

'TRAFFIC LIGHTS REPORT' 2016 **BOSNIA AND HERZEGOVINA**

Monitoring report against the EU Guidelines for the EU 2016 Progress Report

Note:

Following report contains information about the situation and consequent progress along the indicators of the Results Framework of the 'Guidelines for EU support to civil society in enlargement countries, 2014-2020' (EU Guidelines). The Results Framework encompasses elements that look for the progress in areas related to: legal and policy framework for existence, functioning and sustainability of the CSOs; CSOs involvement in decision making processes; and organisational development of the CSOs.

In addition to the representatives of the EU, elements of the Results Framework and its monitoring system have been developed since 2013 throughout 55 different regional and national events encompassing approximately 900 CSOs and 120 government representatives (Offices for cooperation with CSOs, Ministries for EU integration and other relevant resource ministries and agencies) from the countries of the Western Balkan and Turkey.

Main features of the monitoring system include:

- Unified approach in methodology in all countries of the region.
- Regional comparison and track of national progress.
- Majority of indicators are composite that are broadly defined assessing quality; therefore, for the monitoring purposes following had to be taken into consideration: existence of particular legal and policy frameworks, practice in implementation of the legislation, and perception of quality of the legislation and its consequent implementation of those who are affected by the legislation.
- Some indicators specifically call for measuring of perception.
- For majority of indicators there is no data available from reliable sources of information in the region; therefore, to acquire objective understanding of particular phenomenon, the perception was taken into account, where the perception of CSOs about the sector vs. perception of CSOs of their individual organisation and practice was assessed. In some cases, this was also complemented by the perception of general population about the same phenomenon.
- All of the information that are needed to assess the situation in a country are synthesized in this report. More elaborative data can be obtained from the accompanying country needs assessment report developed by TACSO and its Resource Centres, as well as from the narrative reports from the surveys.
- Sound and reliable research methodology and innovative and participatory approaches.

Methodology:

Information collection

- Information collected for this report, therefore for TACSO needs assessment reports, comes from following sources:
 - Desk study - review of legislation collection of information from some of the public institution, review of other related and relevant documents and reports (mainly for the part related to the legal and policy framework and cooperation between CSOs and governments).
 - In-depth interviews with representatives of relevant institution (10 different institutions) for information validation (mainly for the part related to the legal and policy framework and cooperation between CSOs and governments).
 - CSO survey - Sample universe is mainly unknown due to the lack of accurate data in majority of the countries, sample size is 180-250 per country, type of sample is convenience quota sample, where quotas are defined by region and main area of activity with the aim to maximise the dispersion. The most relevant CSOs are included. Data collection is based on combined method - F2F, CAWI, CATI. (Information from the survey is used throughout all indicators of the report, and is the main source of information for the indicators related to the organisational capacities of the CSOs.)
 - General population survey (GP survey) - sample universe is population of the country 18+, sample size of at least 1000 respondents per country. Type of sample - stratified random sample, representative for country population. Data collection in all countries F2F except in Albania, Macedonia and Turkey (CATI). Post-stratification was done by gender, age and education. (Findings from this survey were used for some indicators and for the correlation.)

Measuring change

- In order to quantify composite and all indicators, index has been developed. Results Framework consists of 6 broad objectives that are divided into 23 indicators:
For the purpose of index formation, indicators were operationalized by items and each of them is in fact operationalized benchmark from the EU Guidelines. At the end, 138 of items were analyzed. All of the steps related to calculation of indexes are incorporated into the macro document that can be easily used for the next years of monitoring, i.e. there is no need to go through the development of the metrics (mathematics for recalculation) beyond this stage. Simple entering of information and data can be recalculated in the macro document for the next year. Precise methodology for index calculation can be obtained from TACSO.
- It is important to mention that apart from obtaining information from the experts or TACSO Resource Centers, CSO survey and GP survey on the situation in the civil society sector in the country, one more measure was obtained – measure of importance of each of the items. In each country, various experts from the civil society sector have been evaluating the importance each of the items on the scale from 0 to 100.
- Unique measure of importance for each item, per country, was obtained by calculating average importance of all provided values from evaluators. Importance of these items significantly differs between the countries, which mean that each country received different weight for each of the items. Therefore, same answers on certain items in different countries may lead to different overall score for certain indicator, which finally can result in different colors in indexes. This aspect enabled preservation of national specificities and priorities identified by those concerned.
- Recalculated answers on the items were multiplied with average importance given for that item in the respective country.
- After that, all items belonging to one indicator were summed up in order to obtain one measure per indicator/sub-objective. This score was categorized to five categories:
 - 15% – green, the best evaluated in the region
 - 15% – light green, the second best evaluated in the region
 - 40% – yellow, middle positioned in the region
 - 15% – orange, the second worst evaluated in the region
 - 15% – red, the worst evaluated in the region

