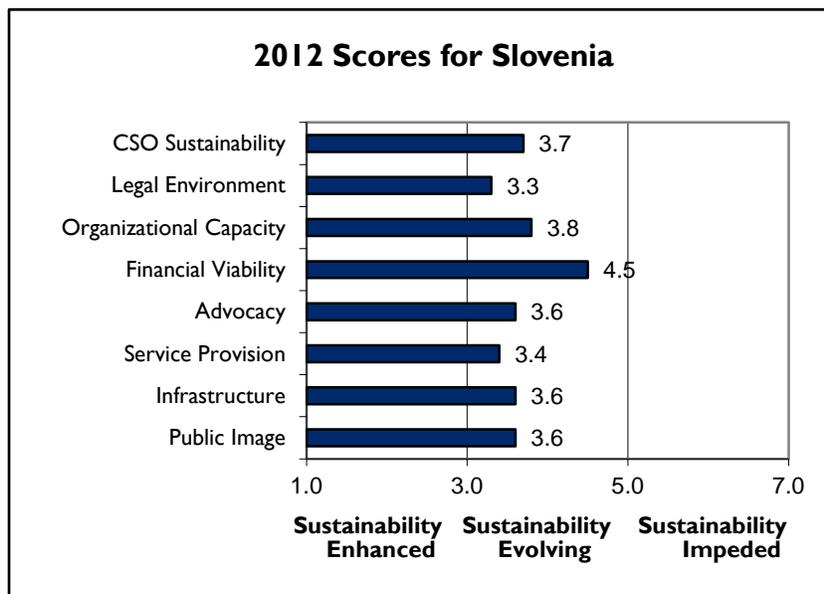


# SLOVENIA



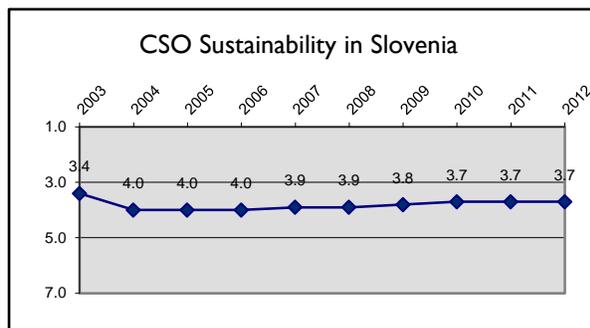
**Capital:** Ljubljana

**Population:** 1,992,690

**GDP per capita (PPP):** \$28,600

**Human Development Index:** 21

## CSO SUSTAINABILITY: 3.7



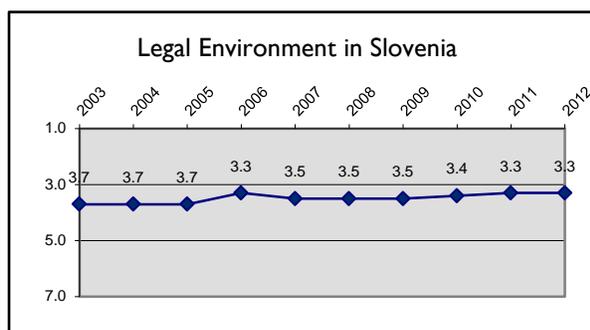
Slovenia’s new right-wing government began its four-year term at the end of January 2012. Some of its actions and decisions have already affected the CSO sector significantly. For example, in line with its efforts to save money as a result of the economic crisis, the government decided to combine and reorganize ministries, abolish over 100 consultative bodies, pass a supplementary budget, and pass more than forty laws in thirty days. These actions have harmed CSOs’ financial viability and advocacy efforts.

In response to these actions, CSOs have formed coalitions, organized campaigns, and increased their visibility in the media. The sector’s public image improved due to the quick response of humanitarian organizations to the increasing number of poor people and advocacy activities criticizing the government’s decisions. In addition, youth and social organizations provided a variety of services during the public sector’s strike, which was organized due to budget cuts and the consequent decrease in salaries of public officials.

There are approximately 25,000 CSOs in Slovenia, including more than 22,500 associations (an increase of 500 in the last year), 2,350 private institutes (an increase of 350 in the last year), and 250 foundations (an increase of 10 in the last year). The majority of organizations work at the grassroots level. It is unclear how many of these organizations are actually active.



