

Sustainability of NGOs in Kosova

Challenges of the third sector and the ways forward

Rochester Institute of Technology
AMERICAN UNIVERSITY OF KOSOVA
Master of Science Degree Program in Service Management

May, 2010

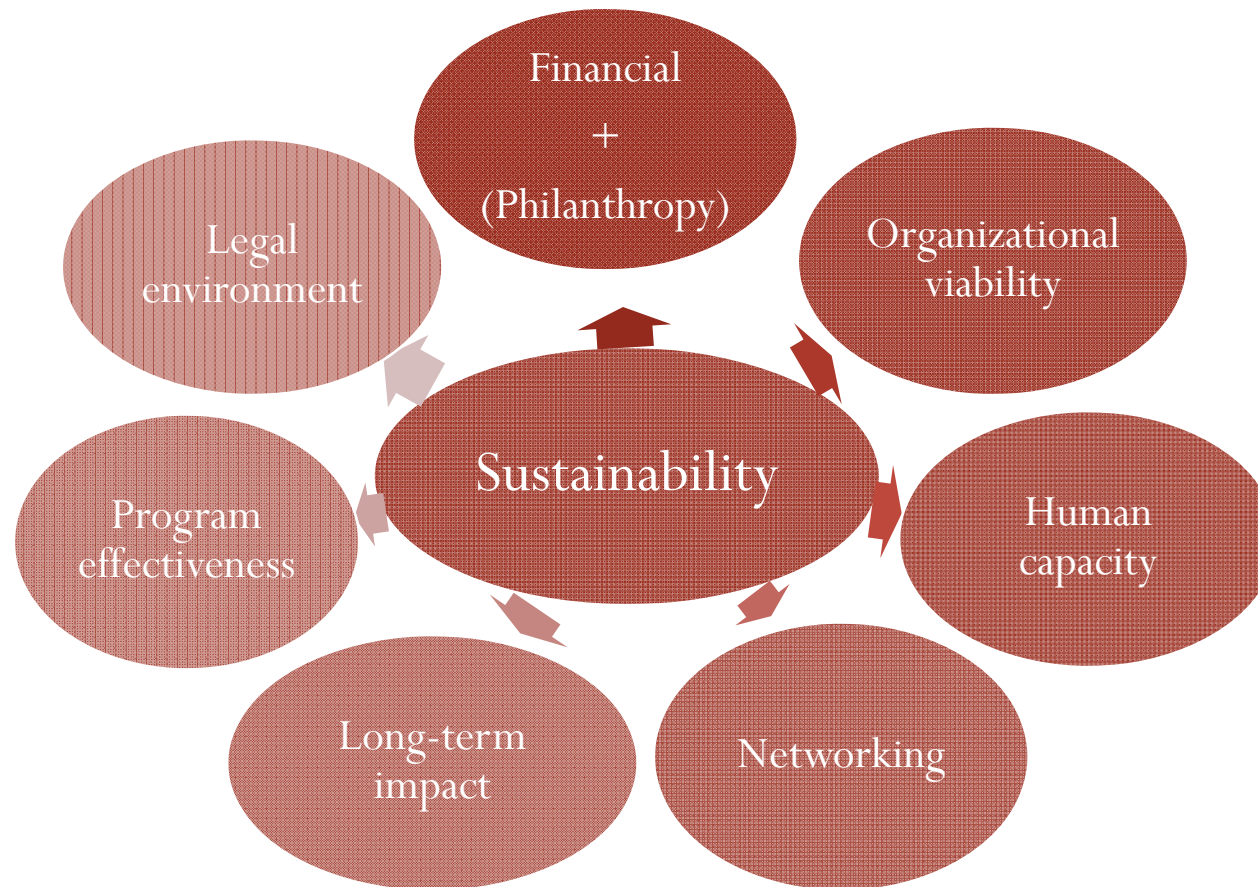
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The problem description

- NGOs in Kosova – challenges and difficulties
- Sustainability – factors that affect it



The Sustainability Problem



NGOs' background in Kosova – before 1999

Date	NGOs	Field of operation
1980-1999	Mother Teresa Association	Charity
	Council for the Defence of Human Rights and Freedom	Human rights
	Kosovo Helsinki Committee	
	Association of Independent Trade Unions	Workers' rights and socio-economic issues
	LDK	Political movement
	Pjeter Bogdani Club	Youth and student organizations
	Alternativa	
	UPSUP	
HANDIKOS	Rights of people with disability	