	ALB	BIH	KOS	MAC	MNE	SRB	TUR
1. An enabling legal and policy environment, for the exercise of the rights of freedom of expression, assembly and association	Green	Green	Light Green	Green	Green	Light Green	Yellow
2. An enabling financial environment, which supports sustainability of CSOs	Yellow	Orange	Yellow	Yellow	Yellow	Yellow	Orange
3. Civil society and public institutions work in partnership through dialogue and cooperation	Yellow	Yellow	Yellow	Light Green	Light Green	Yellow	Yellow
4. Capable, transparent and accountable CSOs	Yellow	Yellow	Yellow	Green	Light Green	Yellow	Orange
5. Effective CSOs	Yellow	Yellow	Yellow	Light Green	Light Green	Light Green	Yellow
6. Financially sustainable CSOs	Red	Red	Red	Green	Red	Orange	Red

These thresholds are provisional and can be adjusted based on the preferences of the EU. In general, all indexes will be cross-checked in September because in some countries there will be updated information available for 2015 (notably Turkey).

	Alb	BiH	Kos	Mac	Mne	Ser	Tur
1.1.a. Quality of existing legislation and policy framework	Green	Yellow	Green	Yellow	Green	Yellow	Yellow
1.1.b. Progress with the adoption and implementation of relevant legislation	Green	Yellow	Green	Yellow	Green	Yellow	Yellow
1.2.a. Number of employees in CSO (permanent and part-time)	Red	Red	Red	Red	Red	Red	Red
1.2.b. Number of volunteers in CSOs	Yellow	Orange	Yellow	Orange	Yellow	Orange	Yellow
1.2.c. Quality of legislative framework	Yellow	Yellow	Yellow	Green	Yellow	Red	Yellow
1.3.a. Quality of the enabling environment for grass-roots organisations and/or civic initiatives	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Yellow
2.1.a. CSOs' perception of the ease and effectiveness of financial rules and reporting requirements	Yellow	Orange	Orange	Yellow	Yellow	Yellow	Yellow
2.1.b. Quality of financial rules (with the focus on built-in mechanisms)	Yellow	Orange	Orange	Yellow	Yellow	Yellow	Yellow
2.2.a. Quality and applicability/practice of the legal framework for individual and corporate giving	Yellow	Orange	Orange	Yellow	Yellow	Yellow	Yellow
2.3.a. Quality of the system of tax benefits for the CSOs' operational and economic activities	Red	Red	Red	Red	Red	Red	Red
2.4.a. Increase of public funding for CSOs	Red	Red	Red	Red	Red	Red	Red
2.4.b. Quality of state funding frameworks for civil society organisations (focusing on procedural document)	Red	Red	Red	Red	Red	Red	Red
3.1.a. Percentage of laws/bylaws, strategies and policy reforms effectively consulted with CSOs	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
3.1.b. Quality of structures and mechanisms in place for dialogue and cooperation between CSOs and public institutions	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
4.1.a. Percentage of CSOs publishing their governance structure and internal documents	Green	Green	Green	Green	Green	Green	Green
4.1.b. External perception of importance and impact of CSOs activities.	Green	Green	Green	Green	Green	Green	Green
4.3.a. Percentage of CSOs making their (audited) financial accounts and annual reports publicly available	Green	Green	Green	Green	Green	Green	Green
4.4.a. Share of CSOs that monitor and evaluate their projects and programmes using baselines and quality indicators	Green	Orange	Yellow	Orange	Green	Green	Green
5.1.a. Share of CSOs which have developed strategic plans including human resources development activities	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
5.2.a. Number of CSOs' who use adequate argumentation and analysis for achieving advocacy goals	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
5.3.a. Share of CSOs taking part in local, national, regional and international networks	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
6.1.a. Percentage of CSOs that confirm that they are able to raise funds according to their strategic plans	Red	Red	Red	Red	Red	Red	Red
6.2.a. Diversity in CSO sources of income	Red	Red	Red	Red	Red	Red	Red

1.1.a. Quality of existing legislation and policy framework

There is freedom of speech explicitly guaranteed in legislation; all individuals and legal entities can express themselves freely, assemble peacefully and establish, join and participate in formal and non-formal organizations. Certain limitations in practice are present in Republic of Srpska since assembling focused on protests is allowed in strictly determined site (the park) and freedom of expression is limited.