## LEGAL ENVIRONMENT: 3.3



The legal environment governing CSOs in Slovenia remained unchanged in 2012.

The Slovenian parliament passed the Act on Volunteering in February 2011, making 2012 the first year in which the Act was fully implemented. While the law is a positive step, many of the provisions have proved to be too demanding for smaller voluntary organizations in practice. By the beginning of November 2012, just 402 organizations were listed in the registry of voluntary organizations. The low

number of registered voluntary organizations is mostly due to the fact that CSOs view the registry as additional administrative work with few benefits. Among other things, voluntary organizations are required to submit an annual report to the Ministry of Public Administration stating the number of hours and the areas in which volunteers worked. The Act on Volunteering calls for annual awards for outstanding achievements and the reimbursement of expenses to volunteers. A draft of the Personal Income Tax Law that was in parliamentary procedure at the end of 2012 would ensure that this income is not taxed.

The Act on Social Entrepreneurship was passed in 2011; in July 2012, the government passed an implementing regulation which makes it possible to register a social enterprise. In the first four months, only four social enterprises were registered, although significantly more organizations run businesses in accordance with the principles of social entrepreneurship. The small number of registered organizations is partly due to the fact that registration itself does not provide any benefits to social enterprises.

In 2011, the government also passed the Act on the Promotion of Balanced Regional Development, which recognizes the important role of CSOs in regional development. Unfortunately, the new government changed the law, decreasing the number of CSO representatives and reinstating the power of mayors in Regional Development Councils.

Although CSOs still cannot register on-line, registration is simple and inexpensive, and can usually be completed in less than a month. As a result, the number of registered organizations continues to grow. Legislation clearly defines the registration, operation, and reporting requirements of CSOs and there is no unwarranted state control. CSOs can earn income from the provision of goods and services and compete for government contracts and procurements.

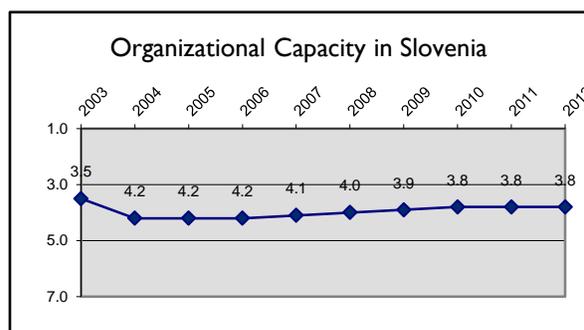
The taxation of CSOs is still rather unfavorable. CSOs do not pay taxes on grants received from the public budget, but receive no other tax exemptions. CSO economic activities are taxed at the corporate rate and the deduction for corporate donations is only 0.5 percent. Individuals can allocate 0.5 percent of their income tax to public benefit organizations, trade unions, or political parties. Some positive changes were made to the tax legislation this year. Amendments to the Corporate Income Tax Act will broaden the purposes for which donations can be considered tax-deductible to include all public interest purposes. The law was still in the parliamentary procedure at the end of the year and is expected to be passed at the beginning of 2013.

CSOs have access to free legal aid at the local, regional, and national levels.

## ORGANIZATIONAL CAPACITY: 3.8

The organizational capacity of Slovenian CSOs remained largely unchanged in 2012.

CSOs actively seek to build local constituencies for their initiatives. CSOs are particularly successful in promoting volunteerism. For example, 270,000 volunteers picked up over five tons of garbage around the country in the second Let's Clean Slovenia action in March 2012. Slovene Philanthropy, an organization that promotes voluntarism, annually organizes A Day for Changes which is aimed at encouraging people to be active in their communities. This year, volunteers implemented approximately fifty actions.



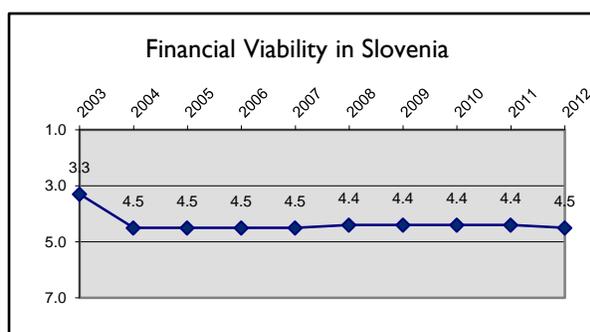
CSOs generally have clearly defined missions in their founding acts, but only bigger organizations engage in multi-year strategic planning.

