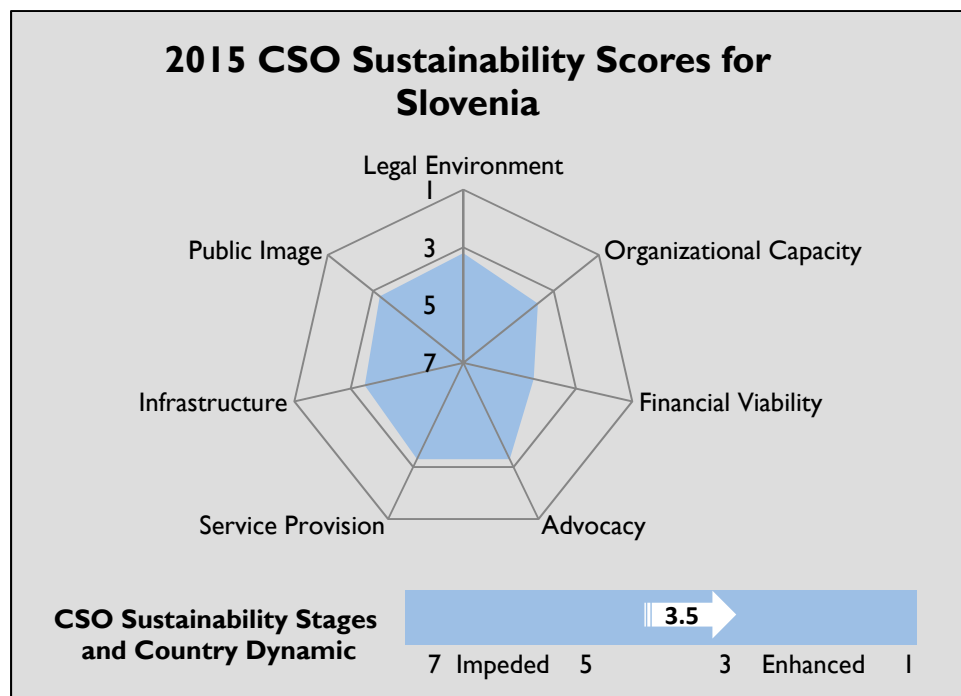


SLOVENIA



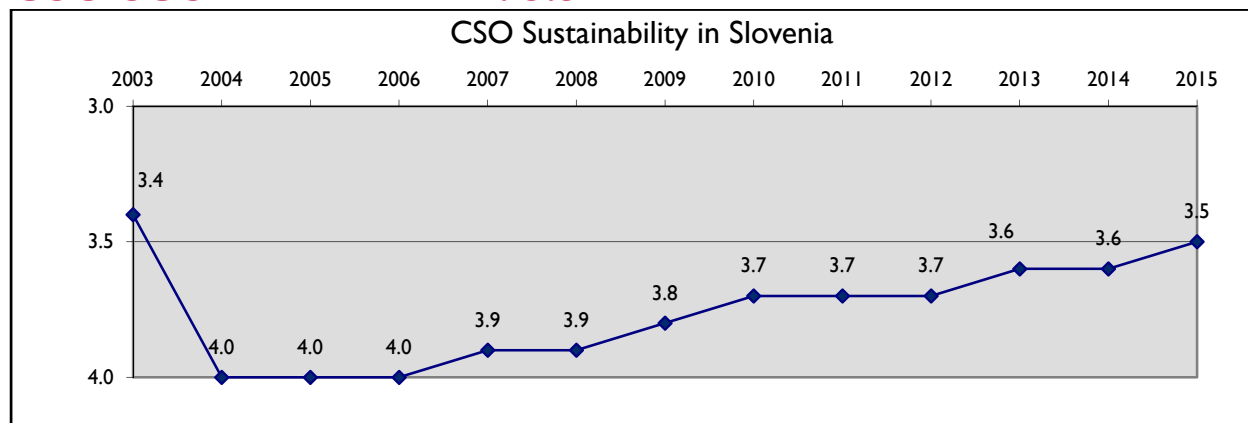
Capital: Ljubljana

Population: 1,983,412

GDP per capita (PPP): \$30,900

Human Development Index: 25

CSO SUSTAINABILITY: 3.5



CSO sustainability in Slovenia was enhanced in 2015, with improvements noted in organizational capacity, financial viability, advocacy, and public image. Following the disruption of many state activities in the run-up to the 2014 parliamentary elections, legislative processes became stable again in 2015 under the new government. This new stability facilitated CSO advocacy efforts, which resulted in the adoption of legislation and strategies during the year. More achievements are expected in 2016 as a result of advocacy efforts in 2015. In addition, public authorities increasingly recognize CSOs, including them more frequently in existing and new consultative bodies. CSOs are engaged in the development of national strategies, as well as the implementation of public policies and services at the national level.

