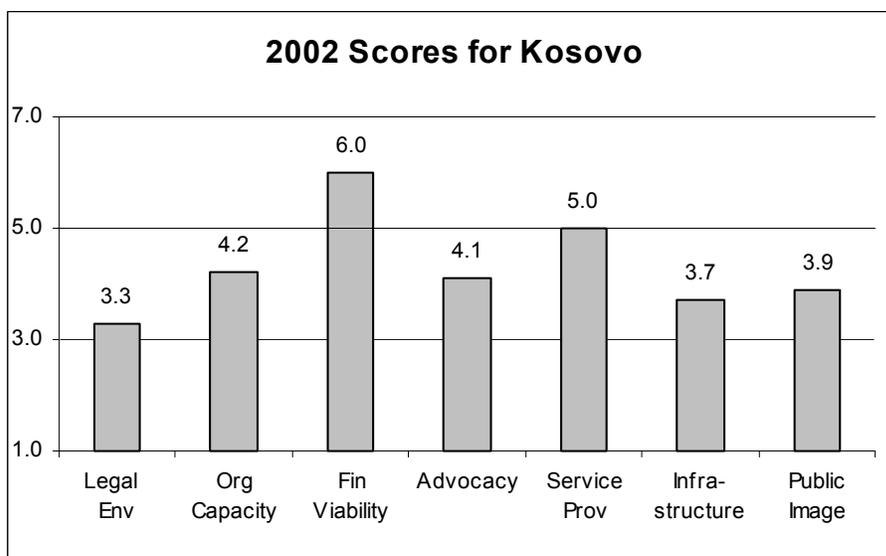

KOSOVO



Capital:
Pristina

Polity:
International protectorate

Population:
1,850,000

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

NGO SUSTAINABILITY: 4.3

As Kosovo moves from a focus on relief to development, the NGO community is transforming its role from one of primarily service provision to issue-oriented advocacy. In part, this is the result of the United Nations Mission in

NGO SUSTAINABILITY

2002	4.3
2001	4.6
2000	4.6
1999	4.4

Kosovo (UNMIK) transferring powers to elected governing structures, the Provisional Institutions of Self Governance (PISG), as well as internationally-sponsored programs, including the USAID-funded Kosovo NGO Advocacy Project (KNAP), implemented by the East West Management Institute (EWMI). Although the relations between the NGO community and the PISG structures are excellent, the Kosovar NGOs are faced with the challenge of holding those with

limited powers (PISG) accountable while those with power, UNMIK, are not accountable to civil society. UNMIK is often criticized for developing policies under a shroud of secrecy.

Currently, out of more than 1,000 registered NGOs in Kosovo, at least 50 Kosovo-wide organizations have taken serious steps to build their institutional capacity, through the development of governing policies and mission and vision statements, and becoming leaders and experts in their respective fields. However, the majority of NGOs are facing an uphill battle to survive as funding from international donors dwindles rapidly. In the past year, Kosovar NGOs have elevated their public image, have begun to build coalitions, and are working and sharing information horizontally (NGO to NGO) as well as vertically (NGO to donor).

LEGAL ENVIRONMENT: 3.3

Kosovo has a very favorable NGO registration law that allows NGOs to register

LEGAL ENVIRONMENT	
2002	3.3
2001	4.0
2000	3.0
1999	3.0

easily, either with or without public benefit status and the associated benefits. Since 1999, the NGO registration office has registered approximately 1,000 associations and

foundations.

The PISG does not have the capacity to monitor NGOs. As a result, there is no interference in the daily work of Kosovar NGOs. However, some NGOs are concerned that the lack of financial controls by the relevant government institutions

is allowing NGOs to abuse their public benefit status.

In general, NGOs, lawyers, media and government officials are not familiar with NGO laws. However, the situation has improved over the last year. Namely, NGOs have additional experience with the law and two organizations have been established that provide legal advice to NGOs.

There are no laws that provide tax exemptions to NGOs, allow deductions for donors, or regulate taxes on grants. Nevertheless, the law allows NGOs to earn income on the services they provide.

ORGANIZATIONAL CAPACITY: 4.2

As a result of the large number of international organizations (over 500) active in Kosovo after the war, many Kosovar

ORGANIZATIONAL CAPACITY	
2002	4.2
2001	5.0
2000	4.5
1999	4.5

NGOs developed in response to employment opportunities rather than civic responsibilities. As such, the majority of NGOs revolved around

one individual and functioned primarily as contractors for international organizations. The mission statement of most NGOs is broad, in order to increase their eligibility for a wide range of donor projects. The development of the NGO sector was also distorted by the fact that international organizations generally rewarded those NGOs that had been involved in the implementation of donor-driven projects rather than those that attempted to develop their institutional capacity.

However, NGOs are now beginning to focus on increasing their institutional capacities as the situation changes. Therefore, an increasing number of NGOs are becoming more transparent and clearly dividing responsibilities between board and staff members, as well as expertise in a field, and a clearly defined mission and vision.

Despite the problems mentioned earlier, the work that local NGOs have done in cooperation with international development and relief agencies has helped to narrow the gap in organizational capacity between these two groups. As a result, NGOs are putting more effort into developing constituencies. After a 'golden age' of voluntarism during the 1990s and the sharp fall after the war in 1999, the rate of voluntarism is increasing steadily as NGOs focus more on their constituents' needs and as the situation stabilizes.

NGOs are especially successful in networking with other NGOs in order to

reach their goals. As a result of outside funding, most NGOs have modernized basic equipment.