Legislation sets out the basic requirements for internal management structures. All CSOs have governing boards and the majority of associations and foundations also have supervisory boards. Many organizations, however, report that supervisory boards do little more than confirm the reports prepared by the governing board.

CSOs employ approximately 7,000 people, or 0.74 percent of the active population in Slovenia. The majority of employment is short-term, and the employment rate has not changed significantly in the last decade. According to the reports submitted to the Ministry of Public Administration, in 2011 registered voluntary organizations utilized 27,014 volunteers who worked 4,296,348 hours.

CSOs are technically well-equipped. Many CSOs use second-hand office furniture that they collect through ads on Facebook or other social media. Some organizations choose their suppliers according to their carbon footprints.

## FINANCIAL VIABILITY: 4.5



The financial viability of CSOs significantly decreased in 2012 due to the financial crisis and corresponding budget cuts. In some areas, state funding for CSOs was cut in half. In the course of preparing the supplementary budget, all payments from the national budget were temporarily stopped. Consequently, CSOs experienced significant delays in getting reimbursed for costs and receiving project payments. As mentioned above, the new government reorganized the ministries. For example, three former ministries – the Ministry of Culture, Ministry of Education and Sports, and

Ministry of Higher Education, Science and Technology – were combined into a single Ministry of Education, Science, Culture, and Sports. This process also delayed calls for proposals and payments. Local government support of the sector appears to have decreased as well.

Banks are now more hesitant to approve loans than before. In addition, as banks are not as familiar with the work of CSOs, they perceive them as being less trustworthy than companies. As a result, CSOs rarely get loans that could help them overcome their cash flow issues. This has led to a decrease in the submission of

project applications and further deterioration of the financial viability of the sector, since organizations do not have any other resources that would enable them to finance their projects until they are reimbursed by donors.

On the other hand, the Foundation for Disabled and Humanitarian Organizations, which re-grants funds from the national lottery, distributed more funds than planned this year. CSOs are also able to apply for annual awards from the Erste Foundation (for social integration), Unicredit Foundation (for social enterprises), and Foundation Sklad 0.5 (for social innovations). Si.mobil, a mobile phone operator, together with Umek, a famous Slovenian dance-music composer and DJ, organized their annual “Party with a Cause”, through which they raised €26,335 for a project selected through votes collected on Facebook. In 2012, CSOs received approximately €3.7 million from the 0.5 percent mechanism, slightly more than in 2011.

CSOs complain about the complicated application, management, and administrative procedures required by European funds, including European Structural Funds and the European Refugee Fund. In addition to the standard European Commission’s (EC) funding requirements, Slovenia chose to impose additional obligations on grantees, requiring them to back up each project cost with appropriate documentation.

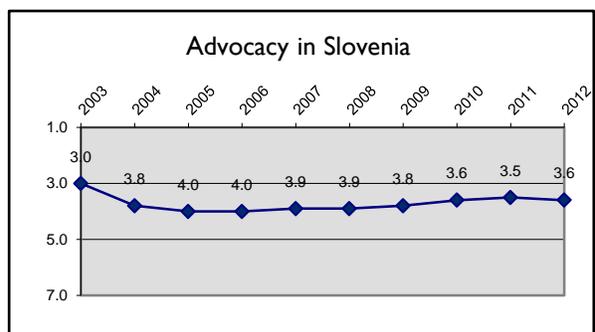
CSO funding sources are diversified. Grassroots organizations get most of their funding from membership fees and individual donations, while larger national organizations get a majority of their funding from public sources and donations. According to the Agency of the Republic of Slovenia for Public Records and Related Services (AJPES), approximately 40 percent of CSOs’ income is from economic activities.

Fundraising through collection boxes has become a common practice lately. Some CSOs form partnerships with big food chains or supermarkets. For example, Association SOS Telephone cooperated with McDonalds and the Foundation for Helping Children worked with Lidl. The CSOs place donation boxes in the stores and the companies promote them through billboards and TV ads.

Slovenia has clear accounting rules that differentiate by the types and sizes of legal entities. CSO annual reports have to be approved by the boards of directors and sent to AJPES.