Legislation requires only prior notification (and not authorization) for exercising freedom of assembly. Prior notification in written form is formal, submitted to the police station. Authority, by the law, does not issue the authorization for public or private assembling.

Maximum number of days needed for registration of CSOs is 30. This number is specified in the law in both entities. Registration may take more days if applicant CSO does not submit complete documentation for the registration. Laws on associations and foundations do not separate CSOs from other groups that do not directly belong to the civil society such as: sport clubs, cultural groups, local communities in RS, religion sections, etc. This disables finance visibility of CSOs and obtaining data on number of CSOs in BiH.

The registration costs are maximum (in capital city) 100 EUR. Registration cost varies in entities and cantons. In BiH level the cost is 100 EUR, in Federation BiH 100 EUR, in RS 150 EUR, in canton Sarajevo 100 EUR, in Tuzla canton 50 EUR. Besides registration tax, additional 50 EUR is required for completing the registration process.

In terms of legislative standards:

- 1. There is a legal framework according to which any person can establish associations, foundations and other types of non-profit, non-governmental entities (e.g., non-profit company) for any purpose. Legal framework is available on state level, entity level (in RS, Federation of BiH and Brcko District) and cantonal level. Legal framework does not allow establishing entities for profit making purpose or the purpose in contradiction with the state Constitution and human rights principles.*
- 2. The legal framework allows both individual and legal persons to exercise this right without discrimination (age, nationality, legal capacity, gender etc.).*
- 3. The legal framework provides guarantees against state interference in internal matters of associations, foundations and other types of non-profit entities. The law specifies the mission and structure of non-profit entity, so the state has no instrument to interfere in internal matters of the entity. In certain situation when the state establishes a foundation (Fondacija "Srebrenica–Potocari"), then may have interference through the board or executives.*
- 4. The legal framework is based on international standards and provides the right for freedom of assembly for all without any discrimination.*
- 5. The laws recognize and do not restrict spontaneous, simultaneous and counter-assemblies. The laws on assembling permit all types of gathering and specify restrictions. These laws recognize peaceful and organized assemblies, but contain a range of restrictions regarding the public spaces citizens can use to exercise their rights in this regard. Peaceful assembly may be prohibited pursuant to these laws. In the case of violation, the police may stop gathering and dismiss the event.*
- 6. The legal framework provides freedom of expression for all. In practice, freedom of expression is sometimes limited especially in the cases of straggling for independent media reporting.*
- 7. Restrictions, such as limitation of hate speech, imposed by legislation are clearly prescribed and in line with international law and standards. In practice, the hate speech based on national or ethnic issues is presented in media and in electronic social networks.*

57% of surveyed CSOs are negative about the legal regulation which regulate work of CSOs, and 39% of them are positive.

Suggestions for further improvements under the indicator 1.1.a are:

There is a need for small improvement in the sector of promoting legislation related to the registration of non-governmental entities in order to separate CSOs from other non-governmental entities registered under the same law (sport clubs, syndicates, youth religion groups, local communities, culture clubs, et). Also, the system of penalizing the hate speech in public and media needs to be accelerated by the prosecutors and courts.

1.1.b. Progress with the adoption and implementation of relevant legislation

There are some gaps in legislation and policy framework regarding CSO. The gaps appear in specific cases such as shortage of funding national minority CSOs where each level of government is by law obliged to support CSOS, but since this is not precisely determined, CSOs in Republic of Srpska receive grants, while in Federation of BiH and in cantons CSOs has limited opportunities to get grants.

Legislation and policy framework regarding CSO are moderately implemented. Laws require obligation of organizing annual assembly meeting, while a number of CSOs do not follow the obligation and respected government institutions rarely react in such situations (erase CSOs from the registry of CSOs).

There is increase in gaps in legislation and policy framework regarding CSO.

- In comparison to one year ago, gaps in legislation and policy framework regarding CSO are increased for 10%

There are less number of gaps in implementation of legislation and policy framework regarding CSO as last year.

- Implementation gaps are decreased for 10%

Gaps refer to the rejection of the State law on CSOs and exclusion of civil society in law drafting process. Another gap is related to the fiscal policy and tax exemption where CSOs are equally treated as profit companies, and insufficient involvement of CSOs in consultation processes.

