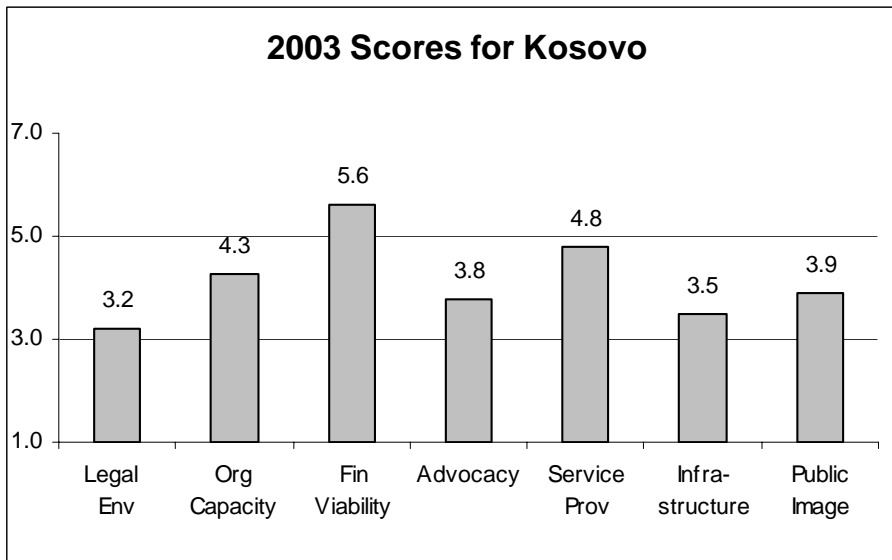


# KOSOVO



**Capital:**  
Pristina

**Polity:**  
International protectorate

**Population:**  
1,850,000

**GDP per capita (PPP):** \$2,300

## NGO SUSTAINABILITY: 4.2

Kosovo continues to face many of the same challenges in the political and economic arena as it did a year ago. The transfer of powers from the United Nations Mission in Kosovo (UNMIK) to the Provisional Institutions of Self Governance (PISG) is very slow, unemployment figures remain above 40 percent, and there is a noticeable increase in social tension particularly amongst those employed in sectors financed by the Kosovo Consolidated Budget. The recent international pressure on the PISG to enter into dialogue with Belgrade authorities has also contributed to increased ethnic tension, a factor which undermines positive and progressive developments, especially at the local level.

NGO SUSTAINABILITY	
2003	4.2
2002	4.3
2001	4.6
2000	4.6
1999	4.4

The number of registered NGOs has doubled to 2,000 over the past year, but this number includes many defunct NGOs because there is no process for de-registering inactive NGOs. The number of active NGOs ranges from 100 to 150, not counting scores of informal citizens groups that are also active, mostly at the local level. The relationship between the PISG and NGOs continues to be good. In the past year there have been more examples of NGOs coalescing around issues of concern of their constituencies, both locally and Kosovo-wide. A number of laws and regulations have been adopted or changed as the result of successful advocacy campaigns. It has been noticeable however, that NGOs outside of the capital have been more successful in advocating for their constituencies. NGO activities have been receiving considerable media coverage at both local and central level. Nevertheless, their access

to UNMIK decision-makers in the area of reserved powers has been minimal. In addition, a majority of NGOs have been

struggling to keep their staff and offices functioning, as funding from international donors is thinning rapidly.

**LEGAL ENVIRONMENT: 3.2**

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Kosovo's legal environment continues to be very favorable. NGOs had no problems registering and their operations have not been restricted by laws. There is no State

LEGAL ENVIRONMENT	
2003	3.2
2002	3.3
2001	4.0
2000	3.0
1999	3.0

control over the activities of NGOs, and generally, NGOs are well protected from being dissolved by the State for political or arbitrary reasons.

However, local legal capacity of NGOs is very weak. There is only one organization that is currently giving legal advice to the

NGO community, and legal advice for NGOs outside of the capital is scarce. Although NGOs have been given tax exemption status, the administrative procedures for receiving and maintaining the public benefit status are very complicated.

Although the law allowing NGOs to earn income and to compete for Government contracts at the local and central level is favorable to the NGO community, existing taxation laws that regulate tax exemptions for NGOs are ambiguous and ill-defined. These laws have not encouraged private sector donations to NGOs.

**ORGANIZATIONAL CAPACITY: 4.3**

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Because most NGOs are engaged in activities based on priorities set by international donors, their links to constituencies remain weak. However, a few new NGOs are actively building their constituencies. These include business associations

ORGANIZATIONAL CAPACITY	
2003	4.3
2002	4.2
2001	5.0
2000	4.5
1999	4.5

promoting locally produced goods and human rights associations dealing with the issue of the missing persons. NGOs with the strongest links to

their constituencies are service delivery organizations, professional associations, and human rights NGOs. Many of these NGOs were active during the 10 years of

Kosovo's peaceful resistance to the Milosevic regime before 1999, a period known for wide-spread volunteerism. These NGOs are still benefiting from that past.

Few NGOs have clearly defined missions or incorporate strategic planning techniques into their decision making. A small number of NGOs have taken the initiative to build internal management structures, mainly responding to pressure from international donor organizations. However, the division of responsibilities between Boards of Directors and staff members is poorly defined.

Due to decreased funding, NGOs are losing key staff members to the private sector or to international organizations. Nev-

## 2003 NGO Sustainability Index

ertheless, most NGOs, especially those outside the capital, are equipped with modern office equipment. In addition,

some NGOs are receiving used equipment from international NGOs that are rapidly closing their programs in Kosovo.

