

Roundtable

New Financial Opportunities for CSOs in the Republic of Croatia

The Roundtable “New Financial Opportunities for CSOs in the Republic of Croatia”, as part of NGO Days 2012, took place on 15 June 2012 in Mimara Museum. There were 120 participants: 100 representatives of CSOs, 16 representatives of various state administration bodies and local self-administration bodies, one representative of a public institution and 2 representatives of private organisations. The moderators at this Roundtable were Ms. Gordana Forčić and Ms. Zvijezdana Schulz Vugrin, Executive Co-Directors of Association for Civil Society Development SMART.

Main objective of the Roundtable was to discuss financial opportunities for CSOs through presentations of new models of financing of CSO activities and development of active citizenship and philanthropy during the first part of the Roundtable, and to introduce the proposal by the state administration bodies in charge of utilization of structural funds in period 2014 – 2020, during the second part of the Roundtable.

One of important pre-conditions for sustainable functioning and implementation of CSO programs and projects is continuous financing. CSOs are constantly in search of new possibilities that will contribute to their financial sustainability. Also, funds available through Structural Funds of the EU represent significant opportunity that might contribute to financial sustainability of CSOs. The importance of securing EU funding is also visible in the fact that within draft National Strategy for Creation of an Enabling Environment for Civil Society Development 2012 – 2016, within strategic area IV. Activities and further development of civil society within international context, a measure has been defined entitled “Actively involve CSO representatives in programming and preparation for absorption of EU structural instruments”.

The first part of the Roundtable focused on introduction of a new CSO financing opportunity via internet portal www.zadobrobit.hr.

Wishing to emphasize the need for actions for the benefit of individuals within community, the society as a whole and the planet on which we live, National Foundation for Civil Society Development prompted initiation and development of internet portal www.zadobrobit.hr, as a place and starting point for all considerations and especially actions in the Republic of Croatia that have public, i.e. common good and civil society development as their basis. This is a contribution to development of new models offering a shift from the present dominant focus on realization of profit towards acting for the wellbeing and public, common good.

The portal www.zadobrobit.hr also offers philanthropic package GIVENGAIN with globally proven internet donating service provider GivenGain Foundation, and to non-profit organisations a possibility to access and act in virtual environment. Thus, what was up to recently just an idea – to enable willing individuals to simply and safely donate and support various organisations and their goals through intuitive internet platform – now became reality that simultaneously offers networking of individuals through donations, but also activism of engaged individuals. It is enough for a non-profit organisation to register at www.zadobrobit.hr via GIVENGAIN menu and through it to make a step forward using creative resources at its disposal and entirely new tools for enhancement of self-

financing and self-sustainability. This opportunity offers to every CSO – beneficiary of institutional support of the National Foundation – to register and then present itself, using Givengain platform, in order to publish information on its projects to the entire virtual community, to activate and animate like-minded persons in order to promote and enhance its goals. As proven by GivenGain platform for over 10 years and across the globe, with little own engagement and lot of creative thinking CSOs can achieve extraordinary results and realize support for their ideas and development through inclusion of wider number of users. So that CSOs may master this transition into the new self-financing area as successfully as possible, the National Foundation created a program of financial support for CSOs that were evaluated and subsequently qualified, whereby National Foundation covers the costs of monthly fees for specific subscription models and the costs of subscription fees for Givengain platform. Possibility to use Givengain platform will open for all CSOs in 2013, after the initial pilot period, during which it was open just for CSO beneficiaries of National Foundation institutional support. Through its activities of forecast and preparation for social changes, National Foundation provides with this initiative new, unlimited possibilities of self-financing for CSOs, as well as possibilities for networking between people acting for the benefit of individuals and communities through activities for common, public good.

Presentation of new financing possibilities for CSOs through the use of internet portal www.zadobrobit.hr created much interest amongst participants. During the discussion participants repeatedly pointed out that they see presented portal as potentially new source of financing that could contribute to financial sustainability of organisations. Through discussion participants received answers to questions related to the profile of organisations that may use this internet portal, terms and conditions of use, methods for the use of the portal, functioning of the system for check up of organisations using the portal, fundraising methods and policies concerning amounts raised, mechanisms and approaches for organisations to become involved in management of campaigns, key success factors that organisations need to keep in mind in order to achieve best results from this type of fundraising, transparency of donor profile and the amount of raised funds, methods and processes for reporting and monitoring concerning use of raised funds, the role of National Foundation for Civil Society Development.

Second part of the Roundtable focused on presentations by state administration bodies on the use of structural funds during period 2014 - 2020. Introductory presentations were given by:

Ms. Ana Krvarić, Ministry of Regional Development and EU Funds stipulated European Social Fund (ESF), Rural Development Fund and Cohesion Fund as potentially interesting for CSOs. Ms. Krvarić also provided brief review of activities related to European Social Fund, whereby she emphasized the start of programming in April this year in collaboration with all Ministries. The Ministry expects that priorities for ESF will be defined beginning of 2013. Operational implementation program related to ESF should be finalized at the start of 2014. It has been emphasized that CSOs have been included into the process through coordination by Government Office for Cooperation with NGOs. Ms. Krvarić also mentioned that the forms, as well as procedures for application and granting of projects would remain similar to those currently in use. Forms for the financing period are currently being drafted, final procedures are expected beginning of 2013 and will be published on Internet pages of the Ministry of Regional Development and EU Funds.