Practice standards

1. Every individual or legal entity in practice cannot form associations, foundations or other non-profit, non-governmental organizations offline or online. There is no online registrations in BiH. Individuals or legal entity cannot legally form association if the mission is against constitution of BiH, laws and human rights (terrorist, violent groups, national or religion hate purposes), and if the purpose is to promote or finance political parties or political candidates.
2. There are no cases of state interference in internal matters of associations, foundations and other types of non-profit entities. Exceptions are the interference in emergency situations as it was in 2014 during massive floods in BiH when government asked humanitarian organizations and Red Cross to pay attention and focus funding to after flood relief.
3. There are cases of encroachment of the freedom of assembly, and any group of people can assemble at desired place and time, in line with the legal provisions. Groups are sometime restricted to assembly in desired public place and are allowed to assemble only in specific locations.
4. Restrictions are justified with explanation of the reason for each restriction, which is promptly communicated in writing to the organizer to guarantee the possibility of appeal.
5. Simultaneous, spontaneous and counter-assemblies can take place, and the state facilitates and protects groups to exercise their right against people who aim to prevent or disrupt the assembly.
6. No excessive use of force is exercised by law enforcement bodies, including pre-emptive detentions of organizers and participants. The force is applied in extreme cases, when violation or attacks to the police forces came up during assembling (protests of workers or syndicates).
7. CSO representatives, especially those from human rights and watch dog organizations enjoy the right to freedom of expression on matters they support and they are critical of. Key human rights organizations

(CCI, Transparency international) organize press conferences, critic the government, and freely express the findings and obtained data.

8. *There are no cases of encroachment of the right to freedom of expression for all. In certain situations, media people feel restrictions in freedom of expression.*
9. *There are no cases where individuals, including CSO representatives would be persecuted for critical speech, in public or private.*

31% of surveyed CSOs believe that the circumstances for development of CSOs have worsen in comparison to the last year, where 18% of them believe that circumstances have improved.

46% of surveyed citizens in Montenegro find freedom of press good, and 49% bad.

Suggestions for further improvements under the indicator 1.1.b are:

There is a need for improvement in the sector of gaps in legislation and policy framework regarding CSOs. New State law for CSOs was rejected in Parliament due to formal (language) reasons, regardless the MONEYVAL recommendations to incorporate in the law the prevention of money laundry through CSOs. Watch dog organizations and the Association of BH Journalists enjoy the right to freedom of expression but sometimes are criticized by politicians, and such situations those CSOs need safeguard mechanisms to avoid the impression that they were not right.

1.2.a. Number of employees in CSO (permanent and part time)

There are accurate data on the number of employees in CSO (permanent). The data are not available in one institution, but are available in Institute for statistics of FBiH and Republic of Srpska Institute of statistics. FBiH has record of 5.938 employees in 2015, and the number in RS is very similar (no precise data obtained).

There are no accurate data on the number of employees in CSO (part-time). This is not the subject of interest for the statistics institutes.

The data on the number of employees in CSO are not available on the annual level (permanent, part-time, both type of employees). Official employment statistics in BiH do not produce data on annual basis for part-time employees.

The situation on availability of the data on the number of employees in CSO is better now than it was a year ago. Data is possible to obtain after written request by institute of statistics on entity levels, but some data are not clearly specify due to variety of occupation codes.

1.4% of all employed is employed in CSO sector.

77% of surveyed CSOs stated that they have full-time employees, and 24% of them stated that they have part-time employees. On average, surveyed CSOs have 2.6 employees.

Suggestions for further improvements under the indicator 1.2.a are:

Employment statistics in BiH needs to diversify CSOs employees from other employees in private or government sector. The diversification can be developed on the basis of occupation codes where the separate code would be assigned to employees in CSOs. Part-time or short-term contract employment records could be also developed if institute of statistics system of information is linked to the Tax administration and their records.

1.2.b. Number of volunteers in CSOs

There are neither accurate data on the number of volunteers in CSO, nor the number of volunteers in CSO are not available on the annual level. Therefore, neither total number of volunteers in CSO in 2015 is not known, nor it is possible to estimate change in the number of volunteers in CSO in terms of an increase, decrease, or no change in comparison with the last year. Even to estimate the number of volunteers is unsafe. In addition, some CSOs

engage volunteers for specific campaigns, and have no permanent engagement of volunteers. CSOs based on voluntary works (OKC Banja Luka, Zemlja djece Tuzla, Red Cross) engage up to 50 volunteers per campaign, the network of volunteers (Volontiram), 25 local volunteers services and CSOs engage minimum 3000 volunteers during "Let's do it" ecology campaign.