NGOs' background in Kosova – after 1999

- Massive expansion of NGOs during the first 4 – 5 years after the war (mushroom effect)
- Role of civil resistance changed by programmes on human rights, reconciliation, multi-ethnicity, reconstruction and institution-building
- Increased presence of international donors
- Donor driven NGOs

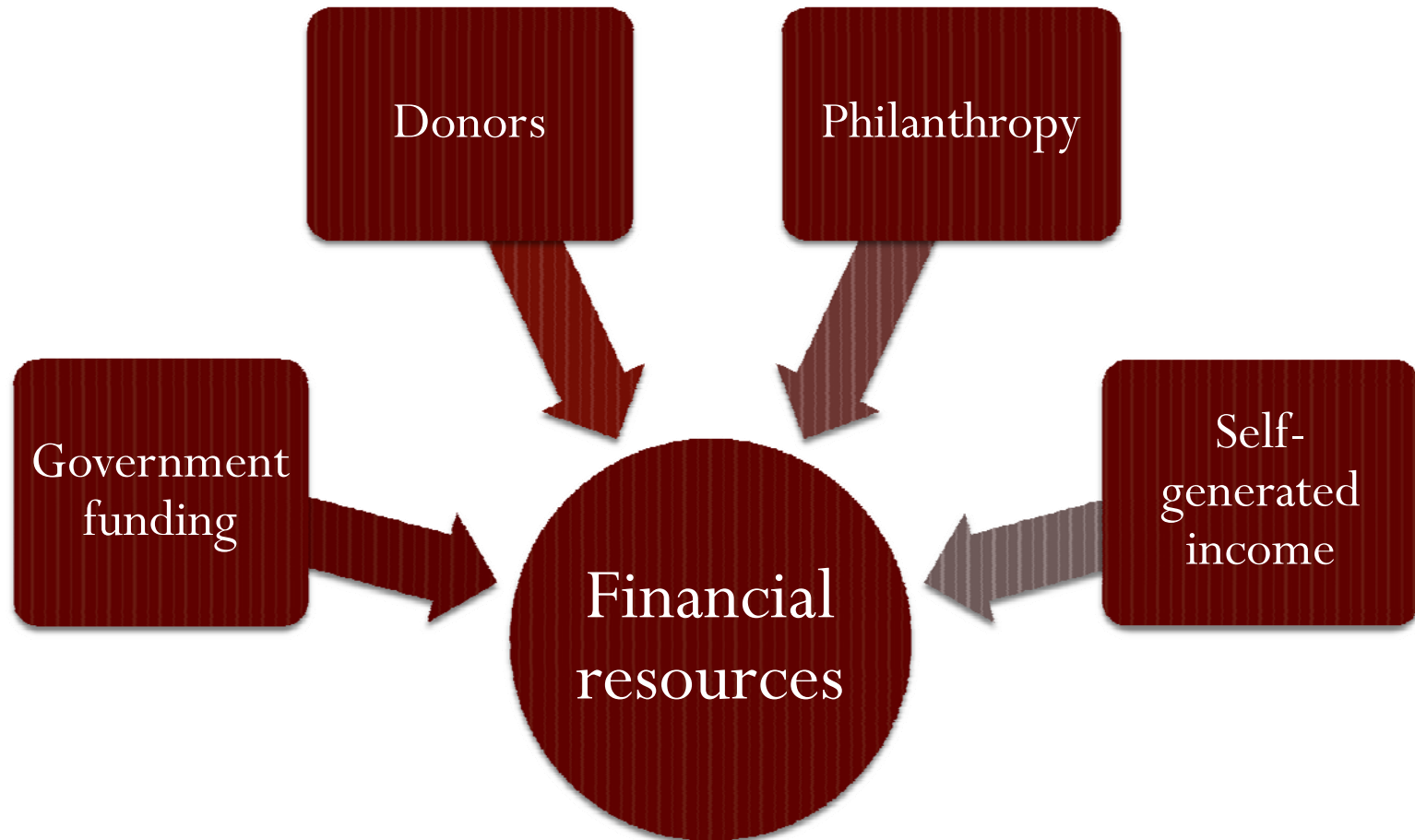
NGOs and the decisive factors

PRIMARY FACTORS	SECONDARY FACTORS	NGOs
1. Financial resources	4. Program effectiveness	5000 NGOs registered
2. Legal environment	5. Human capacity	300-500 active
3. Organizational viability	6. Networking	25 NGOs included in the survey:
<ul style="list-style-type: none"> • Sub factor Philanthropy –private and corporate giving	7. Long-term impact on society	<ul style="list-style-type: none"> • 20 - questionnaire • 5 interviewed

