance with its founding objectives. Likewise, a non-profit organisation may establish economic entities and be the owner or co-owner of a company or a cooperative.

The dilemma arises due to the vague wording of the law and regulations, so it is necessary here to consider the basic criteria according to which, not only in Croatia, but also in other states, the non-profitability of the organisation involved in the generation of income is determined. Therefore, the non-profit status is determined based on:

- the purpose of its existence and work;
- assignment of income.

Both criteria favour the performance of economic activities that constitute the independent generation of income intended to satisfy some public interest. Such income is thus a source of financing for non-profit organisations, and consequently the funds generated in economic activities are directly targeted to satisfy needs of public interest. According to the second criterion, there is space for a company to acquire the status of a non-profit organisation, under the condition that the entire income is intended for some public interest.

In order to avoid all grey areas of business activities, whether for companies, associations or institutions, legislators in some countries, including Croatia, are also introducing an additional criterion for the establishment of a level of income from economic activities after which a legal person enters the VAT system. That limit in Croatia is HRK 85,000, i.e. if the association has income above the permitted amount, it enters the VAT system.

The same principle is also applied with reference to the existence criterion, that is, any organisation which generates more than 50% of its income through economic activities should establish a trading company and in that way separate its profit and non-profit activities.

Finally, it is necessary to emphasise that within the EU there is no unambiguous definition or unique standards in the case of social entrepreneurship. However, in the majority of EU countries, social entrepreneurship is welcome; it is permitted, with limitations in terms of the division of profit (Italy, Holland, Portugal) and it mainly pertains to a smaller part of the profit and to dealing exclusively with activities related to the organisation's mission (Finland, Germany, Luxemburg). It is not allowed in France and Sweden, but is conducted almost without any limitation and quite liberally in Ireland.

In the transition countries (the Czech Republic, Hungary, Slovenia), examples of good practice have already been developing for about fifteen years, although not within completely defined legal frameworks.

The building of the social economy and the creation of conditions for social entrepreneurship are excellent opportunities for the creation of multiple positive effects, both economic and social. Indeed, non-profit entrepreneurship can be one of the ways to alleviate the consequences of unemployment, particularly of the population categories for which it is difficult to find employment.

## Objectives

- To promote programmes of social entrepreneurship, the social economy, and social employment by creating an enabling legislative and tax framework for companies and non-profit organisations

- To build mechanisms of systematic monitoring of the effects and an assessment of the effectiveness of investments in non-profit entrepreneurship in relation to the economic and social effects
- To propose subjects that can be responsible for social employment programmes, and who could achieve some business benefits, subject to certain conditions
- To systematically work on the development of measures for capacity building and infrastructural support for all subjects of social entrepreneurship
- To create support centres and establish regional and national forums for social entrepreneurship
- To consider the possibility of ensuring grants both for initial investments in social entrepreneurship and for sustainability at later stages of the development of the enterprises
- To encourage the profit sector to become more actively engaged in programmes of social employment, both through programmes of co-financing non-profit entrepreneurship programmes and by ensuring access to the market, as well as by providing mentor services to organisations involved in non-profit entrepreneurship
- To encourage joint programmes of social employment by the public, business and non-profit sectors at local levels through public-private partnerships
- To ensure special tax conditions for non-profit entrepreneurship programmes
- To calculate and include economic indicators for the social economy into GDP calculations
- To encourage networking with similar organisations in Europe and the world

#### 8.4. An enabling environment for the further development of corporate social responsibility and public-private partnerships

One challenge that all civil society organisations in the world face, thus those in Croatia as well, is certainly the concentration of private money. Namely, the current sources of financing, primarily from foreign and multinational governmental and non-governmental organisations, will decrease, while the state budget, in the long run, will no longer be a stable source of income. Therefore, the donations and funds from the private sector, whether from individuals or business subjects, will be a strategic source of financing for programmes and projects of civil society organisations in the future. In order for this to happen, it is necessary to start making adjustments now, not only of the financing system, but also of the tax system.

On the global scale, significant steps have been taken in dividing the roles and responsibilities among sectors. The trend where the business sector takes over part of the work and responsibilities of the public sector is strengthening. Thus, large, medium and small enterprises are repaying society through socially-responsible business and through investments into the development and strengthening of the

local community. Therefore, the business sector is directing part of the money intended for reducing unemployment and social exclusion to development organisations, a smaller part directly to local associations, and is using an ever-increasing share to initiate its own development programmes. Therefore, the business sector has been taking on part of the work of the public and civil sector by developing programmes of social employment or of non-profit entrepreneurship.

The best examples relate to partnership among all three sectors and to the development of public-private partnerships whereby it can be seen that a private partner can be a profit or a non-profit legal subject. However, regardless of which partner is responsible for the programme of social employment, the win-win principle is clear: to achieve an income as high as possible to be directed entirely towards the alleviation of social problems or towards different development programmes.

With regard to creating a more favourable financial framework for civil society development, the stronger participation of the private profit sector is necessary in the financing of projects and programmes of civil society organisations. According to best world practice, it is necessary to introduce higher tax benefits for economic entities which donate part of their profit to the non-profit sector and to change the way of calculating tax benefits. For the time being, there is only an incentive for economic entities that finance cultural, scientific, educational, health, humanitarian, sport, religious programmes by way of reducing their tax base. The value of the donation on the basis of which the tax base is reduced is limited to 2% of the revenue realised in the previous year, and this reduction may not be higher than the amount remaining after revenue from dividends and shares in profit, and depreciation costs are deducted from the total profits.

It is necessary to strengthen enabling models for engaging the profit sector in the financing of programmes and projects of civil society organisations with a classification of activities for public benefit. Thus, the tax office would be able to follow the effects of tax benefits and other forms of socially responsible behaviour of corporations on programmes that contribute to the development of social cohesion and sustainable community development in the Republic of Croatia.

## Objectives

- To plan and encourage the efficient implementation of a comprehensive programme of incentives (tax incentives and other types) for the development of the socially-responsible operation of the profit sector for the purpose of investing funds in programmes for the development of social cohesion and sustainable development
- To stimulate and ensure support for the development of public-private partnership, also including non-profit organisations
- To monitor and analyse the effects of tax and other benefits on the profit sector's investments in programmes that contribute to the development of social cohesion and sustainable development of communities, or that contribute to the financing of the programmes of civil society organisations

## 9. REGIONAL DEVELOPMENT

Current and growing regional inequalities are a burden and challenge both to the State and to all local and regional stakeholders. On the one hand, the State, with very large allocations from the state budget and many fiscal incentives and privileges, has an effect in reducing the differences between developed and less developed regions. On the other hand, local and regional stakeholders, at their own level, not always with sufficient means and conditions, exert influence on the initiation and acceleration of the development of their regions. The differences among counties are largely related to their financial means. At the county and local levels, where the number of various developmental institutions has increased in different sectors, there is no institutional infrastructure to ensure the conduct of activities within an integrated context.

It follows that an approach needs to be found for the sustainable development of all Croatian regions (counties), where all interested parties take responsibility and jointly contribute to socio-economic development.

Given the unbalanced development of parts of Croatia, inequality is also generally encountered in the development of civil society in individual regions. This pertains more to the insufficient development of local and regional self-government capacities for adequate follow-up to the engagement and work of civil society organisations on the one hand, or the insufficient capacities of civil society organisations and inadequate information on the opportunities for development and financing, on the other.

Currently, there is no comprehensive, strategically-determined and operative system to enable civil society organisations to participate as equal partners and to contribute to the development of their local environments and regions. This applies equally to the system of financing and to the system of decision-making and development management.

The economic development of a particular region most certainly affects the development of civil society, but this is not necessarily positively correlated. Namely, some economically developed counties, towns and municipalities do not have well-developed systems of support for civil society organisations or models for cooperation with civil society, although they tend to head in this direction sooner than the less developed regions.

With the aim of building a more favourable environment for civil society development, the primary role of state bodies is to create an administrative framework at local and national levels to ensure continuous follow-up of the needs of civil society organisations, the timely inclusion of civil society into operational programmes of development, joint planning of the budget intended for community development, and thus also for the programmes of civil society organisations.

There is currently less concern with issues related to the relations between regional and local self-government and civil society, although in that respect, too, there is still room to harmonise the practices of local and regional self-government with the aim of ensuring the unified and transparent procedure of financing asso-

ciations, whereby we primarily refer to the obligation to conduct public tenders for the programmes and projects of associations. Other issues, such as follow-up to the needs of civil society organisations, inclusion in development planning, the implementation of programmes, and, particularly, the planning of public budgets, still do not have an adequate institutional framework.

A step forward in that regard has been taken by those counties which have drafted regional operational plans (ROP). During the development of such regional operational plans (i.e. county development strategies), eight counties included civil society representatives from the very beginning in the work of county partnerships. These representatives provided the counties with recommendations on strategic priorities and priority development projects. That process later spread to other counties. As the National Strategy of Regional Development did not exist at the time the ROPs were drafted, county partnerships acquired the form of an advisory body to the county, on the basis of a provision in the Act on Local and Regional Self-government. Namely, that provision authorises the representative body of a local self-government unit to establish permanent or temporary commissions and other working bodies with the aim of preparing decisions from its scope of activities.

During 2005, the Ministry of the Sea, Tourism, Transport and Development included experts for regional development into a broad circle of representatives of interested parties, i.e. including civil society representatives, for the development of a draft proposal of the National Strategy of Regional Development of the Republic of Croatia, as well as for a draft Act on Regional Development.

The Strategy of Regional Development of the Republic of Croatia introduces and promotes the concept of partnership as the basis of development. In this partnership, the state administration, the private sector and civil society play an equal role in development planning and management, and share responsibility to establish dialogue and reach consensus.

County partnerships for development have an equal number of representatives of local/regional authorities, the business sector and civil society. The objectives of establishing partnerships and the goals of their work are manifold:

To strengthen and build capacities and capabilities at local and regional levels, with the aim of encouraging and accelerating socio-economic development;

To establish an integrated approach to development by identifying and accepting the diverse perspectives of different partners and to use their potentials. Such an approach enables all community members to participate in reaching consensus on the development priorities of an area (e.g. a county, municipality and other areas);

To train all stakeholders to become the “representatives of development” of their area and, for example, in the case of the implementation of Regional Operational Programmes, to monitor and oversee the implementation of jointly selected and approved projects.

County development agencies are agencies owned by counties, towns and municipalities, and possibly by NGOs and private business subjects, with the main aim of preparing strategic documents of development.

It is also important to emphasise that the National Foundation for Civil Society Development, through the commenced pilot programme of the decentralisation of

funding for civil society development at local and regional levels, will strengthen the further capacity building of civil society organisations at local and regional levels, taking into account the existing, and encouraging the establishment and development of new, programmes of support to civil society organisations. In this way, a significant contribution will certainly be made to harmonising the regional development of civil society in Croatia.