There are neither accurate data on the number of voluntary hours implemented in CSO, nor the number of voluntary hours implemented in CSO are not available on the annual level. Therefore, total number of voluntary hours implement in CSO in 2015 is not known.

There is decrease in the number of volunteers in CSO.

- The number of volunteers has decreased in comparison to one year ago for about 15 %.

There is decrease in the number of implemented voluntary hours.

- The number of implemented voluntary hours has decreased in comparison to one year ago for about 15 %.

The estimate is that the number of volunteers (as well as the time engagement) decreased due to less number of voluntary programs and actions in 2015 than in 2014. Volunteers try more to find paid job, youth leave BiH and find new residence in EU and general instability in the state discourage volunteers to dedicate time for voluntary actions.

33% of surveyed CSOs believe that CSOs in their countries engage volunteers, 79% of those surveyed stated that they have engaged volunteers during 2015, and average volunteering working hours per week is 16.6. 40% of surveyed CSOs stated that they have engaged the same number of volunteers during 2015 as during 2014, 37% engaged more than 2014, and 23% less than in 2014.

General population have stated that 7% of them have been engaged in volunteering during 2015, on average of 14 weeks, and 11.9 hours of volunteering work per week.

Suggestions for further improvements under the indicator 1.2.b are:

Voluntary programs need to be systematically developed, based on the united records of volunteers, all incorporated in the legal framework. CSOs need to envisage funds for engaging volunteers in project activities. CSOs need to initiate a campaign in RS to recognition of voluntary work as the working experience. Red cross spreads voluntary spirit through their mission and concrete actions, so CSOs also may replicate the same model to attract volunteers.

1.2.c. Quality of legislative framework related to employment in CSOs and volunteers

There are no discriminative articles for CSOs in labour legislation (including active employment policy). Employees in CSOs has equal obligations as employees in government or business sector.

Legislative framework is not simulative towards promotion of volunteering. CSOs need to pay taxes for volunteers and voluntary work in Republic of Srpska is not recognized as the working experience.

Legislation disables tax-free reimbursement of travel expenses of volunteers. Each payment, including fair ticket or cash includes VAT 17%.

Legislation disables tax-free per diems to volunteers. Volunteers cannot get per diem in cash, so they sign the voluntary contract where paying taxes is obligatory.

16% of surveyed CSOs find the legal solutions stimulating for volunteering, and 74% of them find legal solution mainly not stimulating.

Suggestions for further improvements under the indicator 1.2.c are:

Legislative framework for volunteering needs to be moderately improved in the terms of releasing tax payments for voluntary services, equalize laws in Republic of Srpska and in Federation of BiH where voluntary works will be recognized as working experience, and establish a simulative payment system for volunteers' expenses.

1.3.a. Quality of the enabling environment for grass roots organisations and/or civic initiatives

Registration of grass-roots is not mandatory.

Unregistered organizations cannot freely operate. Unregistered groups are informal and cannot operate except in the cases of massive gathering or in campaigns.

Unregistered organizations cannot receive financial support. The principle condition for receiving financial support is to have an active bank account and unregistered organizations cannot open a bank account. Exceptions could be done if registered organization receive financial support in behalf of unregistered organization (if permitted by funder).

Suggestions for further improvements under the indicator 1.3.a are:

There is a need for small improvement in the possibility of opening a special bank account for unregistered groups with the upper limit of received financial support.

2.1.a. CSOs' perception of the ease and effectiveness of financial rules and reporting requirements (disaggregated by type / size of CSO)

Financial (including tax) rules are not reasonable for implementation. CSOs do not generate income, so paying taxes on grants or income is not reasonable, or, in some instances taxes need to be privileged. CSOs calculate and pay taxes on the same way as profit companies do.

Financial (including tax) rules are moderately clear. Law specifies financial rules, including tax, but sometimes accountants interpret rules in different ways (counting taxes on service contracts, differently treating cash payments, etc.). Financial rules for CSOs are equal to business, and from that perspective the differentiation is needed.

Financial (including tax) rules are not proportionate to CSO turnover. CSOs gain very limited income, or none, while need to pay all expenses VAT included.

There is a moderate support system when it comes to implementation of financial (including tax) rules. Support can be provided by accountants, tax institutes, business advisors and auditors. Generally, CSOs have limited capacities to manage finances and need to engage external services.