## ADVOCACY: 3.6

Advocacy capacity in Slovenia decreased in 2012, mainly because of the new government’s disregard for inclusive decision-making processes. Although the Resolution on Legislative Regulation and Rules of the Procedure of the Government establishes clear rules for public consultations, the government regularly breaches these norms. The Center of NGOs Slovenia (CNVOS), the CSO umbrella organization, regularly monitors breaches of the requirements for public consultations, which should be thirty to sixty days long. From March to September 2012, ministries prepared 212 drafts; in 171 cases (81 percent), these requirements were not met. The majority of legislation passed this year was prepared in an urgent manner, which shortened the legislative procedure. The Ombudsman, Commission for the Prevention of Corruption, Court of Audits, trade unions, and CSOs spoke out in the media several times this year about the dangers of rapid decision making.



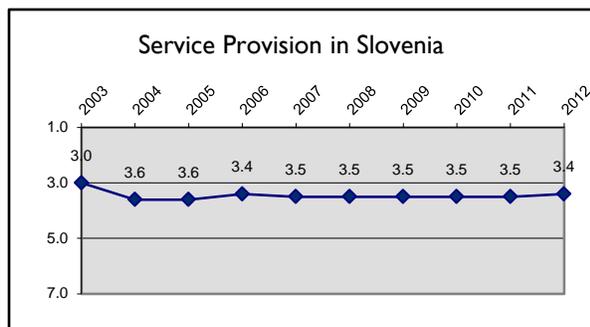
Shortly after the new government came into office, it abolished 128 consultative bodies and councils due to budget cuts, thereby significantly decreasing the number of mechanisms CSOs could use for advocacy. As the decision was made suddenly and was not based on any analyses, CSOs, as well as academia and media, were unsuccessful in protesting the decision.

On the positive side, in March 2012, the government established the Council for the Development of Voluntarism, Voluntary, and Non-Governmental Organizations. The Council includes nine CSO representatives, nine ministry representatives, and one academic representative, and is the first governmental consultative council presided over by a CSO representative. In addition, the Ministry of Agriculture and Environment has worked with CSOs to establish five working groups focused on climate change, organic agriculture, sustainable energy, green development, and financing.

CSOs regularly engage in public advocacy campaigns. Some of the most visible campaigns in 2012 were connected to the referendum on the Family Act. Among other issues, the proposed Family Act would have introduced gay marriages and allowed for the adoption of a child by homosexuals. CSOs carried out broad campaigns both for and against the law, which was ultimately rejected. CSOs also advocated against the building of a new thermal power plant, arguing that the project was not needed and not cost-effective, and that Slovenia should invest in renewable sources of energy instead. Unfortunately, the government still approved the project.

CSOs also worked together to negotiate better funding conditions for their work. While the coalition of CSOs working in the field of social security successfully negotiated only a 6 percent decrease in public funding, the coalition of cultural organizations failed and their funds were cut more substantially. Campaigns were supported by social media and different online platforms, such as *Tretji člen* (Third Link), an e-community for petitions.

## SERVICE PROVISION: 3.4



The level of CSO service provision did not change significantly in 2012. CSOs continue to offer a wide range of services in the areas of social welfare, social protection, social inclusion, culture, health, sports, and environmental protection. However, most services are offered through short-term projects, rather than long-term contracts. While there were discussions in 2011 about new legislation that would foster contracts with the civil and private sectors, this was not seen as a priority in 2012.

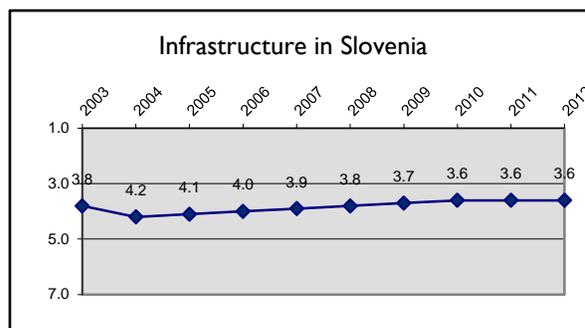
CSOs increasingly develop services in line with community needs. For example, the Center for Social Work Murska Sobota organized a debate with CSOs and municipalities to identify and find solutions to citizens' problems. CSOs demonstrated their responsiveness to community needs during the general strike in April 2012 by taking care of children when kindergartens and schools were closed. Because of decreases in funding, beneficiary contributions are increasing.