1. Financial resources 1 / 2

- Most NGOs are not financially sustainable and depend on donors
- All donors are international organizations
- The private sector is not developed and doesn't finance or even participate in NGOs' initiatives
- NGOs are dependent on short-term funding from one donor

Financial resources 2 / 2



2. Legal and policy framework 1 / 2

- Until November 1999, NGOs operated in a legal vacuum
- 15 November 1999, UNMIK issued Regulation 1999/22 on Registration and Operation of the Non-Governmental Organizations in Kosova
- 2001, UNMIK issued Regulation No 2001/19 on the Executive Branch of the Provisional Institutions of Self Government
- July 2004, the Ministry of Public Services enacted Administrative Instruction MPS 2004/6, which established the NGO Division within the Department of Registration Services

Legal and policy framework 2 / 2

- 2006, aiming to increase institutional capacities for provision of services to NGOs, the NGO Division was elevated to the Department for NGO Registration and Liaison
- 2009 the Assembly of Kosova adopted the *Law on Freedom of Association in Non-governmental Organizations* (NGO Law)
- Currently, the NGO Law is undergoing an amendment procedure

3. Organizational viability

- Being able to maintain the organizational strength while fulfilling its mission and vision
- Employ good governance structures
- Transparency, effectiveness and accountability at senior level ensure a good organizational viability

“An organization exercises good governance when it has an internal system of checks and balances that ensures the public interest is served.” Marilyn Wyatt, “A Handbook on NGO good governance”

4. Program effectiveness and accountability 1 / 2

- The more effective the program of an NGO is, the more their long life is ensured
- An effective program is being able to continuously provide quality services
- Wise use of its resources
- Doesn't take advantage of its privileges to pursue activities contrary to its nonprofit status

Program effectiveness and accountability 2/2

- An effective program increases the credibility through showing accountability to the society
- An NGO is accountable when it is transparent, readily opening its accounts and records to public scrutiny by funders, beneficiaries, and others
- Only through acts of accountability, an NGO shows to be committed to democratic values and contributes to the building of civil society

5. Human capacity

- Possession of exceptional ability in major thinking domains
- Only a few NGOs can afford to keep full time staff
- Individuals leave the NGO when well paid positions are offered
- Recruitment of volunteers

6. Networking 1 / 2

Networking is a tool for:

- Serving as a communication device
- Linking people and/or organizations that share some kind of common goal
- Strengthening NGOs' position

Networking in Kosova 2 / 2

- A few NGO networks were established after 1999, most of which were either short-lived or ineffective. And some reasons are:
 1. intense competition for donors
 2. internal disagreements
 3. diversity of interests
 4. diverse civil society environment

7. Long-term impact on society

- Process of empowering target groups and engaging them in organizational processes by institutionalizing changes in behavior, developing community capacities, creating a sense of ownership and building social capital
- Examples of organizations with a strong impact on society:
 - Forum 2015
 - Organization for Anticorruption and Dignity (COHU),
 - Kosova Women Network

Methodology and results

- The methodology was both quantitative and qualitative based on the questionnaire and interviews and it consisted of four phases:
 - 1) Questionnaire with active 20 NGOs
 - 2) Interview with 5 inactive NGOs
 - 3) Case studies from CEE countries
 - 4) Cross analysis of the main factors