Mr. Luka Rajčić, Ministry of Labour and Pension System presented strategic documents for structural funds and emphasized that strategies for next period are being completed. No big differences are expected in comparison to current IPA funds. The key change concerns extension of beneficiaries group and activities. The focus within ESF will be on support to employment, social inclusion and education.

Ms. Mirjana Radovan, Ministry of Social Policy and Youth emphasized that during the current programming process the Ministry continues taking into account issues related to various socially excluded groups, such as disabled persons and beneficiaries of social support. Calls for proposals within IPA were focused on mentioned socially excluded groups and to widening of the network of social services. Through the practice thus far they started with provision of support to social entrepreneurial initiatives/activities. Within ESF they expect calls for proposals that will be focused on social entrepreneurship and youth. In their work they collaborate closely with Croatian Employment Service. They are very open towards CSOs, high percentage of which are applicants in calls for proposals published by the MSPY. Ms. Radovan invited participants in the roundtable to give their suggestions and proposals concerning issues and priorities, which, in their opinion, should be represented through calls for proposals within ESF.

Ms. Mirna Štajduhar, Ministry of Education, Science and Sports pointed out that CSOs are frequent applicants in calls for proposals related to their Ministry, and that in the area of social inclusion there were seven awarded projects, whereby project leaders in three of them were CSOs. Within the upcoming period the Ministry plans calls for proposals related to the Croatian Qualification Framework. The Ministry also expects that there will be a similar call published through IPA. Ms. Štajduhar believes that with development of Croatian Qualification Framework the role and CSOs will also grow. Moreover, it is expected that ESF funds will be seven times larger and that they will cover areas of social inclusion, education and life-long learning. It has also been emphasized that since the Ministry views CSOs as organisations with large experience, they often direct schools to develop collaboration and partnerships with CSOs.

Ms. Stela Fišer Marković, Government Office for Cooperation with NGOs presented current activities of the Office for Cooperation with NGOs concerning programming for Structural Funds. The Office for Cooperation with NGOs is currently involved in implementation of IPA 1 component, but for CSOs there are also lot of opportunities in IPA Component 4 and ESF is also viewed as a new possibility for absorption of funds by CSOs in future. Office for Cooperation with NGOs will issue calls for proposals for CSOs, and it is encouraging that in its documents, the EU particularly emphasized the role and importance of CSOs in Croatia. Within the Office they have already identified specific priorities, and they hope that these will be harmonized with EU priorities. In the course of priority planning they take care of currently existing shortcomings, the needs of smaller organisations and the needs for support in the area of social services provision. Furthermore, they also consider the possibility to issue call for the area of social innovation. Moreover, they plan to secure specific funds through Structural funds, which would be directed, through regular calls for proposals, in part to the capacity building of CSOs providing social services.

Ms. Zrinka Kelava, Croatian Bank for Reconstruction and Development presented activities concerning IPA-related loans, she emphasized that they expanded their activities to all beneficiaries and that CSOs may also use loans in relation to implementation of IPA-funded projects. The loans are issued with repayment period of 15 years, grace period of 3 years and interest of 3% (up to recently the interest was 4%). The lowest loan amount is 80,000.00 HRK, without the upper limit. Loan

requests are submitted through business banks and there are 30 banks, which responded to their invite for collaboration.

Ms. Jasna Marić Krajačić, Croatian Postal Bank presented their experiences and problems with functioning of EU Desk. Ms. Marić Krajačić believes that EU Desk also holds an educational function and that it provides information on EU funds and follows clients who apply to calls for proposals. They support cooperation between all three sectors. They work on projects since last four to six years, and two years ago they established a committee of six EU desks from different business banks in Croatia, which represents joint body aiming to explain to bank management the importance and possibilities that EU projects offer to banks. CPB is interested in profitable projects. Ms. Marić Krajačić emphasized the importance of timely submission of loan request, so that the funds may be approved in time. CSOs are welcome clients for CPB and in their experience CSOs are loyal clients with secure payment operations. Key challenge in granting a loan to CSO is the possibility of strong security instrument. CPB has an excellent collaboration with Croatian Bank for Reconstruction and Development.

All representatives from Ministries and Government Office for Cooperation with NGOs announced that new calls for proposals might be expected beginning of 2013.

Participants in the roundtable gave the following proposals for quality programming of Structural Funds that will ensure their maximum efficiency:

- Considering the importance to ensure continuous organisational capacities of CSOs (at the level of CSO professional competence and organisational development) it has been proposed to provide funds directed at CSO capacity building.
- It was emphasized how important it is to regularly inform CSOs on the financing possibilities from Structural Funds, as well as to continue with the practice of information and education workshops for potential applicants.
- Within the upcoming period for absorption of funding from Structural Funds it is important to consider higher flexibility in implementation concerning work hours and payments of employees of public institutions working on a project.
- It is of utmost importance to monitor efficiency of financed projects in the sense of achieved positive change in target groups and wider community. Participants emphasized the importance of regular implementation monitoring of all EU-funded projects.
- It was also emphasized how important it would be to have a possibility to finance investments into infrastructure and capital investments through Structural Funds.
- In order to improve project application and approval procedures it would be important to receive concrete feedback from contractual bodies on reasons why specific project proposal was rejected.
- In implementation of EU-funded projects thus far CSOs were faced with very demanding and oftentimes-inefficient administration and requirements imposed by Croatian implementation agencies. Based upon the existing negative experiences, it would be important to establish more efficient and administratively less demanding requirement systems in project implementation monitoring.
- Concerning bank loans for CSOs a possibility was queried for other types of loans, such as CSO liquidity loan.