## **Objectives**

- To maintain and improve the good practice of participation of representatives of civil society organisations in county partnerships for development
- To apply the principles of the Code of Good Practice, Standards and Benchmarks for the Allocation of Funding for Civil Society Organisations in local and regional self-government units
- To support and additionally enhance the existing structures, organisations and programmes that support the capacity building of civil society organisations at local and regional levels through public tenders
- In cooperation with local and regional self-government units and organisations and programmes for providing support to civil society development, to design and implement programmes for the decentralisation of funds for financing initiatives, projects and programmes of civil society organisations at local and regional levels
- To propose, as priorities in national programmes for the allocation of funding to civil society organisations, those Croatian regions that need to strengthen the development of those organisations, their programmes, intersectoral cooperation and social cohesion as a pre-condition for the social and economic development of those Croatian areas
- Include civil society organisations in the planning of economic and social development, operational annual plans and budgets, in order to plan more clearly the use of national and EU funds intended for regional development
- Develop a mode for co-financing high-quality regional development programmes in order to meet basic technical preconditions for receiving resources from EU funds
- Create conditions and opportunities for the more significant participation of the private profit sector in financing projects and programmes of civil society organisations
- Enable the education and training of R/LSG employees on models of intersectoral cooperation through the European Centre for Intersectoral Partnerships in Zadar and the Academy for Local Democracy

## 10. DEVELOPMENT OF VOLUNTEERISM, PHILANTHROPY AND FOUNDATIONS

The term philanthropy refers to the need for charitable activity. In the context of civil society, philanthropy is a voluntary individual act or a group donation for the general good or benefit of people – the donation of work or funds by a physical or legal person whose aim is not to realise immediate benefit for himself or herself, but to invest into joint interests or the interests of others. Accumulated financial wealth, a favourable legal and tax atmosphere, and the existence of beneficiaries are preconditions for the development of philanthropy. Secondary preconditions include a market economy, social acceptance of the unequal distribution of goods, a critical degree of trust in society and a tradition of philanthropy. Some of the most important factors for the development of philanthropy in a community are trust in society, the existence of the tradition of giving, active civil and human potentials, a relatively affluent community, a degree of recognition and trust in philanthropic institutions, the opportunity to mobilise the support of a community, and support by state institutions.

Organised philanthropic activity in the Republic of Croatia takes place through voluntary work, foundations and the philanthropic activity of humanitarian organisations, public humanitarian actions and business entities.

### 10.1. Development of volunteerism in Croatia

The definition of the term volunteering in EU countries derives from “activity that demands time without compensation”, via “personal spontaneous activity” to “voluntary work”. Regardless of the different traditions and cultural circumstances, volunteering could be defined as an activity that is implemented through one’s own free will and which is useful to others and to the person implementing it, but is not primarily motivated by financial gain.

Volunteerism as the voluntary provision of services has a long and far-reaching tradition in Croatian society and occasionally assumes a key role in crisis situations. Civil society organisations base a significant part of their work on voluntary services, although volunteers participate in the activities of other organisations as well.

In the past sixteen years, four research projects have been carried out in Croatia, focusing on experiences related to voluntary work. The results show that, in principle, there is a positive attitude towards volunteerism, but at the same time respondents believe that their environment is not conducive to volunteering. Furthermore, the positive attitude towards volunteerism has serious problems in actualising the very act of volunteering. This is shown by the results of two surveys: according to the survey conducted by the National Foundation, fewer than 5% of Croatian citizens volunteer, whereas the survey by the Ivo Pilar Institute showed that the respective figure is 10.7%. The reasons that citizens do not perform voluntary work are because of their material circumstances, the value crisis, and insufficient informa-

tion. Apart from the positive attitudes expressed and the generally low participation of citizens in voluntary activities, one of the other key findings of the surveys is data about the low frequency of voluntary engagement (just a few times a year in contrast to 3.5 hours a week by American teenagers), as well as the trend of the young population's negative attitude to the values of voluntary work.

Despite the weak research framework that does not allow for a detailed explanation of the current situation of volunteerism in Croatia, it is worth mentioning that, during the past few years, various mechanisms have been established in Croatia to promote and develop volunteerism in the best possible manner. In addition, attempts have been made to form a suitable structure to enable a higher participation by interested citizens in various initiatives for the benefit of the communities they live in. These mechanisms have moved in several directions: (I) towards the creation of the preconditions for a favourable legal environment for voluntary activity; (II) towards the creation of a recognisable framework for the promotion and development of volunteerism; (III) towards strengthening the capacity of volunteers' centres.

The proclamation by the UN of the year 2001 as the International Year of Volunteers was a significant stimulation to various institutions at national and regional levels to start initiatives and activities directed at developing volunteerism in Croatia. During the same year, upon the initiative of the Croatian Government Office for Cooperation with NGOs, the National Committee for the Development of Volunteerism (comprising 23 representatives of the public, profit and non-profit sectors) was established as a working body of the Council for the Development of Civil Society. The work of the National Committee for the Development of Volunteerism has focused on three main areas: the promotion of volunteerism, the prompting of the drafting of a legislative framework for the development of volunteerism, and support for the development of volunteerism. The Committee also worked on the preparation of the Act on Voluntary Work that was taken over in 2004 by the Ministry of the Family, Veterans' Affairs and Intergenerational Solidarity as the carrier of that law.

In terms of creating a recognisable framework for the promotion and development of volunteerism, the efforts of the Croatian Government Office for Cooperation with NGOs and, at a later stage, of the National Foundation for Civil Society Development, are important as they organised and supported the promotion of volunteerism in the International Year of Volunteers through two national conferences on volunteerism (Cavtat 2004 and Trogir 2005), facilitated the International Volonteurope Conference (Cavtat 2004) and marked the International Day of Volunteers in a large number of towns and municipalities throughout Croatia.

Starting from the end of the 1990s, continuous contributions to volunteerism were provided by volunteer centres in the four biggest cities in Croatia (Zagreb, Split, Rijeka, Osijek), whose basic objectives are to promote and develop voluntary work at local, regional and national levels, to educate the associations' members and volunteers, as well as to raise public awareness about the values of volunteerism.

A whole range of volunteering activities and projects exist which promote volunteerism in local communities and wider afield, as is the case with Volunteers' Days which, from 1998, have traditionally been organised in Split.

In Croatia, a large number of organisations are active exclusively on the basis of volunteerism, whilst others systematically develop their volunteers' programmes.

Amongst them are networks which traditionally work on stimulating volunteerism, such as the Croatian Red Cross, scouts, firemen and organisations whose volunteerism is directed at other specific areas of activity.

A lack of legal regulation on volunteerism has proven to be a problem in practice in European countries, which has significantly de-motivated volunteerism and has created room for misuse. EU Member States have recognised the importance of the legal regulation of volunteerism. Thus, Germany passed a law in 1964 which promotes voluntary social work. During the past several years, a significant number of states (Spain 1996, Portugal 1998, Brazil 1998, France 2001, Italy 1991, USA 1997 and 2001, and subsequently Poland, the Czech Republic, Hungary and Slovenia) have decided to regulate the issue of volunteerism, both through national legislation and international agreements and acts.

All the countries which have adopted a law on volunteerism commonly regulate or enable the following:

- promotion of volunteerism as an activity of general social importance;
- the long term and trans-national volunteerism of young people;
- compensation of costs incurred through volunteering;
- insurance against injury;
- definition of rights and the adoption of a Volunteer's Code of Ethics.

The current legal framework for volunteering in the Republic of Croatia relates to the provisions of the Labour Act, the Obligations Act, the Rulebook on Income Tax, the Pension Insurance Act, the Health Insurance Act and the Act on the Employment of Foreigners, which all touch upon volunteering work predominantly within the context of interns who volunteer in institutions. The Social Welfare Act additionally emphasises the obligation of developing volunteer work within the context of Centres for Social Welfare.

The existing legal framework for volunteering only touches upon certain aspects of volunteering, which creates difficulties in expanding the practice which is usually just tolerated, but not encouraged. Organisers of voluntary actions have difficulties in defining relations with volunteers, adjusting work to fiscal regulations in situations where they should compensate costs or stimulate the volunteer's work. Possible solutions (according to the mentioned analysis) are to interpret the existing laws in a manner which is to the benefit of volunteering and legislative interventions. The Ministry of the Family, Veterans' Affairs and Intergenerational Solidarity has accepted legislative interventions as the best solution and has taken the initiative to draft the Act on Voluntary Work, after which other regulations will be adjusted.

The adoption of the Act on Voluntary Work will clearly define the volunteer and volunteering, the relations between a beneficiary and provider of voluntary services, compensation of costs, insurance, taxes, and other issues.

### Objectives:

- To adopt the Act on Voluntarism (or voluntary work) which will clearly outline the possibilities and relations in the event of volunteering
- To allow for the strengthening of volunteer centres in Croatia as a necessary infrastructure for volunteer work

- To develop a value system for public benefit through the education system, and motivate children and youths to volunteer
- To examine possibilities for financing programmes which promote and practise voluntarism with the aim of strengthening social capital
- To ensure a model of institutional recognition of voluntary work as a precondition for the long-term development of the culture of voluntarism, taking advantage of the benefits of using services or for employment
- To design a means to collect data on the frequency and spread of voluntary activities
- To include the economic values of voluntary work in GDP calculations
- To encourage and develop voluntarism programmes in institutions
- To further support knowledge on voluntarism through research and education

## 10.2. Development of Foundations

Foundations, as an expression of organised philanthropy with the objective of acting for public benefit, are an important part of civil society for numerous reasons. Foundations express individual awareness and responsibility towards the community and promote the concept of active participation in society. Furthermore, they improve community ties and help achieve a more just social environment for all citizens. By identifying societal problems/needs and linking them to resources, foundations can act as an addition or supplement to governmental policy. Likewise, they can have an impact on the development of intersectoral partnership, by linking business circles, state administration, and local authorities and non-governmental organisations to jointly promote public benefit.

Philanthropy in Central Europe started to develop at the beginning of the 1990s, primarily because of the sharp influx of funds from foreign private foundations, but also because of a more favourable environment for civil society development, particularly tax incentives for individuals and companies when establishing foundations.

The experiences of Central and Eastern Europe, where an exceptionally large number of foundations has been established in the last ten years, indicate that the stimulation of tax-free donations produces positive effects on the development of a culture of giving. This strengthens citizens' responsibility towards problems in the community and society, and creates cooperation among representatives of all three sectors. Slovak, Czech, Polish and Hungarian foundations are among the most significant in the world today and represent an example of good practice for many transition countries, i.e. countries facing EU accession.

The European Foundation Centre classifies foundations according to their main source of financing, the composition of the Management Board, and the allocation of funds, as follows: independent foundations, corporative foundations, foundations supported by the state, local community foundations and other foundations that collect funds. Apart from these traditional forms of foundations, local com-

munity foundations are increasing in number, both in Europe and worldwide. Many believe that local community foundations are a new global phenomenon that offers optimal community development, since they are capable of building social and financial capital through donors' investments in the local community. They are a means for the mobilisation of a community and of creating development plans where citizens come together on their own initiative in order to invest and improve the life in a community.