### **FINANCIAL VIABILITY: 5.6**

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International donors remain the primary source of funding for the majority of issue-oriented NGOs. However, a small number

<b>FINANCIAL VIABILITY</b>	
2003	5.6
2002	6.0
2001	6.0
2000	6.0
1999	6.0

of NGOs dealing with post-war related issues have successfully raised funds from local sources as well as the Kosovar Diaspora. These include the Association of the Missing and Abducted

Persons During the War, The Association of the War Invalids, and the foundation "Friends of Kosovo Protections Corps."

Most NGOs are facing severe cuts in the level of funding they receive from international donors. NGOs are used to functioning with large budgets and have difficulties

adjusting to smaller scale projects and smaller levels of funding.

Although the number of NGOs with sound financial management systems in place is small, it is larger than it was a year ago. Independent auditors conducted audits of a dozen NGOs, and the NGO Registration has made all annual financial reports of NGOs with public benefit status available to the public.

Despite the very favorable legal framework, there are almost no NGOs that have competed for Government contracts or that are seeking to earn revenues from Government services.

### **ADVOCACY: 3.8**

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As more NGOs start to engage in advocacy, the problem of a two layered government, involving the

<b>ADVOCACY</b>	
2003	3.8
2002	4.1
2001	5.0
2000	4.5
1999	5.0

PISG and UNMIK, and of the issue of undefined competencies between the two is becoming more evident and is proving to be an impediment

to several ongoing advocacy campaigns and is a discouraging factor for NGOs that plan to engage in advocacy. Unfortunately,

the so called "gray areas of responsibility" cover very large sectors of political and social life. These include rule of law, security, tax policy, elections, and macroeconomic policies. Since these are mostly central level government concerns, this provides an explanation as to why NGOs advocating on the local level have been much more successful than those in the capital.

Nevertheless, the relationship between NGOs and the PISG, at both the local and central level is described by many NGOs

as excellent. Local and central government see NGOs as resources from which expert opinions can be sought. For example, the NGO Internet Provider Kosovo (IPKO) was invited to the first ever public hearing of the Kosovo Assembly organized by the Committee on Telecommunications. IPKO was consulted on the benefits of a liberalized telecommunication market. However, some Parliamentary Committees have not been as receptive to NGO expertise. Such is the example of the

Gender Equality Committee, which rejected input from the women's rights NGOs and other organizations dealing with issues of gender equality.

There are an increasing number of examples of NGOs lobbying individual politicians, but it is unclear whether the response of these politicians is due to NGO lobbying or to the influence of powerful donors affiliated with these lobbying organizations.

### **SERVICE PROVISION: 4.8**

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NGOs continue to provide a range of services, but on a much smaller scale than

<b>SERVICE PROVISION</b>	
2003	4.8
2002	5.0
2001	4.0
2000	5.0
1999	4.0

before. These services are in the areas of health, education, humanitarian relief and housing. However, the goods and services that these NGOs provide do not necessarily reflect the

needs of their constituencies, but rather the priorities of their respective donor organization.

During the past year it has been noted that goods and services that go beyond basic social needs have started to be provided to constituencies broader than the NGO's

own membership. However, the notion of recovering any of their costs by charging fees for these goods and services remains unacceptable to the NGO sector.

The government generally respects the service delivery NGOs. However, there are cases where local government has felt threatened by the respect that these NGOs have gained within their communities. Some governments have subsequently tried to control and/or take credit for NGO achievements. There are no examples of government grants or contracts enabling NGOs to provide services.

### **INFRASTRUCTURE: 3.5**

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<b>INFRASTRUCTURE</b>	
2003	3.5
2002	3.7
2001	4.0
2000	5.0
1999	5.0

There are a number of NGO resource centers functioning throughout Kosovo. These centers provide various services

ranging from making physical infrastructure available to NGOs, to providing training and one-on-one technical assistance. For example, the NGO Resource Center in Pristina provides legislative briefings for NGOs and serves as a forum for the public discussion of laws that are pending in the Kosovo Assembly. All of these centers are

## 2003 NGO Sustainability Index

well equipped and are connected to the internet, however, many are facing serious funding problems as major international donors are withdrawing their assistance and very few centers are earning income for their services.

There are a total of 5 grant-making foundations. Most of these serve to re-grant international donor funds to NGOs. One exception is the Union of Funds for Reconstruction of Kosovo (UFORK) which is re-granting funding that has been collected locally and from the Diaspora during the 1990s.

During the past year, it was common for NGOs working in the same sector to coalesce, share information, and organize networks. For example, women's rights NGOs have established the Kosovo Women's Network, youth NGOs have established the Kosovo Youth Network, and political process NGOs established networks for monitoring elections. However,

the NGO sector as a whole does not currently have an organization or committee through which it can promote its interests.

The number of local trainers that provide courses in NGO management is increasing, and basic management training is available to NGOs, especially in the capital. In addition, more advanced training is becoming available to NGOs, and course materials are available in local languages.

There is also an increase of NGOs working in partnership with local businesses and media to achieve common objectives, but these activities are in initial phases of development. Nevertheless, different sectors are becoming aware of the advantages of cross-sectoral partnerships.

### **PUBLIC IMAGE: 3.9**

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Print media, in particular broadcast media, followed the work of NGOs very closely in 2003. This is most likely due to the need of broadcast media to fill their program schedules with programs of local content. Nevertheless, the coverage provided positive analysis of the roles that NGOs play in civil society.

<b>PUBLIC IMAGE</b>	
2003	3.9
2002	3.9
2001	4.5
2000	4.0
1999	3.5

The perception of NGOs is generally favorable. However, the fact that some NGO leaders drive expensive cars and receive large salaries is damaging the public perception of the NGO sector.

Partnerships between NGOs, the private sector and government are beginning to emerge - an indication that NGOs are well perceived by other sectors. Nevertheless, the NGO sector has not adopted a code of ethics, which is generally damaging to the sector.