Support system provides clear instructions regarding implementation of financial (including tax) rules.

Financial public officers within support system are somewhat knowledgeable. Public officers in some cases do not update regulations due to frequent changes of financial rules.

Out of surveyed CSOs 72% are positive about how clear and understandable, 59% are positive about how simple to implement, and 63% are positive about how reasonable are prescribed financial rules, obligation of bookkeeping and accounting that refer to their organisation.

13% of surveyed CSOs completely agree and 39% mainly agree that there is an efficient support system within the institutions CSOs are obliged to report to. 12% of surveyed CSOs completely agree and 38% mainly agree that support system within these institutions provides clear instructions regarding implementation of financial (including tax) rules. 9% completely agree and 37% mainly agree that these institutions are providing support services in a standardised manner with competent and knowledgeable staff on the matter in hand.

Suggestions for further improvements under the indicator 2.1.a are:

CSOs need to pay more attention to the finance management, train own qualified staff, or engage outsourcing for finance reporting.

2.1.b. Quality of financial rules (with the focus on built-in mechanisms that financial rules and obligations change as the turn-over and non-commercial activities change).

There are no different formats (different forms of reporting) according to CSOs' turn-over. CSOs are obliged to report regardless the money flow i.e. report needs to be submitted for 0 EUR income or 1 million EUR.

There is one format for reporting, unified for the state, need to be submitted by end of February each year.

There was no change in number of different formats of reporting in comparison to one year ago.

Suggestions for further improvements under the indicator 2.1.b are:

CSOs need to be separated from other subjects in the terms of submitting simplified finance annual reports adequate for CSOs cash flow, income and expenses. The practice of submitting one form only once a year is a practice that should not be changed.

2.2.a. Quality and applicability/practice of the legal framework for individual and corporate giving

Legislation does not provide for stimulating tax incentives for corporate giving.

There is a tax relief in the amount of 3% of taxable income for corporations.

Legislation does not provide for stimulating tax incentives for individual giving. Individuals are not prescribed clearly and varies in entities.

There is a tax relief in the amount of 0,5-2% of taxable income for individual persons.

There is no tax allocation for public benefit purposes (for the countries with % law system)

Data on the number of registered individual taxpayers who donated to CSOs is not available at all, so it is not available on the annual level too.

Data on the number of registered corporate taxpayers who donated to CSOs is not available at all, so it is not available on the annual level too.

There is neither data on percentage of corporations' taxpayers nor individual taxpayers donated to CSOs during the previous year.

Suggestions for further improvements under the indicator 2.2.a are:

There is a need for substantive improvements in establishing a supportive legal framework for tax incentives for corporate and individual giving. In addition, business sector and general public need to organize a campaign to establish a stimulating tax relief system in the country.

2.3.a. Quality of the system of tax benefits for the CSOs' operational and economic activities

Income from CSOs mission-related economic activity is tax free.

Income from CSOs mission-related economic activity is tax free up to amount of annual income of 25,000 EUR.

Suggestions for further improvements under the indicator 2.3.a are:

There is a need for moderate improvements in specifying economic activities that can be tax free if implemented by CSOs.

2.4.a. Increase of public funding for CSOs

Data on the amount of public funding of CSOs is available, so the data on the amount of public funding of CSOs is available on the annual level tool.

There is decrease in public funding of CSOs in comparison to one year ago.

- *public funding of CSOs decreased in comparison to one year ago for about 20%.*

37% of surveyed CSOs believe that there has been decrease of the public funding to their organisation in comparison to one year ago., while 41% of CSOs believe that there has been no change

Suggestions for further improvements under the indicator 2.4.a are:

There is a need for moderate improvements in establishing a statistics bulletin for public funding for CSOs, and to increase the transparency of public funding distribution.

2.4.b. Quality of state funding frameworks for civil society organisations (focusing on procedural document)

Legal framework for public funding includes total of 3 positive statements out of 8 following:

- 1. Public funding is not decided on the basis of policy papers*
- 2. There is no inclusion of beneficiaries in programing of the tenders*
- 3. Clear criteria is published in advance*
- 4. There are deadlines for decision*
- 5. There are no merit decision with arguments*
- 6. There is no evaluation of achieved outputs and outcomes on the project and program level*
- 7. There is possibility of prepayments*
- 8. There is no possibility of multi-annual contracts*

Suggestions for further improvements under the indicator 2.4.b are:

Public funding has no continuity, criteria for funding are known but not followed, public institutions from time to time put on WEB results of calls for proposals. After approving the funding no monitoring and evaluation is performed, so funding often is spend for non-project activities, and for personal costs. Specific CSOs, especially in social sector, deserve multi-annual contract to establish an efficient support system for beneficiary groups.