In the last few years, significant efforts have been made in the field of improving the general atmosphere and legal framework for the development of foundations in Croatia. In 2001, research was carried out on the development of foundations in Croatia, which identified that 65% of registered foundations were located in Zagreb and in the south, west and north of Croatia, while the least number of foundations was at the time located in the east of Croatia.

Feasibility studies for the development of local community foundations were initiated in Rijeka, Osijek, the island of Hvar, and Krapina. Through interviews and questionnaires, the study considered the interest of and opportunities for citizens and institutions to become involved in such kinds of foundations. The results of the survey showed differences between the above-mentioned communities; however, as a whole, they reflect a high degree of interest in such a kind of organisation, sufficient potential within the local economy, and a sufficient number of individuals from various sectors who could participate in the development and work of foundations. However, the research also indicated the challenge presented by the low degree of trust in society and the difficulty in establishing partnerships among the public, business and civil sectors, as well as a lack of knowledge about the concept of local foundations, i.e. local community foundations.

The establishment of the National Foundation for Civil Society Development in October 2003 was a great step forward at the national level in recognising the importance of creating professional, transparent, intermediary organisations such as foundations of all kinds, with the aim of collecting and distributing funds for the development of a democratic society.

Moreover, the establishment of public foundations, that is, foundations which have founders and which enjoy the support of state authorities at the national or local level, is particularly significant and requires special attention. Public foundations provide an opportunity to move the system of public financing from the usually very sluggish state administration system of grant schemes; as a result, they encourage access both to different funds and to the business sector, which increases the value of publicly earmarked funds. Since they are established for a specific purpose, public foundations also ensure the institutional framework for the more purposeful spending of funds.

Besides public foundations, an important form of philanthropy is most certainly corporate philanthropy as a very important segment of philanthropic development in society. In the Croatian business community, various forms of corporate social responsibility (CSR) are advocated and implemented, among which investment into the community and philanthropy in terms of money, time, products and services are among the most frequent areas. Though the concept of corporate social responsibility is becoming increasingly well-known and practised in Croatia, a

large part is not strategically positioned, while examples of good practice are not regularly reported. Medium and small enterprises are particularly affected in this regard, as they do not know how to report on their investments in the local community, i.e. how to implement the models of corporate donations of big companies in their business operations. Although almost all the largest Croatian companies are involved in the promotion and practice of corporate social responsibility in Croatia, there are very few examples of strategic approaches that connect the core business activity with wider responsibility towards the community.

Nevertheless, the legal framework for the development of foundations in Croatia is still not sufficiently encouraging. Although the Act on Foundations and Funds allows for the registration and activities of foundations and funds, a problem still arises in the complex procedure of registration, and certain provisions exist which do not create an environment conducive to the development of contemporary types of foundations.

Foundations in Croatia are relatively undeveloped, which is the result both of an unfavourable legal framework and an interrupted philanthropic tradition of giving. Moreover, Croatia still does not have adequately developed mechanisms of solidarity and social sensitivity, or a systematic policy for the development of foundations and philanthropy. In short, there is a lack of overall societal and economic development to support the growth and development of philanthropic activities and foundations in Croatia.

Of all the organisations of civil society, foundations can have the most important role in establishing cooperation with the public and private sectors. The channelling of funds and programmatic harmonisation are an effective mechanism of including different stakeholders in the implementation of public policies, while the autonomy of activities and the adoption of voluntary standards strengthen the effect from the “bottom up” and facilitate the mobilisation of resources to satisfy specific needs.

## Objectives

- To enact a new Foundations Act for the purpose of simplifying the registration process and facilitating the conditions related to the assets of a foundation upon establishment
- To establish a transparent registry of foundations so that data on registration and annual financial reports on the work of foundations can represent basic information for monitoring the development of foundations
- To secure financial and infrastructural support for the development of local community foundations
- To secure incentive tax conditions for the operation and acting of foundations, as well as an incentive framework for the efficient management of the assets of those foundations which act for the public benefit
- Through incentive measures, to create the preconditions for the development of corporate philanthropy and foundations, as well as for the development of public foundations

# 11. CIVIL SOCIETY DEVELOPMENT IN THE INTERNATIONAL CONTEXT

Due to the impact of globalisation and the growing internationalisation of problems and challenges which go beyond the traditional role of the state in international relations, civil society development in Croatia must necessarily be viewed in a wider international context.

Confronting some of the key issues in international relations, such as, for example, security, is no longer associated exclusively with the role of the armed forces. Other issues include environmental protection, fighting poverty, preventing the spread of infectious diseases, fighting different forms of discrimination, and so on, which involve activities aimed at releasing tension and preventing violent conflicts at the lowest possible level (in local communities). These areas also require the active engagement of civil society. Civil society organisations have an ever-increasing role in the developing countries of the world, assisting in democratic transition, promoting the right to education and health care, and providing humanitarian aid, especially in areas where, for different reasons, certain states and state institutions have difficult access and a low level of influence. A large number of civil society organisations in Croatia possess valuable experience and knowledge, acquired through their engagement in the building of the Croatian state, in transition-related issues, as well as in dealing with the problems that occurred as a consequence of the war. Such experience and knowledge could be applied in other countries and regions with similar needs.

For civil society organisations in Croatia, as well as in other Central and Eastern European countries, the European integration process has brought new opportunities and new challenges. Bearing in mind that adjustment to the EU requires reforms which directly affect all forms of social and economic life of the candidate countries, the need arises for the more active engagement of civil society in the preparation, monitoring and implementation of such reforms. Engagement is also required to communicate these reforms to the citizens, that is, to bring them closer to the citizens.

Thanks to the increased tendency towards formal and informal cross-border networking and the easier functioning of cooperation on projects of joint interest, civil society organisations have strong potential to encourage the development of regional cooperation and good neighbourly relations.

Bearing in mind the new challenges stemming from the international environment, as well as the potential of civil society to effectively deal with these challenges, it is the Government's strategic objective to create preconditions for the active contribution of civil society organisations as a credible and indispensable partner in: i) formulating and implementing foreign policy objectives and promoting the concept of social diplomacy; ii) preparing, monitoring and implementing reforms in the Croatian accession process towards the EU; iii) strengthening regional and cross-border cooperation and good neighbourly relations.

## 11.1. Cooperation in the implementation of common foreign policy objectives and the role of social diplomacy

Pursuant to the proposed Programme of Cooperation between the Government and the Non-government, Non-profit Sector adopted in 2001, the Croatian Government committed itself to involve non-government, non-profit organisations in the process of the preparation, implementation, monitoring and assessment of new legislative measures and public policies.

The field of foreign policy and international relations is of increasing interest to Croatian citizens, especially because of the intensified European integration process and the growing public debates on some of the key priorities of the foreign policy of Croatia.

The experience and good practice of other countries, such as the Czech Republic, Poland, the Netherlands, Great Britain, Canada, etc., show that it is possible to establish functioning cooperation between civil society organisations and governments in formulating and implementing the foreign policy objectives of a country. Such cooperation is based on the assumption that foreign policy is of prime importance to all citizens and that the Government acts only as a coordinator, with exclusive decision-making authority only in a smaller number of selected areas. In this respect, the concept of social diplomacy is often mentioned as a way for civil society organisations to contribute to formulating and implementing foreign policy objectives.

Some of the most important comparative strengths of Croatian civil society organisations are their flexibility and ability to make decisions quickly and take actions which contribute to the effectiveness of certain national programmes, and reinforce the presence of Croatia in the social sphere of international relations (e.g. in cultural and educational activities, support given for democratic change, providing humanitarian aid, etc.).

Croatia is still at the beginning of a long process leading to its involvement in the active provision of European and global developmental assistance. All this requires a strengthening of the capacities and resources of Croatian civil society organisations and the more active engagement in this field, based on the model of more developed countries. The approach of Croatia's accession to the EU brings new requirements within the scope of assistance to developing countries, and opens up new possibilities for strengthening the position of Croatia on the international scene.

## 11.2. The role of civil society organisations in the process of Croatia's accession to the EU

Considering that European integration, unlike many other areas, is still a topic that raises no conflicts in Croatia, and bearing in mind that this process affects almost all parts of the political, economic and social life of the country and covers most of the sectors in which civil society organisations are active, the accession process to full membership of the EU can serve as a catalyst for adopting European principles of good governance. It can also serve as a suitable base for strengthening the culture of dialogue and for the introduction of effective consultancy mechanisms between the Government and non-governmental sector.

The role of civil society organisations in the process of Croatia's accession to the EU can be viewed in several aspects:

- initiating public dialogue on Croatia's accession process to the EU, in different aspects of that process, on reforms and their effects;
- involvement in the implementation of the communication strategy on informing the Croatian public about the EU accession process;
- participating in the process of negotiations and monitoring progress in fulfilling the requirements for full membership of the EU;
- cooperation in the implementation of a foreign communication strategy towards the EU member states and contributing to a better understanding between Croatian citizens and the citizens of other countries;
- encouraging better use of EU pre-accession funds and a stronger role in the future use of structural funds.

The Communication Strategy Aimed at Informing the Croatian Public about the EU and Preparations for EU Membership, adopted by the Croatian Parliament on 27 January 2006, identifies civil society organisations as important partners of the Government in promoting better understanding of the EU accession process among Croatian citizens. Civil society organisations are expected, among other things, to inform citizens about the technical questions related to the adjustment to EU standards since, at the end of the negotiations with the EU, the citizens are precisely the ones who will have to make the final decision in a referendum on Croatia's becoming a full member of the Union. In that respect, the Government committed itself to ensuring transparency of the accession process and to enable the more active participation of civil society as a partner in the process. One of the key mechanisms for consulting civil society and encouraging public debate on the effects of integration by particular chapters of the *acquis* is the National Forum on EU Accession established in October 2004.

Fifty three experts outside state administration are included in the negotiations on accession in order to produce the best and most legitimate positions for negotiations and to promote better understanding of the process among the members and beneficiaries of NGO services and other civil society actors represented in the negotiation structures. Successful completion of the negotiation process will also require the satisfactory implementation of the adopted legal acts and the functioning of the institutional structures established for the same purpose. Civil society or-

organisations can be a valuable corrective and an early warning signal for problems related to the implementation of commitments stemming from the Stabilisation and Association Agreement and from the negotiations themselves in specific chapters of the *acquis communautaire*. Civil society can also contribute to the assessment of the effects EU integration will have on particular sectors, thus developing public awareness of the expected benefits and costs of EU accession.

The announcement that synergic efforts will be made by the Government and other social and economic actors reflects the good practice of other countries. Scientific research indicators show that civil society organisations, unlike state bodies, have a significantly greater potential for strengthening transnational solidarity and promoting the concept of “unity in diversity” of the enlarged EU.

The important role of civil society in promoting better understanding between citizens of the EU Member States and candidate countries is also confirmed by the European Commission initiative entitled *Civil society dialogue between the EU and candidate countries* published in June 2005.

The Government also gave its support to strengthening dialogue between Croatian civil society and the EU by initiating the establishment of the Common Advisory Committee between the European Economic and Social Committee and the Republic of Croatia. This should play a key role in promoting the positions of civil society in the negotiation process.