Survey results

Questionnaire with the active NGOs

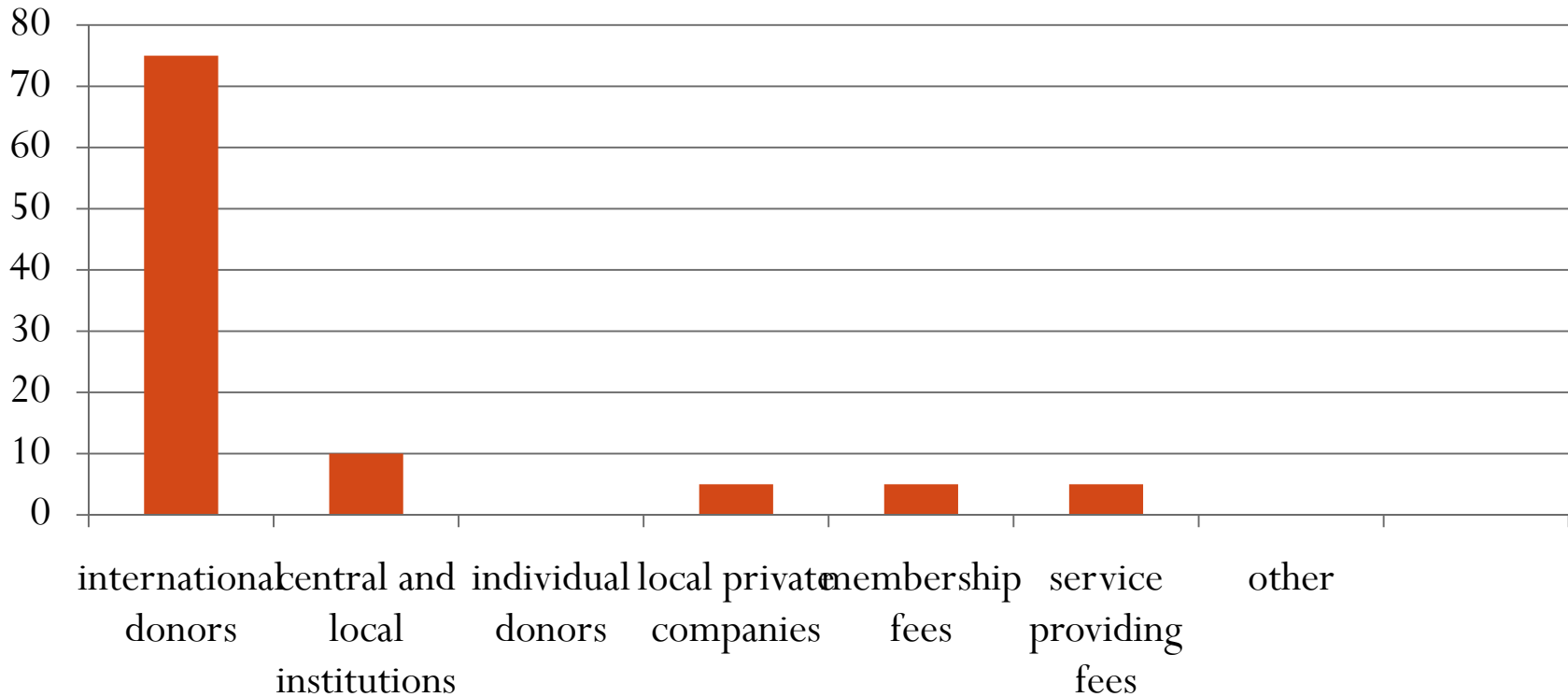


Fig.1. Based on your last financial year, what percentage of financial resource came from the following 7 resources?

Survey results

Financial resources

- 25% of NGOs consider their organization to be sustainable
- 95% of NGOs have never benefited from any private or corporate giving
- 75% of NGOs do not have an endowment budget but plan to have one in the future
- 85% of NGOs apply for funds other than in their field of operation