3.1.a. Percentage of laws/bylaws, strategies and policy reforms effectively* consulted with CSOs

Data on the draft laws/bylaws consulted with CSOs in accordance to national legislation is not available, so the data is not available on the annual level.

When it comes to consultations with CSOs regarding draft laws/bylaws/strategies and policy reforms:

- 1. There is an adequate access to information (there is a legal obligation to publish draft laws on the Internet and drafts are regularly published)*
- 2. There is sufficient time to comment (sufficient time to comment: minimum 15 working days)*
- 3. There is no selection and representativeness / diversity of working groups (criteria for appointment of the representatives are transparent, open, inclusive and known in advance)*

4. There is no an acknowledgement of input
5. There is a degree to which input is taken into account
6. There is no a feedback / publication of consultation results (there is an obligation to publish a feedback report with a summary of consultation process, list of involved stakeholders, summary of received comments/proposals, their impact on the draft law and justification of rejected comments/proposals)

About 50% of laws/bylaws, strategies and policy reforms effectively consulted with CSOs.

23% of surveyed CSOs are not familiar with the state institutions, and 59% of the CSOs are familiar with such structures and mechanisms but they believe that structures and mechanisms have no use.

Out of surveyed CSOs, 5% of them have participated in IPA programming, 10% of them have stated that they have participated in development of policy documents, 13% have participated in development of bylaws, 14% in national strategies, 17% in development of specific laws, 25% in local action plans, 26% in local strategies.

5% of CSOs who participated in consultation process find that all of their inputs during consultation process have been considered, 19% find that most of their comments have been taken into consideration, and 55% believe that the comments were somewhat taken into consideration.

17% of surveyed CSOs who participated in consultation process stated that public administration provided detailed enough feedback, and consultancy results were easily available to all parties; 55% of surveyed CSOs who participated find that there was some feedback, and some consultancy results were published by the public administration bodies.

Suggestions for further improvements under the indicator 3.1.a are:

There is a need for moderate improvements in diversifying the representatives in working groups, more involvement of decision makers in the consultations with CSOs and governments need to publish feedback on the results.

3.1.b Quality* of structures and mechanisms in place for dialogue and cooperation between CSOs and public institutions

Quality of structures and mechanisms in place for dialogue and cooperation between CSOs and public institutions... in terms of:

1. CSO representation in general is good
2. Representation of smaller/weaker CSOs is very poor
3. Its visibility and availability is poor
4. CSOs perception of structures and mechanisms is good

There is a designated body, institution or contact point for dialogue between the Government and CSOs, named Sector for legal assistance to CSO (within the Ministry of Justice BiH).

There is a designated body, institution or contact point for dialogue between Parliament and CSOs, but only for national minority CSOs - National minority council BiH.

Maximum 55% of ministries has such a body, institution or contact points with continuous and constructive cooperation.

Minimum 80 % of local governments has such a body, institution or contact points with continuous and constructive cooperation.

Data on designated bodies, institutions or contact points is not available in the transparent and accessible manner.

Mechanisms for dialogue are moderately clear.

Mechanisms for dialogue are moderately open

Mechanisms for dialogue are moderately accessible

Mechanisms for dialogue are not efficient (issues are resolved in timely manner).

24% of surveyed CSOs find that the quality of mechanisms for cooperation between CSOs and government are good, and 67% of CSO find them to be bad. 35% of CSOs believe that representation of CSOs in structures and mechanisms is good, and 57% believe that representation is bad, 19% believe that representation of smaller CSOs is bad, 27% of CSOs believe that availability and visibility of the structures is good.

When it comes to mechanisms for dialogue 42% of surveyed CSOs find them clear, and 48% of CSOs find them not clear, 38% find them open, and 52% find them not opened. 42% of CSOs find mechanisms accessible, and 48% do not agree with it, and 25% of CSOs find mechanisms efficient, whereas 65% find them inefficient.

Suggestions for further improvements under the indicator 3.1.b are:

There is a need for moderate improvements in finding mechanism to include small CSOs in representation forms (principle similar to gender balance concept) and to establish contact persons in each ministry on all levels and in local government who will be exclusively responsible for cooperation with CSOs.