Finally, civil society organisations should play an important part in planning and implementing programmes of pre-accession assistance to Croatia. The timely inclusion of civil society in this field is also important in terms of adequate preparation for the effective use of structural funds after accession to the EU, especially the European Social Fund.

### 11.3. Contribution of civil society organisations in the strengthening of regional cooperation

Regional cooperation is the very basis of the European Union – it is the start of the process of European integration. Regional cooperation is one of the foreign policy objectives of the Republic of Croatia and this is particularly emphasised in the Stabilisation and Association Agreement (SAA), bearing in mind the recent history of this part of Southeast Europe. Through the SAA, Croatia committed itself to actively promoting regional cooperation and particularly to establishing cooperation with the signatories of the SAA. On the other hand, the EU committed itself to providing support to projects of regional or cross-border importance.

In a document issued by the European Commission, *Regional cooperation in the western Balkans: A policy priority for the European Union (2005)*, it is stated that, according to the commitments related to regional cooperation adopted at the 2000 Zagreb Summit and the 2003 Solun Summit, the countries of the region have already made significant progress in the field of trade, energy supply and transport. It is also stated that further efforts are needed to improve cooperation between people and countries.

The objectives of regional cooperation are the following:

- stability and peace building;
- improvement of political and good neighbourly relations;
- economic and social recovery and prosperity;
- refugee return;
- fight against organised crime and corruption;
- cooperation on asylum issues and illegal migrations;
- reform of the judiciary.

Civil society organisations in Croatia carry out numerous programmes and projects at the regional level which are in line with the objectives mentioned above and have a developed network for communication and cooperation. These programmes encompass a wide range of areas, from the protection and promotion of human rights, the protection of the cultural and natural heritage, cooperation of associations for persons with disabilities, environmental protection and sustainable development programmes, cooperation on humanitarian grounds between veterans' associations, stability and peace building, return of refugees, the fight against organised crime and corruption, and, recently, intensified cooperation on asylum issues.

Unlike the State and the business sector, civil society has the opportunity to bring people together. Regional programmes and projects are the means for regional and sectoral networking, the exchange of experience and information, and they represent an opportunity to define the common strategic objectives of the region. Dialogue between the civil society organisations of Croatia and those of the neighbouring countries may contribute to the faster resolution of a series of outstanding issues which are otherwise processed slowly using traditional ways of official diplomacy.

## Objectives

*For the purpose of promoting cooperation and possible partnership between the Government and civil society organisations in formulating and implementing foreign policy:*

- To promote consultations and an exchange of information between representatives of civil society organisations and key actors in the State's foreign policy
- To include representatives of civil society organisations in the educational programmes of the Ministry of Foreign Affairs and European Integration (MFAEI) according to need, as well as courses in the Diplomatic Academy of the MFAEI
- To participate in the planning and implementation of Croatian development assistance to third countries, when required during the accession process
- To cooperate if and when necessary with civil society organisations during the official visits of state officials abroad, as well as during official visits of foreign officials to Croatia, especially in the field of human rights and the rights of national minorities
- To promote better cooperation between Croatian diplomatic missions abroad and civil society organisations from Croatia

- To support the initiative of establishing a network of Croatian associations active abroad

*For the purpose of promoting a more active role of civil society organisations in the European integration process:*

- To create preconditions and open space for public dialogue (political and civil) on all the challenges and opportunities associated with the Croatian accession process to the EU
- To establish formal and informal mechanisms for consultation with civil society during the EU accession process through a Code of Good Practice and through improving the quality of action. The Code relates to consultation, policy implementation and assessment, according to the Programme of Cooperation, and in line with the general principles and minimum standards for consultancy accepted at the EU level
- To analyse the impact of Croatian accession to the EU by sector, making the results available to the public
- To ensure public access to information on the accession process
- To include relevant civil society representatives in the development of national strategies and programmes within the EU adjustment process
- To include relevant civil society representatives in the programming of the framework for pre-accession funds
- To encourage and finance educational programmes on the EU intended for civil society representatives
- To encourage and finance study trips to exchange knowledge and experience between civil society in Croatia and the EU
- To encourage and finance the networking and cooperation of civil society representatives in Croatia and the EU
- To support the more active involvement of civil society organisations from Croatia in discussions led at the European level on the key questions of the future structure of the EU (European Constitution, European communication policy, democratic deficit of the EU, etc.)

*In order to encourage the more active contribution of civil society to strengthening regional cooperation:*

- To include civil society representatives in the development of national strategies and programmes of regional cooperation
- To encourage and finance programmes and projects of civil society important for achieving the regional cooperation objectives of the Republic of Croatia
- To encourage and finance partnerships of civil society and local self-government in the implementation of programmes and projects of cross-border cooperation

## 12. OPERATIONAL PLAN FOR THE IMPLEMENTATION OF THE NATIONAL STRATEGY

The Government of the Republic of Croatia tasks the Government Office for Cooperation with NGOs to prepare and deliver to the Government of Croatia the Operational Plan for the Implementation of the National Strategy, which will elaborate the implementation of all strategic objectives, with specific measures and responsible bodies, within 90 days from the adoption of the National Strategy for the Creation of an Enabling Environment for Civil Society Development.

The Government Office for Cooperation with NGOs will develop the Operational Plan for the Implementation of the National Strategy in cooperation with the competent bodies of state administration and civil society organisations.

The Government Office for Cooperation with NGOs will foresee in the Operational Plan the methods of follow-up, reporting and evaluation of the success of the implementation of individual measures for the achievement of the determined strategic goals.

## 13. EXPERTS INVOLVED IN DRAWING UP THE STRATEGY

### a) Members of the Working Group for Drawing up the Strategy Proposal

1. Cvjetana Plavša-Matić, Head of the Working Group, National Foundation for Civil Society Development, Zagreb
2. Igor Bajok, Deputy Head of the Working Group, GONG, Rijeka
3. Vice Batarelo, Croatian Caritas, Zagreb, member
4. Zorislav Bobuš, Association of Organisations of Disabled Persons in Croatia, Zagreb, member
5. Jadranka Cigelj, Government Office for Cooperation with NGOs, member
6. Jozo Čikeš, Ministry of the Family, Veterans' Affairs, and Intergenerational Solidarity, member
7. Marijo Drlje, Association of Croatian Patients Association, Zagreb, member
8. Bojana Genov, Women's Network Croatia, Mali Lošinj, member
9. Vladimira Ivandić, Ministry of Finance, member
10. Romana Kuzmanić-Oluić, Ministry of Foreign Affairs and European Integration, member
11. Zdravko Lipić, Potrošač – The Society for Consumer Protection of Croatia, Zagreb, member
12. Ines Loknar Mijatović, Government Office for Human Rights, member
13. Dubravka Mišković Prodanović, Croatian Law Centre, Zagreb, member
14. Nina Obuljen, Ministry of Culture, member
15. Vjeran Piršić, Eko Kvarner Association, Njivice, member
16. Nevenka Preradović, Ministry of Environmental Protection, Physical Planning and Construction, member
17. Valentino Rajković, National Coordination of Associations of Homeland War Veterans, Zagreb, member
18. Dunja Skoko-Poljak, Ministry of Health and Social Welfare, member
19. Helena Štimac Radin, Government Office for Gender Equality, member
20. Mirjana Švajcer, Central State Office for Administration, member

b) Experts invited by the Working Group to participate in the drawing up of the Strategy Proposal

1. Josip Baotić, INTERCON d.o.o. Zagreb
2. Sandra Benčić, Razbor, Zagreb
3. Luka Benko, Union of Autonomous Trade Unions of Croatia, Zagreb
4. Jasmina Božić, Faculty of Philosophy, Zagreb
5. Emina Bužinkić, Croatian Youth Network, Zagreb
6. Teodor Celakoski, Multimedia Institute, Zagreb
7. Bojana Čulum, Faculty of Philosophy, Rijeka
8. Srđan Dvornik, Croatian Helsinki Committee for Human Rights, Zagreb
9. Gordana Forčić, "SMART", Rijeka
10. Tin Gazivoda, Centre for Human Rights, Zagreb
11. Siniša Gregoran, City Government of Osijek, Osijek
12. Milan Ivanović, Albert E Association, Osijek
13. Nives Ivelja, MI Association, Split
14. Suzana Jašić, GONG, Zagreb
15. Iva Josipović, County of Primorje-Gorski Kotar, Rijeka
16. Mirna Karzen, The Urban Institute, Zagreb
17. Branka Kaselj, Centre for Peace, Non-Violence and Human Rights, Osijek
18. Anka Kekez, DIM – Association for Civic Education and Social Development, Zagreb
19. Đurđa Knežević, Women's Information and Documentation Centre, Zagreb
20. Josip Kregar, Faculty of Law, Zagreb
21. Suzana Kunac, B.a.b.e. Women's Human Rights Group, Zagreb
22. Jasminka Ledić, Faculty of Philosophy, Rijeka
23. Marina Lipošćak, GONG, Zagreb
24. Mladen Majetić, Centre for Peace Studies and DOCUMENTA Centre, Zagreb
25. Nives Miošić-Lisjak, MAP Consulting, Zagreb
26. Andrijana Parić, Razbor, Zagreb
27. Lidija Pavić-Rogošić, Odraz Association, Zagreb
28. Žarko Puhovski, Croatian Helsinki Committee for Human Rights, Zagreb
29. Vlado Puljiz, Faculty of Law, Zagreb
30. Slavica Radošević, Zagreb
31. Smiljana Rađa, Split

32. Nenad Romić, Multimedia Institute, Zagreb
33. Mirjana Samardžić, Razbor, Zagreb
34. Sanja Sarnavka, B.a.b.e. Women's Human Rights Group, Zagreb
35. Nikolina Svalina, Centre for Peace, Non-Violence and Human Rights, Osijek
36. Lejla Šehić-Relić, Volunteer Centre, Osijek
37. Slobodan Škopelja, MI Association, Split
38. Vanja Škorić, GONG, Zagreb
39. Marina Škrabalo, MAP Consulting, Zagreb
40. Vesna Teršelič, DOCUMENTA Centre, Zagreb
41. Igor Vidačak, Institute for International Relations, Zagreb
42. Andrija Vranić, Centre for Peace Studies, Zagreb
43. Sonja Vuković, SLAP Association for Creative Development, Osijek
44. Vesna Zec, City Government of Split, Split
45. Tihomir Žiljak, Croatian Political Science Association, Zagreb

**OPERATIONAL IMPLEMENTATION  
PLAN FOR THE NATIONAL  
STRATEGY FOR THE CREATION OF  
AN ENABLING ENVIRONMENT FOR  
CIVIL SOCIETY DEVELOPMENT**

**from 2007 to 2011**

Zagreb, February 2007



# 1. INTRODUCTION

The challenges and priorities defined as objectives in the conclusions of the National Strategy for the Creation of an Enabling Environment for Civil Society Development provide the basis for the *Operational Plan* that will be implemented by the Government of the Republic of Croatia in the forthcoming five-year period. The objectives of the National Strategy entail the cooperation and synchronisation of all partners participating in future intersectoral cooperation (public, non-governmental, non-profit and profit sectors).