The prevalence of local partnership, a model of community work done jointly by the local authorities, CSOs, and the business sector, is growing. For example, in Postojna, all three sectors organized activities for children and youth during the summer under the coordination of the Youth Center.

The Ministry of Labor, Family, and Social Affairs developed a new program in 2012 to support social enterprises. The program distributed €4.5 million among seventeen organizations that provide a variety of services while employing different marginalized groups including the disabled and drug abusers.

## INFRASTRUCTURE: 3.6

Infrastructural support for CSOs continues to be very strong. One national and twelve regional support organizations, as well as many sectoral networks, provide information, consulting, training, support for advocacy activities, technical equipment for rent, and other services. Regional support centers offer short training programs free-of-charge, while advanced training for experienced CSO staff is available for free or a small fee. Different networks, including one working in the field of spatial planning, also provide mentoring for smaller organizations.

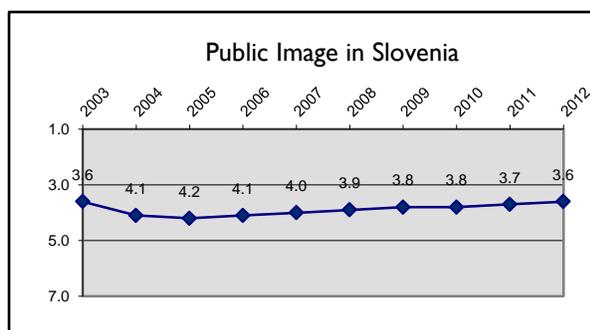


Six community foundations are registered in Slovenia, but unfortunately, they do not fulfill their missions. Some of them started to implement other activities, while others still try (mostly unsuccessfully) to raise funds on the local level.

CSOs continue to build informal coalitions in response to concrete short-term objectives, such as the coalition of cultural organizations aimed at improving funding conditions. Some long-term coalitions exist as well, including those focused on anti-discrimination and sustainable transportation policies.

On the local level, approximately fifteen municipalities have signed agreements with CSOs defining mutual areas of cooperation; ten of these agreements were concluded in 2012. Cooperation between CSOs and the business sector is increasing. For example, in 2012, CSOs organized teambuilding activities for companies' employees, such as cleaning river banks or renovating playgrounds. Another CSO action that promotes corporate voluntarism is A Day for a Change, through which companies engage their employees in voluntary efforts.

## PUBLIC IMAGE: 3.6



The public image of the sector improved significantly in 2012 as a result of increased media coverage. The media now regularly asks CSOs for their opinions on various issues. In recent years, the national media's coverage of the CSO sector has improved. For example, all national TV and radio stations, as well as the biggest daily newspapers, covered this year's NGO national fair and conference. Local media also regularly publish articles and reports about CSO events and initiatives. In addition, the biggest CSO actions this year (such as Let's Clean Slovenia and Bodi Up, a

competition that encouraged youth to come up with a verb describing voluntary work) had official media supporters.

Program staff are usually responsible for public relations, although some CSOs have professional public relations staff. Some CSOs have regular contacts with journalists or at least keep track of journalists covering their area.

Due to their response to the increasing poverty in the country, humanitarian organizations have a very positive public image, as do fire brigades, human rights organizations, and other organizations. While individual organizations may have a positive image, the same can not be said of the sector as a whole. The

public recognizes the importance of specific organizations, but still thinks that CSOs as such are unnecessary. The same goes for decision makers, who often refer to the CSO sector as troublemakers. Despite this, CSOs are sometimes acknowledged positively. For example, the Secretary General of Slovenian Karitas received the Golden Order of the Republic of Slovenia from the President of Slovenia. The business sector also has a positive perception of humanitarian organizations and CSOs providing social services, and is most likely to cooperate with these types of organizations. On the other hand, businesses feel that environmental CSOs hinder the development of large infrastructure projects.

Slovenian CSOs developed the NGO Quality Assurance System several years ago. CSOs can choose to implement the system themselves or to be certified. Due to the lack of financial resources, most organizations have opted for self-regulation lately. CSOs have to submit their annual reports to AJPES. National organizations often publish their reports online as well.