4.1.a. Percentage of CSOs publishing their governance structure and internal documents (statutes, codes of conduct etc.)

66% of surveyed CSOs believe that decision making in CSOs is in compliance with the prescribed laws and rules of the organisation, and 97% of surveyed CSOs claimed that decision making in their organisation is in compliance with the prescribed laws and rules of the organisation.

47% of of surveyed CSOs believe that decision in CSOs are made by key individuals and top management, and 40% believe that decision in CSOs are made by the top management in consultations with employees. Whereas 22% of surveyed CSOs claimed that decision in their organisations are made by the key individuals and top management making, and 48% claimed that decisions are by the top management in consultations with employees.

85% of CSOs claim that they publish their statute, 75% claim that publish their rulebook, 82% claim that they publish their annual activity report. Whereas, surveyed CSO claim that they believe that only 27% of the sector publishes their annual activity report.

4.2.a. External perception of importance and impact of CSOs activities.

CSO in BiH are not quite trustworthy (41% of CSO believe that people find them trustworthy, whereas 37% of general population find CSOs trustworthy).

Self-perception of the CSOs is that 3% of surveyed CSOs believe that people completely trust to CSOs in BiH; 38% believe that people mainly trust to CSOs, 45% believe that people mainly do not trust to people, and 9% believe that people do not trust to CSOs at all.

4% of surveyed CSOs believe that CSOs are too often present in public, 31% believe that they are just right present in public, 62% believe that CSOs are not present enough in public, while 3% did not say anything.

37% of citizens trust in civil society organisations, and 39% of citizens have perception that the CSOs are committed to solve the problems.

6% of citizens believe that they are very well informed about the activities of the CSOs in their countries, 27% are somewhat well informed, 38% somewhat not informed, and 29% not informed at all.

79% of citizens use media as a main source of information about CSOs and their activities, and 23% use social media.

1% of citizens believe that cooperation between CSOs and government is very good, 19% believe it is mainly good, 33% believe it is mainly bad and 27% that it is very bad.

4.3.a. Percentage of CSOs making their (audited) financial accounts and annual reports publicly available

79% of CSOs said they make their financial reports available to the public, and 62% of them stated that they make their financial statements that are audited also available to the public.

Nevertheless, CSOs believe that only 21% of all organisations make their financial reports publicly available, and only 18% of the organisations make audited financial statements available to the public.

4.4.a. Share of CSOs that monitor and evaluate their projects and programmes using baselines and quality indicators

74% evaluate their programs as to learn lessons for the next cycle and to assess the quality, while the rest of 26% does the pro forma evaluation.

83% of CSOs stated that they have an established system for assessment of efficiency of implementation of projects. 62% of CSOs use internal evaluation when evaluating their projects. 64% of surveyed CSOs stated that they have established an efficient system for assessment of efficiency of implementation of their strategic plans. 13% of CSOs use external and 71% use internal evaluation when evaluating efficiency of implementation of their strategic plans.

5.1.a. Share of CSOs which have developed strategic plans including human resources development activities

23% has a human resources plan. 55% of surveyed CSOs stated that they have a strategic plan.

57% of CSOs claimed that they have established a system for staff performance appraisal. 7% of CSOs claimed that they do the staff performance appraisal externally, and 76% of them do it internally.

5.2.a. Number of CSOs' who use adequate argumentation and analysis for achieving advocacy goals

Out of surveyed CSOs who are active in the area of public advocacy 17% stated that they use it always, 23% use often, 37% sometimes, 15% rarely, and 9% never use analyses and/or research results for their advocacy activities.

5.3.a. Share of CSOs taking part in local, national, regional and international networks

Data on CSO networks active in your country is available.

There are about 30 active CSO networks in the country.

6.1.a. Percentage of CSOs that confirm that they are able to raise funds according to their strategic plans

42% of organisations claim that they stick to the strategic plan when fundraising for their organisations, while 33% of them stated that they mainly stick to the organisation's mission. Nevertheless, they believe that only 13% of CSOs stick to the organisation's strategic plan when fundraising for their organisation, 31% stick to the organisation mission, and 56% of CSOs believe that CSOs mainly adapt to the donors' priority. 50% of those that have a strategic plan, acquire funds in accordance with it.

6.2.a. Diversity in CSO sources of income

On average, CSOs in BiH have 3.7 sources of financing per CSO.

The largest part is funded from local self-government and regional administration (62%) and from other foreign private and state resources (embassies) (42%).