FINANCIAL VIABILITY: 6.0

Financial viability remains the most daunting challenge to the sustainability of Kosovo's NGO sector. As opposed to improvements in other areas of NGO sustainability, the financial situation continues to deteriorate as a result of cutbacks from international donors. Additionally, Kosovo's weak economy and high unemployment rate make it continually difficult for NGOs to pursue indigenous funding.

FINANCIAL VIABILITY

2002	6.0
2001	6.0
2000	6.0
1999	6.0

Many NGOs continue to serve as implementers/contractors for hire by in-

ternational donors in order to continue receiving funding. However, as NGOs move away from service provision to issue-oriented advocacy, they have also begun to seek funding from donors outside of Kosovo.

Advocacy NGOs are finding it particularly difficult to cover their operating costs. As a result, many NGOs are trying to reduce their overhead costs, through measures that include cutting staff with salaries inflated by the influx of donors following the war. At the same time, NGOs are beginning to seek domestic funding sources, most notably from leading businesses.

Advocacy campaigns in 2001 did not extend beyond raising awareness on various issues. In contrast, in 2002, NGO networks successfully influenced decision-making at the local and central level. For example, an advocacy campaign by the Gjakova NGO Forum, together with KNAP partners ICNL and IKDO, resulted in the adoption of a regulation moderating NGO and public participation in the work of the Municipal Assembly and government. At the central level, the 25-NGO strong Advocacy Network – AvoKo – successfully pushed for open Parliamentary Committee meetings in the Parliamentary Rules and Procedures. The Rules and Procedures are expected to be adopted by the end of 2003. AvoKo members are currently monitoring the adoption of the law.

ADVOCACY: 4.1

The advocacy capacity of Kosovar NGOs has increased significantly over the past year as leading NGOs make the transition from reactive service-providers to proactive agents of change. As a result, NGOs in Kosovo have made some breakthroughs in influencing policymaking, by successfully networking to advocate at both the local and central levels and by building cooperative relations with local and central institutions of self-governance. For example, at the local level, NGOs are beginning to exercise the right to participate in the meetings of the Municipal Assembly.

ADVOCACY

2002	4.1
2001	5.0
2000	4.5
1999	5.0

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While NGOs have successfully influenced policy-making with local Kosovar governing bodies, they have not succeeded in

opening up the UN Mission in Kosovo to NGO input.

SERVICE PROVISION: 5.0

The strongest NGOs involved in service delivery were functioning successfully before the war, providing basic social services in the areas of health, education, relief, housing, etc. Currently, these NGOs

SERVICE PROVISION	
2002	5.0
2001	4.0
2000	5.0
1999	4.0

find themselves weaker than ever as service provision after the war became donor driven. As mentioned previously, these funds are now disappearing, and these

organizations have lost much of their original constituencies.

Despite being donor-driven, goods and

services provided by NGOs generally reflect the needs and priorities of their constituencies and communities. However, NGOs have not been able to tackle the full myriad of issues in Kosovo. For example, NGOs have not addressed two of the biggest problems – electricity and water – at all.

UNMIK still fails to recognize the work of service-providing NGOs. On the other hand, the elected structures of the PISG generally value the work of service-providing NGOs. Despite this, there are still not established procedures for government structures to provide grants or contracts to NGOs to deliver services.

INFRASTRUCTURE: 3.7

Kosovo NGOs benefit from various NGO resource centers that offer Internet access, space for meetings, training on different topics, use of office equipment, statistical information, libraries, etc. In addition to the general

INFRASTRUCTURE	
2002	3.7
2001	4.0
2000	5.0
1999	5.0

NGO Resource Centers, such as the ones that spun-off from OSCE structures, there are also a

number of centers focusing on specific fields, for example humanitarian work, gender issues, and advocacy. Most of these centers are directly funded by international donors and have not yet become self-sustainable.

There are four grant-making foundations in Kosovo, all of which are primarily funded by international donors. These organizations have not yet begun to raise local funds to address locally-identified needs and projects. These leading foundations have built their institutional capacity to a high level.

NGOs are looking for different ways to replace the OSCE-initiated Kosovo-wide NGO Assembly, after it failed to deliver. NGOs have created structures to share information and promote cooperation within the sector through different NGO networks and coalitions.

Over the past year, significant efforts were made to create a Kosovo-wide team of local trainers in NGO management and a considerable number of NGOs have at-

tended Kosovo-based trainings on the issue.

The past year has also witnessed major improvements in communication between NGOs and media, NGOs and the government, and NGOs and local businesses.

These improvements have resulted in successful initiatives for achieving common objectives and are largely a result of NGOs becoming aware of the benefits of networking and coalition-building in achieving their goals.

PUBLIC IMAGE: 3.9

Over the last year in particular, local NGOs enjoyed very positive media coverage at the local and national levels. As

PUBLIC IMAGE	
2002	3.9
2001	4.5
2000	4.0
1999	3.5

NGOs have become more experienced, specialized and active, and develop relationships with journalists, they have increasing success in publicizing their activities and promoting their public image. As a result, the public now understands the role

of NGOs better and is increasingly supportive of NGO activity overall.

Due to NGOs' success in developing intersectoral partnerships and implementing advocacy initiatives, businesses and local and central government bodies have started to view NGOs as trustworthy partners in reaching their own objectives. This is demonstrated, for example, by government's openness to NGO approaches for cooperation or simply sharing of information.