Survey results

Legal environment

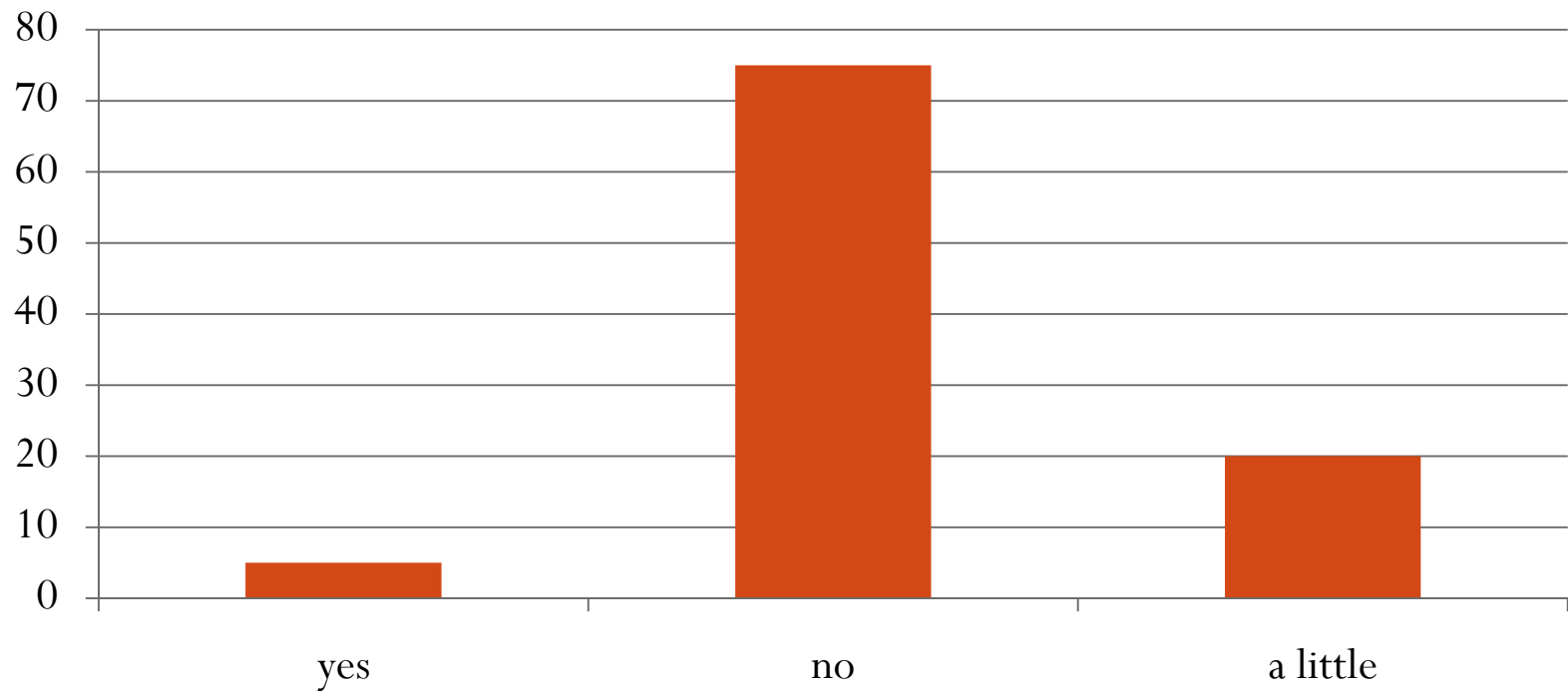


Fig.2. Are you clearly informed about the participation procedures in legal environment?

Survey results

Legal environment

- 50% of NGOs say that the legal environment in Kosova is moderately enabling, and 35% think it is limited
- 70% of NGOs have never been involved in consultations during legislative processes
- 70% of NGOs say they can access only a little information of the practices of law-drafting