In addition to preserving the achieved results, the Government of the Republic of Croatia will commit itself to work on strengthening the already established civil society structures and creating an enabling environment for the further progress of civil society which is the embodiment of civic democracy.

**The National Strategy for the Creation of an Enabling Environment for Civil Society Development was adopted at the session of the Government of the Republic of Croatia of 12 July 2006. This strategy defines the basic guidelines to be achieved by 2011 to improve the existing system and form a new legal, institutional and financial system of support for civil society development and to create an enabling environment for the further development of civil society in the Republic of Croatia. The key step following the adoption of this National Strategy was the drawing up of an Operational Implementation Plan for the set objectives, laying down the measures, competent authorities, and timeframes for implementation.**

In order to achieve these goals, it is necessary for all stakeholders in society to accept and apply the common values of democracy based on social change, cooperation, openness, solidarity, social justice and social cohesion, publicity of work, personal power and responsibility, participation in decision-making, respect for identity and differences, self-organisation, lifelong learning, and free information flow.

## 2. THE VALUE BASIS OF RELATIONS BETWEEN THE STATE AND CIVIL SOCIETY

### Objectives

- To ensure civil society autonomy and pluralism
- To recognise the activities of civil society organisations that advocate basic constitutional values i.e. public benefit
- To open state institutions and political processes to the public

## 3. SOCIAL COHESION

### Objectives

- To continuously implement research on social cohesion in the Republic of Croatia and to introduce statistical indicators to measure the level of social cohesion, social exclusion and poverty
- To promote systems of social values as a foundation of social cohesion
- To promote systems of social responsibility in business operations in the profit sector in Croatia
- To develop volunteerism and philanthropy as important elements for the development of social cohesion and civil society
- To provide for the timely and comprehensive education of citizens, from young children all the way through to adults, about the values on which social cohesion is based

## 4. CITIZENS' PARTICIPATION IN THE CREATION OF PUBLIC POLICY

### Objectives

- To stimulate the more regular implementation of the existing measures and the adoption of new measures concerning the publicity of work of both representative and executive state administration bodies at all levels, starting with the Croatian Parliament and the Croatian Government, through county assemblies, to local councils and local governments of towns and municipalities
- To improve mechanisms for informing citizens by amending the existing and adopting new laws, conventions and other regulations which determine the right of access to information and public participation in deciding upon public benefit issues (the judiciary, culture, the application of ICT, environmental protection, social rights, the protection and promotion of human rights and other rights)
- To define consultation models for citizens, civic initiatives, and civil society organisations, as well as means for their participation in the adoption, implementation and assessment of public policies (Code of Good Practice for Consultations)
- To strengthen the rule of law and citizens' confidence in the institutions of the justice system through the consistent implementation of laws and the provision of information to the public about the work and performance of public services and duties
- To achieve social dialogue with civil society organisations through existing bodies or through the establishment of new bodies and forums, drawing together representatives of the public, profit and non-profit, non-governmental sectors, such as the Council for the Development of Civil Society and the Forum of the Economic and Social Council
- To promote and improve the legal provisions pertaining to the basic constitutional right to freedom of association and the right to peaceful public assembly
- To reconsider the possibility of financing programmes and projects which promote participative democracy
- To introduce into Croatia's educational system those educational contents that are aimed at the adoption of values, views, knowledge and skills necessary for the active participation of citizens in democratic political processes
- To introduce educational contents related to participative democracy into programmes of professional training of civil servants at local and national levels

Measures:

- **4.1. Drawing up a Code of Good Practice for Consultations and promoting its implementation**

Guidelines for the inclusion of the relevant civic stakeholders in all stages of the decision-making process pertaining to the adoption of regulations or measures; rules and examples of good practice for the inclusion of civic stakeholders in consultations, discussions, expert analysis and other forms of consultation during the analysis of problems and preparation of political measures, legislative proposals, other regulations and other forms of systematic resolution of problems.

**Competent authorities:** Government Office for Cooperation with NGOs with the Council for the Development of Civil Society, Central State Office for Administration

**Timeframe:** January – September 2007

- **4.2. Analysing the legal framework on public access to information according to European Union standards, and, based on this, proposing amendments to the Access to Information Act by introducing a public interest and proportionality test in the case of denial of access**

**Competent authorities:** Central State Office for Administration, central state administration bodies

**Timeframe:** January – June 2008

- **4.3. Proposing the establishment of the Economic and Social Forum (to include, in addition to representatives of trade unions and employers, representatives of other civil society organisations)**

**Competent authorities:** Office for Social Partnership, Central State Office for Development Strategy and Coordination of EU Funds, Government Office for Cooperation with NGOs, Council for the Development of Civil Society, National Foundation for Civil Society Development

**Timeframe:** January – June 2007

- **4.4. Introducing contents related to participative democracy into annual programmes of professional education and training carried out by the Central State Office for Administration**

**Competent authorities:** Central State Office for Administration with the Centre for Vocational Education and Training of Civil Servants

**Timeframe:** September 2007 – June 2008

## 5. EDUCATION FOR DEMOCRATIC CITIZENSHIP AND HUMAN RIGHTS

### Objectives

- To support the implementation of civic education for citizens of all ages, both in formal and informal education, and to enable quality learning outside organised educational processes
- To include active citizenship and social cohesion in the development of educational policy as criteria equally important to the criterion of employment
- To continue financing programmes of non-formal civic education with clear criteria for financing, and using high-quality evaluation of the results
- To promote the development and implementation of regional and local programmes of formal and non-formal education for democratic citizenship and human rights by stimulating cooperation between public scientific and educational institutions and civil society organisations
- To carry out an analysis of the existing school textbooks in terms of contents related to democratic citizenship, human rights and civil society
- To make information and communication technologies (ICT) available to all citizens, i.e. to give everybody the right to cheap and accessible information
- To particularly stimulate creativity, innovativeness and quality in creating domestic educational programmes by applying domestic and best international experience in the education for democratic citizenship and human rights
- To ensure an independent external evaluation of civil society organisations' programmes in education for democratic citizenship, human rights, cross-cultural education and related fields that apply for inclusion in the Catalogue of Expert Meetings and/or implementation in primary and/or secondary schools
- To ensure the continuous training of public and civil servants at local and national levels in order to raise the level of expertise related to the understanding and evaluation of civic initiatives, projects of civil society organisations, and the level of expertise concerning the management of public tender procedures for the funding of projects and for monitoring project implementation

### Measures:

- **5.1. Enabling quality learning, outside formal organised educational processes (lifelong learning), related to democratic citizenship, human rights, intercultural awareness, preservation of the cultural heritage through the organisation of thematic workshops for citizens in libraries, the preparation of thematic exhibitions of publications, posters and brochures and through the organisation of the Week of Democratic Citizenship (the press and electronic media)**

**Competent authorities:** Ministry of Science, Education and Sports, Ministry of Culture, government offices, National Foundation for Civil Society Development

**Timeframe:** September 2007 – continuously

- **5.2. Incorporating democratic citizenship, civil society development and social cohesion as educational goals in key educational documents**

**Competent authorities:** Ministry of Science, Education and Sports, Ministry of the Economy, Labour and Entrepreneurship, government offices, National Foundation for Civil Society Development

**Timeframe:** January 2008 – continuously

- **5.3. Providing funds for the financing of programmes of non-formal civic education through public tenders for civil society organisations and other implementing authorities, and implementing quality evaluation of the achieved results**

(Financing is possible from the EU's instrument for pre-accession assistance - IPA)

**Competent authorities:** Ministry of Science, Education and Sports with competent state administration offices in counties and competent administration bodies in local and regional self-government units, National Foundation for Civil Society Development

**Timeframe:** March 2007 – continuously

- **5.4. Introducing the programme of education in human rights and democratic citizenship for teachers and young persons of secondary school age as part of extracurricular activities**

(Financing is possible from the EU's instrument for pre-accession assistance - IPA)

**Competent authorities:** Ministry of Science, Education and Sports with competent state administration offices in counties and competent administration bodies in local and regional self-government units, Ministry of the Economy, Labour and Entrepreneurship, National Foundation for Civil Society Development

**Timeframe:** January 2009 – December 2011

- **5.5. Analysing existing school textbooks in terms of contents related to democratic citizenship, human rights, civil society and volunteerism**

**Competent authorities:** Ministry of Science, Education and Sports, Ministry of the Economy, Labour and Entrepreneurship, Office for Human Rights, Office for Gender Equality, Office for National Minorities, Office for Cooperation with NGOs, Council for the Development of Civil Society with civil society organisations

**Timeframe:** June 2007 – December 2008

- **5.6. Analysing the use of information and communication technology (ICT) in the Republic of Croatia**

The Central State Office for e-Croatia will carry out annual studies on the availability of services of electronic public administration on the Internet and studies of the state of development of the information society for those indicators not included in studies conducted by the European Commission.

**Competent authority: Central State Office for e-Croatia**

**Deadline:** June of every year from 2007 to 2009

- **5.7. Adopting the PROGRAMME for the further implementation of ICT**

The Central State Office for e-Croatia will adopt programmes for the development of the information society in the Republic of Croatia in the forthcoming period.

**Competent authorities: Central State Office for e-Croatia**

**Deadline:** April 2008

- **5.8. Analysing the existing educational programmes for democratic citizenship and human rights, and preparing recommendations for their improvement**

**Competent authorities: Ministry of Science, Education and Sports, Ministry of the Economy, Labour and Entrepreneurship, Office for Human Rights, Office for Gender Equality, Office for National Minorities, Office for Cooperation with NGOs, Council for the Development of Civil Society with civil society organisations**

**Timeframe:** June 2007 – December 2008

- **5.9. Proposing the establishment of an expert commission for the drawing up of criteria and instruments for the external evaluation of educational programmes for democratic citizenship, human rights, and intercultural education implemented by civil society organisations**

**Competent authorities: Ministry of Science, Education and Sports, Education and Teacher Training Agency, Office for Cooperation with NGOs in cooperation with the Council for the Development of Civil Society with the participation of civil society organisations**

**Deadline:** June 2008

- **5.10. Preparing a Catalogue of Programmes for Non-Formal Education in Human Rights and Democratic Citizenship carried out by civil society organisations in the Republic of Croatia (annual and semi-annual), and providing information on the available opportunities to teachers in educational institutions**

**Competent authorities: Ministry of Science, Education and Sports, Education and Teacher Training Agency with the participation of civil society organisations**