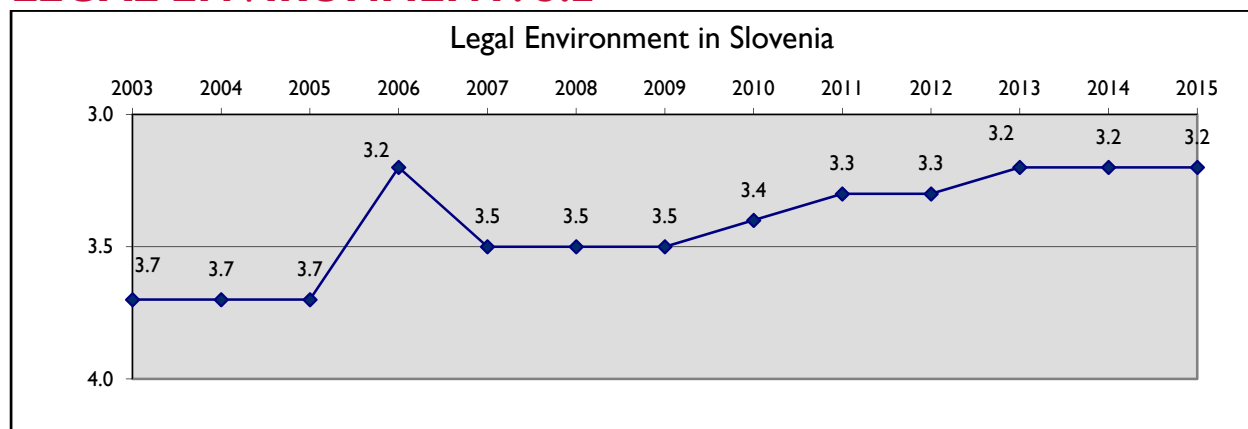
Financial viability improved in 2015 with slight increases in public funding and donations. However, the financial viability of CSOs continues to be insufficient to guarantee their long-term survival and CSOs

struggle to keep their programs running. In addition, implementation of the new EU Structural Funds Financial Perspective fell behind schedule, raising concerns that late publication of tenders and lengthy selection processes might jeopardize its implementation. Employment in the sector increased, and the public image of the sector is improving steadily as CSOs benefit from increasingly positive media coverage.

In the second half of the year, thousands of refugees from Syria, Iraq, and other Middle East countries started to use Slovenia as a transfer country. The crisis affected several dimensions of CSO sustainability, including advocacy, service provision, and financial viability. An ad hoc CSO coalition was in regular contact with and coordinated activities with the Ministry of Interior; CSOs adapted their work to serve the refugees; and CSOs had access to additional contracts and donations to provide services to the refugees.

More than 27,000 CSOs were registered in Slovenia at the end of 2015. This number includes almost 23,780 associations, an increase of 430 since 2014; 3,035 private institutes, an increase of 225 since 2014; and 286 foundations, an increase of eight since 2014. While not all registered organizations are active, 25,440 CSOs, or 96 percent of all registered organizations, submitted an annual report for 2014. According to the Agency for Public Legal Records and Related Services (AJPES) and the Statistical Office, 40.7 percent of CSOs are registered in urban municipalities and 59.3 percent of CSOs are registered in rural areas. There are also 108 registered social enterprises, although many more companies operate as social enterprises without registering as such.

LEGAL ENVIRONMENT: 3.2



The legal environment for CSOs did not change significantly in 2015. Although several changes were made to the legislation affecting CSOs, some improved the legal environment, while others slightly increased the administrative burden on CSOs.

Core legislation regarding the registration and operation of CSOs has remained unchanged for several years. Associations register at local administrative units; private institutes register at the courts; and foundations register at the responsible ministry. For all of these entities, the procedure is shorter than a month—usually less than a week—and costs less than €100. However, CSOs still cannot register online.

The main criteria for CSOs to receive public benefit status are established in the Law on Associations and include that an organization be active for a minimum of two years and that activities are open to all, and not just to CSO members. Sector-specific legislation defines additional criteria.