Survey results

Organizational viability

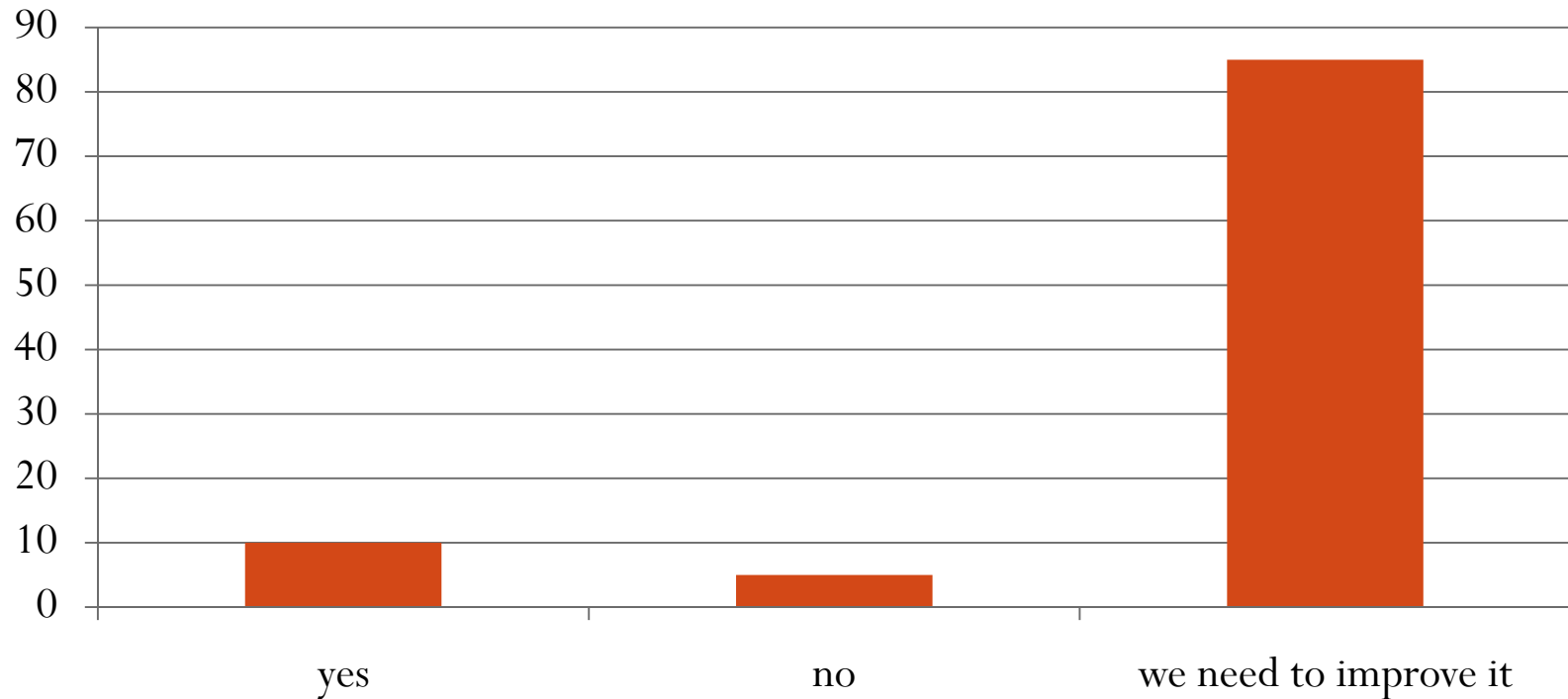


Fig. 3. Do you have a good governance structure in place?

Survey results

Interview with inactive NGOs

- Reasons that led to their collapse:
 - Full dependency on international donors
 - Inability to diversify the financial resources
 - Lack of sufficient trust and credibility in the community and donors
 - Short-term financing
 - Lack of human resources
 - Never benefited from private or corporate giving

Conclusion of the main factors affecting sustainability

- Financing - the findings from questions dealing with financing show that even though these NGOs are active they still have a very hard time in finding donors
- Legal environment – although laws provide a moderately enabling environment, NGOs fail to utilize them and exercise their rights of participation in decision-making
- Public trust – due to lack of trust in the society, NGOs couldn't increase their long-term sustainability by attracting donations
- Philanthropy - not very present in Kosova. NGOs do not benefit from the private and corporate giving even though they believe that philanthropy would help them

NGOs in Central and Eastern Europe



- Hungary – 1% Law
- Romania– Resource Centers
- Macedonia – Financial resources

Recommendations to the government

- Adopt necessary legislation to enforce percentage philanthropy, as an additional source of financing the NGOs' activities. (1% Law)
- Develop fiscal incentives for corporate philanthropy as a way of encouraging the community (especially corporations) to support NGOs financially
- Greater involvement of civil society organizations in public consultations
- Adopt necessary legislation and policy reform to officially recognize and award the voluntary work

Recommendations to active and inactive NGOs

- NGOs are expected to find alternative financial sources
- Adopt democratic principles of internal governance
- Establish an endowment budget
- Strengthen internal human capacities
- Do follow-up evaluations in the end of the projects
- Apply long-term planning strategies focusing on assumptions and future trends
- Participate in regional and European networks



Recommendations especially to inactive NGOs

- Human capacity - NGOs should specialize on one specific area and train their staff on issues/topics adequate for their organization



- Networking – NGOs are expected to work closely with other local/international NGOs in project designing, grant application, project implementation etc (learning by doing).

Recommendations to donors

- Design and offer long-term funding (grant-giving) schemes for NGOs
- Consult NGOs regularly and involve them in needs assessment exercises when designing the grant-giving schemes
- Foresee operational budgets within the project budgets, as well as increase the number of institutional grants
- Coordinate activities with other donor organizations in the country, to avoid possible overlap and channel the development assistance more effectively



Thank you for your attention

Questions and comments?

For references, please see page
47 of the report

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