**Timeframe:** January 2008 – continuously

## 6. LEGAL FRAMEWORK FOR THE ACTIVITIES AND DEVELOPMENT OF CIVIL SOCIETY ORGANISATIONS

### Objectives

- To harmonise primary and secondary legislation horizontally (one regulation with the other) and vertically (subordinate regulations with superior ones)
- To determine the need for the comprehensive harmonisation of the legal framework regulating the activities of civil society organisations, with special emphasis on regulations that indirectly concern their activities
- To adopt a new model of classification of civil society organisations in order to clearly differentiate between organisations that perform activities in the public interest or for public benefit on the one hand, and organisations established for the purpose of meeting the needs of their members on the other hand
- To amend the tax laws in order to stimulate philanthropy and the culture of donations for public benefit by means of certain tax benefits
- To adopt the Programme of Cooperation of the Government of the Republic of Croatia with the Non-governmental, Non-profit Sector in Croatia by accepting the specific features of the local programme of cooperation/charters on cooperation of local and regional self-government units and civil society organisations active in this area
- To adopt the Code of Good Practice, Standards and Benchmarks for the Allocation of Funding for Programmes and Projects of NGOs in order to ensure clear conditions for the financing of programmes and projects of NGOs and other civil society organisations, as well as to measure their impact on the changes within the community accomplished through projects financed by public money
- To harmonise the legal framework, especially those regulations indirectly related to their functioning, including labour relations and protection at work, taxes, participation in legal transactions within and outside the country, transactions in foreign and domestic currency, etc.
- To abandon the practice of separately listing different types of benefits and categories of privileged civil society organisations in the laws pertaining to the functioning of civil society organisations, since the listing, in the absence of firm criteria, leads to unevenness of regulations and to the omission of certain types of civil society organisations
- To improve the legal and institutional framework for the activities of non-profit media with the aim of strengthening the democratisation and development of civil society

Measures:

- **6.1. Analysing the existing legislation and making recommendations for amendments and for the adoption of legislation to create an enabling environment for civil society development**

**Competent authorities:** Office for Cooperation with NGOs with the Council for the Development of Civil Society in cooperation with civil society organisations, Central State Office for Administration, other central state administration bodies

**Timeframe:** November 2007 – December 2008

- **6.2. Drawing up new legislation, harmonising existing acts for the purpose of further developing civil society in the Republic of Croatia, and implementing such legislation: the Foundations Act, the Public Benefit Organisations Act and other regulations**

**Competent authorities:** Government Office for Cooperation with NGOs with the Council for the Development of Civil Society in cooperation with civil society organisations, Ministry of the Family, Veterans' Affairs and Intergenerational Solidarity, Ministry of Health and Social Welfare and other central state administration bodies, National Foundation for Civil Society Development

**Timeframe:** January 2007 – December 2008

- **6.3. Establishing criteria for gaining the status of public benefit organisations, registering such organisations, and monitoring their activities**

**Competent authorities:** Government Office for Cooperation with NGOs with the Council for the Development of Civil Society, National Foundation for Civil Society Development, Ministry of Health and Social Welfare, Ministry of the Family, Veterans' Affairs and Intergenerational Solidarity, Ministry of Science, Education and Sports, Ministry of Culture, Ministry of Finance, Ministry of the Economy, Labour and Entrepreneurship, Fund for Development and Employment

**Timeframe:** April 2007 – December 2008

- **6.4. Adopting and implementing the Programme of Cooperation between the Government of the Republic of Croatia and the Non-governmental, Non-profit Sector in Croatia. To promote the establishment of partnership relations between local self-government and civil society organisations (cooperation agreements) and developing and encouraging joint programmes in individual sectors**

**Competent authorities:** Government Office for Cooperation with NGOs with the Council for the Development of Civil Society in cooperation with

**civil society organisations**, units of local and regional self-government, competent ministries

**Timeframe:** January 2007 – July 2007

- **6.5. Improving the legal and institutional framework for the work of non-profit media for the purpose of the democratisation and development of civil society**

**Competent authorities:** **National Foundation for Civil Society Development**, Ministry of Culture, Office for Cooperation with NGOs with the Council for the Development of Civil Society in cooperation with civil society organisations

**Timeframe:** January 2009 – December 2011

# 7. INSTITUTIONAL FRAMEWORK FOR SUPPORT TO CIVIL SOCIETY DEVELOPMENT

## Objectives

- To define the tasks and relations between the Government Office for Cooperation with NGOs, the Council for the Development of Civil Society, and the National Foundation for Civil Society Development
- To create a high-quality model of consultation with civil society organisations through the Council for the Development of Civil Society as an institutional consultation mechanism of the Government of the Republic of Croatia on all issues important for the development of civil society and intersectoral cooperation.
- To ensure continuous improvement of cooperation and understanding of civil society development in all the bodies of state administration and units of local and regional self-government, ranging from the bodies in charge of the registration of civil society organisations, to bodies involved in financing and providing support for the development of civil society

## Measures

- **7.1. Adopting a Decision on Amendments to the Decision on the Appointment of Members of the Council for the Development of Civil Society Pending adoption.**

**Competent authorities:** Government of the Republic of Croatia upon the proposal of the Office for Cooperation with NGOs

**Deadline:** March 2007

- **7.2. Encouraging the establishment of bodies responsible for the promotion of partnerships between non-governmental, non-profit organisations and the local government**

**Competent authorities:** Office for Cooperation with NGOs with the Council for the Development of Civil Society in cooperation with civil society organisations, units of local and regional self-government, regional forums

**Timeframe:** January – March 2007

- **7.3. Analysing the institutional framework and the practice of cooperation between state administration bodies and civil society organisations**

**Competent authorities:** Office for Cooperation with NGOs with the Council for the Development of Civil Society in cooperation with civil society organisations, Development and Employment Fund, Croatian Employment Service, local and regional self-government units

**Timeframe:** January 2007 – December 2008

# 8. SYSTEM FOR FINANCING THE SUPPORT AND DEVELOPMENT OF CIVIL SOCIETY

## 8.1. Financing initiatives, projects and programmes of civil society organisations

### Objectives

- To adopt the Code of Good Practice, Standards and Benchmarks for the Allocation of Funding for Programmes and Projects of NGOs
- To prepare a practical manual for the implementation of the Code
- To promote the training of civil servants and employees of local and regional self-government units in implementing the provisions of the Code
- To determine the procedure for selecting members of commissions to assess the projects and programmes of civil society organisations submitted for tenders announced by state administration bodies, and the procedure for assessing and selecting the highest-quality proposals
- To determine measures for the prevention of possible conflicts of interest among members of the assessment commissions
- To prepare annual plans and calendars for announcing public tenders for the allocation of funding for projects and programmes of civil society organisations
- To create an efficient system for grant beneficiaries to report on the results of the implementation of financed projects and programmes
- To consider the introduction of a practice by which the State concludes contracts on the provision of public benefit services and tasks with civil society organisations on the basis of the procedure of public procurement, taking into account the good practice of the European Union
- To define a system to determine activities for public benefit and, by amending tax and other relevant regulations, to enable organisations performing activities for public benefit to take advantage of these benefits
- To determine the results of introducing an allowed tax deduction of 2% against donations to civil society organisations on the basis of appropriate analyses in relevant bodies and, in accordance with the data obtained, to improve the existing regulations
- To ensure high-quality methods to attract and use EU funds intended for civil society development through the national system of management of EU grants

## Measures

- **8.1.1. Drawing up a Proposal of a Code of Good Practice, Standards and Benchmarks for the Allocation of Funding for Programmes and Projects of NGOs in order to realise financial support to NGO programmes and projects at national and local levels**

**Competent authorities:** Central State Office for Administration and other central state administration bodies, local and regional self-government units, Office for Cooperation with NGOs, Council for the Development of Civil Society, National Foundation for Civil Society Development

**Timeframe:** January – March 2007

- **8.1.2. Preparing a training programme for the implementation of the Code of Good Practice, Standards and Benchmarks for the Allocation of Funding for NGO Programmes and Projects at national and local levels**

(Financing is possible from the EU's instrument for pre-accession assistance - IPA)

**Competent authorities:** National Foundation for Civil Society Development, Office for Cooperation with NGOs with the Council for the Development of Civil Society, Central State Office for Administration, Academy for Local Democracy, local and regional self-government units, competent ministries, government offices

**Timeframe:** March – December 2008

- **8.1.3. Drawing up and implementing a system for grant beneficiaries to report on the results of the implementation of financed projects and programmes**

**Competent authorities:** Office for Cooperation with NGOs with the Council for the Development of Civil Society, National Foundation for Civil Society Development, Academy for Local Democracy, units of local and regional self-government, competent ministries, government offices

**Timeframe:** April 2007 – June 2008

- **8.1.4. Drawing up annual plans and calendars for announcing public tenders for the allocation of funding for projects and programmes of civil society organisations**

**Competent authorities:** competent ministries, units of local and regional self-government, Office for Cooperation with NGOs, Council for the Development of Civil Society, National Foundation for Civil Society Development

**Timeframe:** September – December 2007, every year

- **8.1.5. Preparing an efficient system of reporting on the implementation of NGO projects and programmes (*Questionnaire: An overview of approved funds to civil society organisations*)**

**Competent authorities:** Office for Cooperation with NGOs and Council for the Development of Civil Society in cooperation with competent ministries and other central state administration bodies that allocate funding to civil society organisation

**Timeframe:** June 2007 – continuously

- **8.1.6. Analysing possible models for positioning public benefit organisations in the tax system of the Republic of Croatia**

**Competent authorities:** Ministry of Finance, competent ministries and other central state administration bodies that award funding to civil society organisations through public tender procedures

**Timeframe:** June 2007 – continuously

- **8.1.7. Establishing an efficient system of programming EU pre-accession programmes intended for civil society organisations by strengthening the capacity of the Office for Cooperation with NGOs (Project Implementation Unit) by developing strategic analyses and funding priorities, strengthening the role of the Council for the Development of Civil Society in defining priorities, and establishing an efficient system of consultation with civil society organisations; establishing cooperation with state administration bodies in charge of programming all components of the IPA programme and ensuring the inclusion of civil society in all relevant components**

**Competent authorities:** Office for Cooperation with NGOs with the Council for the Development of Civil Society

**Timeframe:** January 2007 – continuously

- **8.1.8. Strengthening the monitoring system for projects financed from the EU pre-accession funds intended for civil society, and ensuring the inclusion of state administration bodies responsible for individual areas for which civil society organisations received funding (environmental protection, social services, democratisation and human rights, anti-corruption)**

**Competent authorities:** Office for Cooperation with NGOs with the Council for the Development of Civil Society

**Timeframe:** January 2007 – continuously

## 8.2. Conclusion of contracts with civil society organisations on the provision of public services

### Objectives

- To include civil society organisations as service providers in the implementation of reforms in the areas of social welfare, health and education, as well as in other areas, and to amend the relevant legislation to that effect
- To define standards, priorities and criteria for signing high-quality social contracts, in particular with civil society organisations for the provision of public services

### Measures

- **8.2.1. Concluding contracts between the state and civil society organisations with recommendations for further improvement in signing social contracts in the process of reform of the systems of health and social welfare, education, environmental protection**

(Financing is possible from the EU's instrument for pre-accession assistance - IPA)

**Competent authorities:** Office for Social Partnership, Office for Cooperation with NGOs with the Council for the Development of Civil Society

**Timeframe:** January 2007 – continuously

- **8.2.2. Drawing up an ordinance on norms, priorities and standards for the conclusion of social contracts**