Legislation is clear regarding state authority over CSOs. Registration can only be denied if clear grounds are met, such as if the CSO's sole purpose is to pursue profit or criminal activity. In addition, there are clear rules for when the state can change members of a foundation's board, such as if the board does not fulfill its legal

or statutory obligations. CSOs are required to submit annual reports and can be dissolved if they do not submit these reports for two years in a row. The law protects CSOs from being dissolved for political or arbitrary reasons. CSOs can freely express criticism and engage in any kind of advocacy or debate.

The Act on Volunteering was improved in 2015. The amendments simplify the required records for volunteer work and the preparation of annual reports; remove other bureaucratic obstacles; and make it easier for public institutions to accept volunteers. The amended Act also reduces the fines for violations, while abolishing other fines altogether.

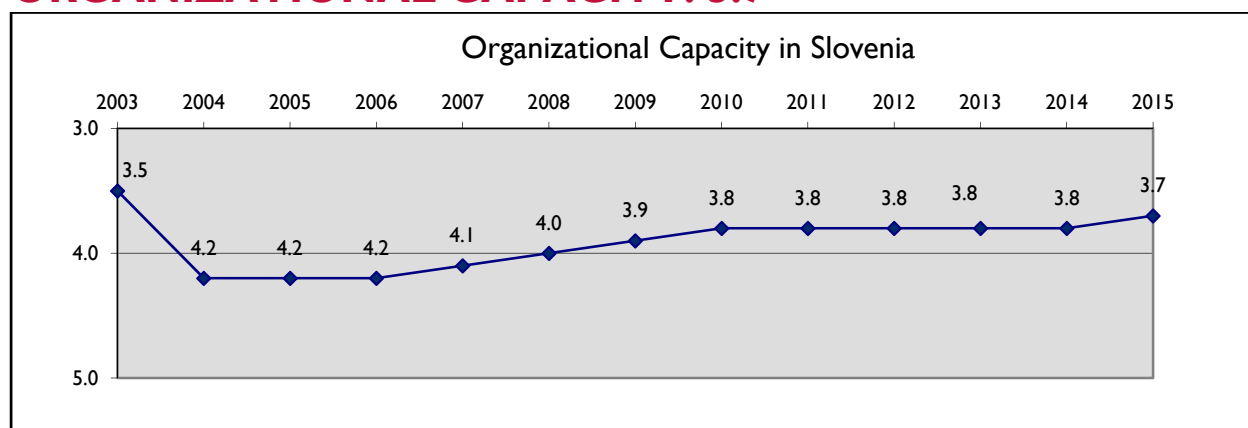
On the other hand, the Act on Fiscal Certification of Receipts slightly increased the administrative burden on CSOs. It introduces tax registers to validate receipts for cash payments. The new process requires all individuals and legal persons who receive any cash payments to use electronic devices connected to the central system of the tax authority. It imposes a disproportionate burden on smaller CSOs that do not often use the Internet or electronic devices by requiring them to acquire new electronic devices, pay for the necessary certification, and ensure there is an Internet connection when receiving cash payments, even for events that take place outdoors. In general, however, CSOs consider the measure to be justified as long as it will lead to more tax revenue and more transparent cash payment procedures. Advocacy efforts were made to exempt small CSOs with less than €10,000 of annual income from these requirements, but they were unsuccessful.

Tax treatment of CSOs is still unfavorable. The tax deduction rate 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. Donations and grants received are not taxed.

CSOs can compete for public procurements and engage in economic activity like other legal entities. CSO economic activities are taxed at the corporate rate.

CSO support organizations at the national and regional levels continue to offer free legal aid to CSOs.

ORGANIZATIONAL CAPACITY: 3.7



Organizational capacity improved in 2015, as employment increased. According to CSO professionals and as evidenced by the large number of applications for training programs, more CSOs are aware of the importance of organizational development as a result of numerous trainings offered by ISOs on such topics as strategic planning, project management, and human resource management.

CSOs continue to work closely with their constituencies, especially while carrying out charity campaigns. In 2015, CSO constituency building was most visible in the case of campaigns to mitigate the refugee crisis. A

network of CSOs was established to foster a unified response to the needs of refugees, which successfully gathered donations and volunteers.

CSOs have clearly defined missions, which are an integral part of their statutes, but many still lack detailed strategic plans. However, the use of strategic planning continues to increase since clear long-term objectives are generally part of the selection criteria for public tenders.