**Competent authorities:** Office for Social Partnership, Ministry of Health and Social Welfare, Ministry of the Family, Veterans' Affairs and Intergenerational Solidarity, Ministry of Science, Education and Sports, Ministry of the Economy, Labour and Entrepreneurship, National Foundation for Civil Society Development, Croatian Employment Service, Central State Office for Development Strategy and Coordination of EU Funds, Ministry of Foreign Affairs and European Integration, Office for Cooperation with NGOs

**Timeframe:** January 2008 – December 2009

- **8.2.3. Establishing a system of communicating information related to EU funds to civil society organisations**

**Competent authorities:** Central State Office for Development Strategy and Coordination of EU Funds, Ministry of Foreign Affairs and European Integration, Ministry of Health and Social Welfare, Office for Social Partnership, Office for Cooperation with NGOs, National Foundation for Civil Society Development, Croatian Employment Service

**Timeframe:** January 2008 – December 2009

## 8.3. Development of the social economy and non-profit entrepreneurship

### Objectives

- To promote programmes of social entrepreneurship, social economy, and social employment by creating an enabling legislative and tax framework for companies and non-profit organisations
- To build mechanisms of systematic monitoring of the effects and an assessment of the effectiveness of investments in non-profit entrepreneurship in relation to economic and social effects
- To propose subjects that can be responsible for social employment programmes, and which could achieve business benefits, subject to certain conditions
- To systematically work on the development of measures for capacity building and infrastructural support for all subjects of social entrepreneurship
- To develop support centres and establish regional and national forums for social entrepreneurship
- To consider the possibility of ensuring grants both for initial investments in social entrepreneurship and for sustainability at later stages of the development of enterprises
- To encourage the profit sector to become more actively involved in programmes of social employment, both through programmes of the co-financing of non-profit entrepreneurship programmes and by ensuring market access, as well as by providing mentor services to organisations engaged in non-profit entrepreneurship
- To encourage joint programmes of social employment by the public, business and non-governmental non-profit sectors at local levels through public-private partnerships
- To ensure special tax conditions for non-profit entrepreneurship programmes
- To calculate and include economic indicators for the social economy into GDP calculations
- To encourage networking with similar organisations in Europe and the world

### Measures:

- **8.3.1. Preparing and carrying out a training programme on non-profit entrepreneurship for civil society organisations and for representatives of the public and profit sectors**

(Financing is possible from the EU's instrument for pre-accession assistance - IPA)

**Competent authorities: Ministry of the Economy, Labour and Entrepreneurship, Croatian Employment Office, Office for Cooperation with NGOs, National Foundation for Civil Society Development with civil society organisations**

**Timeframe:** January 2007 – December 2009

- **8.3.2. Preparing a clear legal framework for the activities of non-profit entrepreneurship to define the principles, competent authorities, the scope of economic activities, other conditions and the manner of conducting business that define non-profit entrepreneurship, as well as other benefits and business obligations**

**Competent authorities:** Ministry of the Economy, Labour and Entrepreneurship, Ministry of Finance in cooperation with civil society organisations, Office for Social Partnership, Office for Cooperation with NGOs, Council for the Development of Civil Society

**Timeframe:** July 2007 – March 2009

- **8.3.3. Proposing the establishment of a responsible authority for the development of social entrepreneurship that will draw together experts in the area of social employment and representatives of the business and non-governmental, non-profit sectors, and the media**

**Competent authorities:** Ministry of the Economy, Labour and Entrepreneurship in cooperation with civil society organisations, Office for Social Partnership, Office for Cooperation with NGOs, Council for the Development of Civil Society, Croatian Employment Service, trade unions

**Timeframe:** July 2007 – March 2008

- **8.3.4. Defining economic and social performance indicators and ways of monitoring investments in social entrepreneurship and the availability of information through competent institutions**

**Competent authorities:** Ministry of the Economy, Labour and Entrepreneurship in cooperation with civil society organisations, Office for Social Partnership, Office for Cooperation with NGOs with the Council for the Development of Civil Society, Central Bureau of Statistics, Croatian Employment Service

**Timeframe:** September 2007 – April 2009

- **8.3.5. Proposing the establishment of a fund for the promotion of social employment**

**Competent authorities:** Ministry of the Economy, Labour and Entrepreneurship, Ministry of Finance, Office for Cooperation with NGOs with the Council for the Development of Civil Society, National Foundation for Civil Society Development

**Timeframe:** September 2007 – October 2008

- **8.3.6. Encouraging the creation of infrastructural support for social entrepreneurship through specialised support centres**

**Competent authorities:** Ministry of the Economy, Labour and Entrepreneurship, National Foundation for Civil Society Development, Office for Cooperation with NGOs with the Council for Civil Society Development in cooperation with civil society organisations, local and regional self-government units, entrepreneurship centres, local forums of NGOs

**Timeframe:** June 2007 – December 2011

- **8.3.7. Proposing the establishment of a forum for social entrepreneurship at national and regional levels to work on the promotion and creation of social entrepreneurship and the networking of related organisations, both at national and international levels**

**Competent authorities:** Ministry of the Economy, Labour and Entrepreneurship, National Foundation for Civil Society Development, Office for Cooperation with NGOs with the Council for the Development of Civil Society in cooperation with civil society organisations, local and regional self-government units, entrepreneurship centres, local forums of NGOs

**Timeframe:** January 2008 – continuously

# 9. REGIONAL DEVELOPMENT

## Objectives

- To maintain and improve the good practice of participation of representatives of civil society organisations in county partnerships for development
- To apply the principles of the Code of Good Practice and Standards for the Allocation of Funding for Civil Society Organisations in local and regional self-government units
- To support and additionally strengthen the existing structures, organisations and programmes that support the capacity building of civil society organisations at local and regional levels through public tenders
- In cooperation with local and regional self-government units and organisations and programmes for providing support to civil society development, to design and implement programmes for the decentralisation of funds for financing initiatives, projects and programmes of civil society organisations at local and regional levels
- To propose, as priorities in national programmes for the allocation of funding to civil society organisations, those Croatian regions where the development of organisations, their programmes, intersectoral cooperation and social cohesion need to be strengthened as a pre-condition for the social and economic development of those Croatian areas
- To include civil society organisations in the planning of economic and social development, operational annual plans and budgets, in order to plan more clearly the use of national and EU funds intended for regional development
- To devise a mode for co-financing high-quality regional development programmes in order to meet the basic technical preconditions for receiving resources from EU funds
- To create conditions and opportunities for the more significant participation of the private profit sector in the financing of projects and programmes of civil society organisations
- To enable the education and training of employees in local and regional self-government units in models of intersectoral cooperation through the European Centre for Intersectoral Partnerships in Zadar and the Academy for Local Democracy

## Measures:

- **9.1. Drawing up and implementing a programme for the promotion and visibility of good practice of county and other development partnerships at local and regional levels (consultation, publications, the media, financing of local projects)**

(Financing is possible from the EU's instrument for pre-accession assistance - IPA)

**Competent authorities:** Office for Cooperation with NGOs with the Council for the Development of Civil Society, Ministry of the Sea, Tourism, Transport and Development, National Foundation for Civil Society Development in cooperation with the local and regional self-government and civil society organisations

**Timeframe:** December 2007 – December 2009

- **9.2. Drawing up and implementing a programme for the implementation of public tenders and invitations for cooperation in support to capacity building of civil society organisations at local and regional levels**

**Competent authorities:** National Foundation for Civil Society Development, Office for NGOs with the Council for the Development of Civil Society, local and regional self-government units

**Timeframe:** March 2007 – continuously

- **9.3. Drawing up and implementing a programme of decentralised financing of projects of civil society organisations at local and regional levels**

**Competent authorities:** National Foundation for Civil Society Development, Office for Cooperation with NGOs with the Council for the Development of Civil Society, local and regional self-government units

**Timeframe:** March 2007 – continuously

- **9.4. Drawing up a programme of technical support for local and regional self-government units – preparation and management of projects – to be implemented by civil society organisations**

(Financing is possible from the EU's instrument for pre-accession assistance - IPA)

**Competent authorities:** Central Office for Development Strategy and Coordination of EU Funds, Ministry of Foreign Affairs and European Integration, Ministry of the Sea, Tourism, Transport and Development, Fund for Regional Development, Environmental Protection and Energy Efficiency Fund, National Foundation for Civil Society Development, Union of the Association of Towns and the Association of Municipalities of the Republic of Croatia, Croatian Counties' Association, Office for Cooperation with NGOs with the Council for the Development of Civil Society

**Timeframe:** December 2007 – December 2009

- **9.5. Implementing technical assistance through public tenders**  
(Financing is possible from the EU's instrument for pre-accession assistance - IPA)

**Competent authorities:** Ministry of Foreign Affairs and European Integration, Fund for Regional Development, Environmental Protection and Energy

Efficiency Fund, National Foundation for Civil Society Development, Office for Cooperation with NGOs, Council for the Development of Civil Society, Union of the Association of Towns and the Association of Municipalities of the Republic of Croatia, Croatian Counties' Association

**Timeframe:** December 2007 – December 2009

- **9.6. Designing and implementing a programme of cooperation between civil society organisations and the private, profit sector on the basis of examples of good practice**

(Financing is possible from the EU's instrument for pre-accession assistance - IPA)

**Competent authorities:** Ministry of the Economy, Labour and Entrepreneurship, Office for Social Partnership, Croatian Chamber of the Economy, Croatian Employers' Association, Croatian Business Council for Sustainable Development, Regional Development Agencies, Office for Cooperation with NGOs, Council for the Development of Civil Society

**Timeframe:** June 2007 – December 2008

- **9.7. Designing, organising and supporting projects of civil society organisations for training in the area of intersectoral cooperation for local and regional self-government units**

(Financing is possible from the EU's instrument for pre-accession assistance - IPA)

**Competent authorities:** European Centre for Intersectoral Partnerships in Zadar, National Foundation for Civil Society Development, Academy for Local Democracy, Union of the Association of Towns and the Association of Municipalities of the Republic of Croatia, competent state administration offices in counties and competent administration bodies in units of local and regional self-government and relevant civil society organisations, Central State Office for Administration (Centre for Vocational Education and Training of Civil Servants), Office for Cooperation with NGOs

**Timeframe:** September 2007 – continuously

# 10. DEVELOPMENT OF VOLUNTEERISM, PHILANTHROPY AND FOUNDATIONS

## 10.1. Development of volunteerism in Croatia

### Objectives

- To adopt the Volunteering Act which will more clearly identify opportunities and relations in volunteering
- To allow for the strengthening of volunteer centres in Croatia as a necessary infrastructure for volunteer work
- To develop a value system for public benefit through the education system, and familiarise children and young people with the values of volunteering
- To examine the possibilities for financing programmes which promote and practise voluntarism with the aim of strengthening social capital
- To ensure a model of institutional recognition of voluntary work as a precondition for the long-term development of the culture of voluntarism and to ensure preference in the use of services or for employment
- To design a means to collect data on the frequency and spread of voluntary activities
- To include economic values of voluntary work in GDP calculations
- To encourage and develop voluntarism programmes in institutions
- To support the improvement of knowledge on voluntarism through research and education

### Measures:

- **10.1.1. Developing a model of institutional recognition of volunteer work as a precondition for the long-term development of the culture of volunteerism and to ensure preference in the use of services or for employment**

**Competent authorities:** Ministry of the Family, Veterans' Affairs and Intergenerational Solidarity, Ministry of Health and Social Welfare, Ministry of the Economy, Labour and Entrepreneurship, Ministry of Science, Education and Sports, volunteer centres, National Foundation for Civil Society Development, Office for Cooperation with NGOs, Croatian Employment Service, Central Bureau of Statistics

**Timeframe:** April 2007 – April 2008

- **10.1.2. Meeting the obligation to collect data on the frequency and spread of volunteer activities (through the implementation of the Volunteering Act**

**and the Ordinance, which will prescribe deadlines for the submission of annual reports and other important information that organisers of volunteer activities are obliged to submit to the Ministry of the Family, Veterans' Affairs and Intergenerational Solidarity)**

**Competent authorities:** Ministry of the Family, Veterans' Affairs and Intergenerational Solidarity in cooperation with the National Committee for the Development of Volunteerism

**Timeframe:** June 2008 – continuously

- **10.1.3. Including economic values of voluntary work in GDP calculations (in connection with measure 10.1.2.)**

**Competent authorities:** Ministry of the Family, Veterans' Affairs and Intergenerational Solidarity, Central Bureau of Statistics

**Timeframe:** June 2008 – continuously

- **10.1.4. Drawing up and implementing volunteerism programmes in institutions**

**Competent authorities:** Ministry of the Family, Veterans' Affairs and Intergenerational Solidarity, Ministry of Health and Social Welfare, Ministry of Science, Education and Sports, Office for Cooperation with NGOs

**Timeframe:** September 2008 – December 2009

## 10.2. Development of foundations

### Objectives

- To enact a new Foundations Act for the purpose of simplifying the registration process and facilitating the conditions related to the assets of a foundation upon establishment
- To establish a transparent registry of foundations where data on registration and annual financial reports on the work of foundations represent basic information for monitoring the development of foundations
- To secure financial and infrastructural support for the development of local community foundations
- To secure incentive tax conditions for the operation and work of foundations, as well as an incentive framework for the efficient management of the assets of those foundations which act for the public benefit
- To create the preconditions for the development of corporate philanthropy and foundations, and for the development of public foundations through incentive measures

Measures:

- **10.2.1. Establishing a publicly accessible register of foundations where data on registration and annual financial reports on the work of foundations represent basic information for monitoring the development of foundations**

**Competent authorities:** Central State Office for Administration, Office for Cooperation with NGOs, National Foundation for Civil Society Development, Ministry of Finance and other competent ministries, State Audit Office

**Timeframe:** January 2007 – June 2007

- **10.2.2. Drawing up and implementing financial and infrastructural support for the development of foundations of local communities in cooperation with civil society organisations**

**Competent authorities:** National Foundation for Civil Society Development, Office for Cooperation with NGOs with the Council for the Development of Civil Society, competent state administration offices in counties and competent administrative bodies in local and regional self-government units

**Timeframe:** January 2007 – continuously

# 11. CIVIL SOCIETY DEVELOPMENT IN THE INTERNATIONAL CONTEXT

## Objectives:

For the purpose of promoting cooperation and possible partnership between the Government and civil society organisations in formulating and implementing foreign policy:

- To promote consultations and an exchange of information between representatives of civil society organisations and key actors in the State's foreign policy
- To include representatives of civil society organisations in the educational programmes of the Ministry of Foreign Affairs and European Integration (MFAEI) according to need, as well as in courses in the Diplomatic Academy of the MFAEI
- To participate in the planning and implementation of Croatian development assistance to third countries, when required during the accession process
- To cooperate if and when necessary with civil society organisations during the official visits of government officials abroad, as well as during official visits of foreign officials to Croatia, especially in the field of human rights and the rights of national minorities
- To promote better cooperation between Croatian diplomatic missions abroad and civil society organisations from Croatia
- To support the initiative of establishing a network of Croatian associations active abroad

For the purpose of promoting a more active role of civil society organisations in the European integration process:

- To create preconditions and open space for public dialogue (political and civil) on all the challenges and opportunities associated with the Croatian accession process to the EU
- To establish formal and informal mechanisms for consultation with civil society during the EU accession process through a Code of Good Practice and through improving the quality of action. The Code relates to consultation, policy implementation and assessment, according to the Programme of Cooperation, and in line with the general principles and minimum standards for consultancy accepted at the EU level
- To analyse the impact of Croatian accession to the EU by sector, making the results available to the public
- To ensure public access to information on the process of accession of Croatia to the EU

- To include relevant civil society representatives in the development of national strategies and programmes within the process of alignment with the EU
- To include relevant civil society representatives in programming the framework for pre-accession funds
- To encourage and finance training programmes on the EU intended for civil society representatives
- To encourage and finance study trips to exchange knowledge and experience between civil society in Croatia and the EU
- To encourage and finance the networking and cooperation of civil society representatives in Croatia and the EU
- To support the more active involvement of civil society organisations from Croatia in discussions led at the European level on the key questions of the future structure of the EU (European Constitution, European communication policy, democratic deficit of the EU, etc.)

In order to encourage the more active contribution of civil society to the strengthening of regional cooperation:

- To include civil society representatives in the development of national strategies and programmes of regional cooperation
- To encourage and finance programmes and projects of civil society important in achieving the regional cooperation objectives of the Republic of Croatia
- To encourage and finance partnerships of civil society and local self-government in the implementation of programmes and projects of cross-border cooperation

## Measures:

- **11.1. Entrusting experts in international relations and European integrations with the task of promoting consultation and exchange of information among representatives of civil society organisations and key actors in the State's foreign policy**

**Competent authorities:** Ministry of Foreign Affairs and European Integration, Office for Cooperation with NGOs with the Council for the Development of Civil Society (through representative offices)

**Timeframe:** January 2007 – continuously

- **11.2. Implementing a Programme for the Strengthening of Cooperation with Civil Society Organisations in the Implementation of the Policy of Development Assistance of Croatia to Third Countries**

**Competent authorities:** Ministry of Foreign Affairs and European Integration, Office for Cooperation with NGOs with the Council for the Development of Civil Society, National Foundation for Civil Society Development

**Timeframe:** January 2007 – continuously

- **11.3. Promoting continuous and structured dialogue with civil society organisations on the challenges and opportunities of Croatia's accession to the European Union through the National Forum on EU Accession.**

**Competent authorities:** Ministry of Foreign Affairs and European Integration, Central Office for Development Strategy and Coordination of EU Funds, Office for Cooperation with NGOs with the Council for the Development of Civil Society

**Timeframe:** January 2007 – continuously

- **11.4. Analysing the degree of involvement of civil society organisations in the process of programming for pre-accession funds and drawing up recommendations for improvements in this respect**

(Financing is possible from the EU's instrument for pre-accession assistance - IPA)

**Competent authorities:** Central State Office for Development Strategy and Coordination of EU Funds, Ministry of Foreign Affairs and European Integration, Ministry of Finance, Office for Cooperation with NGOs with the Council for the Development of Civil Society, Office for Human Rights, Office for Gender Equality, Office for Social Partnership, Economic and Social Council

**Timeframe:** May – October 2007

- **11.5. Involving civil society organisations in the existing and planned training programmes on the European Union**

Involving civil society organisations in strategic planning and partnerships.

(Financing is possible from the EU's instrument for pre-accession assistance - IPA)

**Competent authorities:** Ministry of Foreign Affairs and European Integration, National Foundation for Civil Society Development, Ministry of Finance, Office for Cooperation with NGOs with the Council for the Development of Civil Society, relevant civil society organisations

**Timeframe:** January 2008 – continuously

- **11.6. Establishing a *working group* to draw up an educational programme for the active participation of civil society organisations from the Republic of Croatia in discussions led at the European level on key issues concerning the future structure of the European Union through inclusion in networks with organisations from the European Union**

(Financing is possible from the EU's instrument for pre-accession assistance - IPA)

**Competent authorities:** Ministry of Foreign Affairs and European Integration, Office for Cooperation with NGOs with the Council for the Development

of Civil Society, Central State Office for Administration, Central Office for Development Strategy and Coordination of EU Funds, National Foundation for Civil Society Development

**Timeframe:** January 2008 – continuously

- **11.7. Establishing the European Union - Croatia Civil Society Follow-up Committee**

A joint body in cooperation with the European Economic and Social Committee that will include, on the Croatian side, representatives of civil society, employers and trade unions, while representatives of the Government will be able to participate as observers. The Office for Social Partnership will act as a Secretariat and provide technical support.

**Competent authority: Ministry of Foreign Affairs and European Integration, Office for Social Partnership, National Foundation for Civil Society Development, Office for Cooperation with NGOs with the Council for the Development of Civil Society, Economic and Social Council**

**Timeframe:** January 2007 – continuously (until the accession of the Republic of Croatia to the European Union)

- **11.8. Introducing ways to finance programmes and projects that promote the development of regional cooperation of the Republic of Croatia from annual programmes of state administration bodies (announcing tenders for the provision of support to civil society organisations from public funds)**

**Competent authorities: Office for Cooperation with NGOs with the Council for the Development of Civil Society, competent ministries, National Foundation for Civil Society Development, local and regional self-government units**

**Timeframe:** December 2007 – continuously

- **11.9. Preparing an analysis of the inclusion of civil society organisations from the Republic of Croatia in European Union programmes and projects of cross-border cooperation and defining priorities for local self-government units in that area**

**Competent authorities: Ministry of the Sea, Tourism, Transport and Development, Central Office for Development Strategy and Coordination of EU Funds, Ministry of Foreign Affairs and European Integration, Office for Cooperation with NGOs with the Council for the Development of Civil Society, National Foundation for Civil Society Development, local and regional self-government units**

**Timeframe:** December 2007 – continuously

## 12. FINAL PROVISIONS

1. The Government Office for Cooperation with NGOs shall coordinate and monitor the implementation of the National Strategy for the Creation of an Enabling Environment for Civil Society Development.
2. The competent authorities for the measures contained in the Operational Implementation Plan for the National Strategy for the Creation of an Enabling Environment for Civil Society Development shall be responsible for implementing the measures and for submitting reports to the Government Office for Cooperation with NGOs on the implementation of the measures in their area of competence.
3. The Government Office for Cooperation with NGOs shall, at least once a year, inform the Government of the Republic of Croatia in writing about the implementation of the Operational Plan.
4. The competent authorities shall each year earmark state budget funds in their budget lines for the implementation of the measures.
5. The Operational Implementation Plan for the National Strategy for the Creation of an Enabling Environment for Civil Society Development from 2007 to 2011 shall be published on the official Internet site of the Government Office for Cooperation with NGOs following its adoption by the Government of the Republic of Croatia.