According to the law, management structures must be defined in the statutes of CSOs. Boards of directors are usually not involved in day-to-day operations, but instead serve as governing, supervisory, and strategic bodies. However, boards usually do not play a proactive strategic role, but instead mainly approve what was prepared by executive directors or presidents.

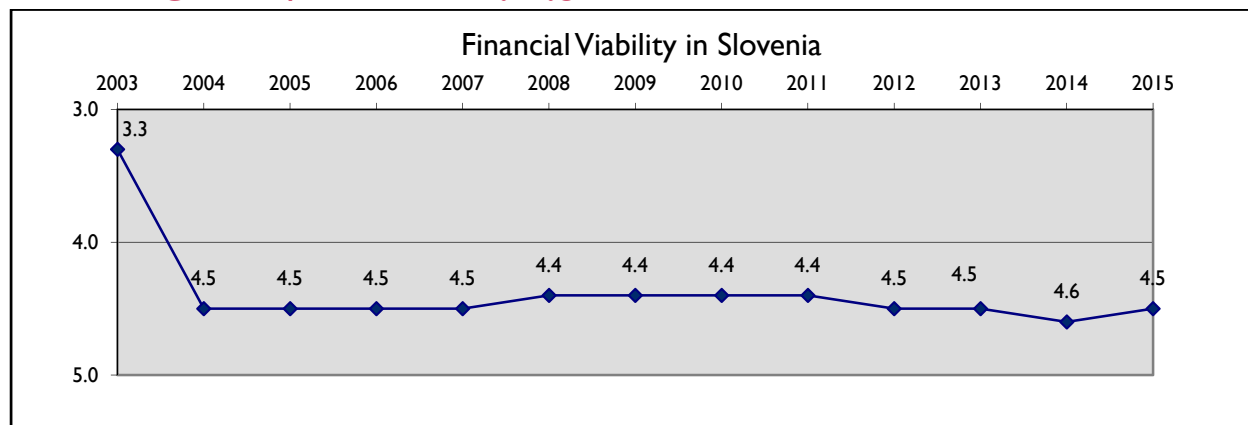
According to the latest data from AJPES, the number of employees in the CSO sector increased from 6,700 in 2013 to 7,100 in 2014, showing a continued positive trend of employment in the sector. The staff of organizations working with refugees in particular increased in 2015. For example, twenty-two new service coordinators were established with funding from the system of public works. However, when comparing this data to that of Slovenia's Statistical Office on overall employment, the percentage of the working population employed in the sector still stands at just 0.77 percent, compared to the EU average of 3.39 percent. Furthermore, CSOs still depend heavily on the system of public works, which provides subsidies to help CSOs provide year-long employment to the long-term unemployed. As a result, CSO personnel change frequently, severely affecting CSO sustainability.

Most CSOs engage volunteers in their work, though only 1,023 organizations are registered as voluntary organizations. According to the Ministry of Interior's 2014 report on volunteering, 84,206 volunteers conducted 10,056,074 hours of volunteer work in 744 organizations, a significant increase since 2013. However, the increase is mainly due to the growth in the number of organizations deciding to register as voluntary organizations and therefore recording and reporting volunteer hours. According to the 2015 World Giving Index, 35 percent of respondents in Slovenia reported that they participated in voluntary action in 2014, up from 32 percent in 2013.

CSOs are well-equipped with information and communications technologies (ICT). However, many small grassroots groups struggle to submit reports electronically because their senior management is not very familiar with ICT. The majority of CSOs use social media, especially Facebook and Twitter, as their primary channel of communication.

CSOs have some opportunities to improve their technical capacities through programs run by companies and other organizations. Microsoft's Techsoup Slovenia enables CSOs to acquire various kinds of software for nominal prices. In addition, CSO Duh časa acquires used computers from companies and individuals and gives them to small CSOs.

FINANCIAL VIABILITY: 4.5



The financial viability of CSOs improved in 2015. CSO funding sources are somewhat diversified, but not sufficiently to ensure long-term sustainability. The vast majority of funds come from public sources (39.3 percent) and economic activity, including public procurement, contracts with the business sector, and revenues from services and products (40 percent). Few CSOs engage in innovative fundraising efforts, such as crowdfunding and other campaigns.

According to data collected by the Center of NGOs Slovenia (CNVOS), public funds increased by 3.67 percent, from approximately €289 million in 2013 to €300 million in 2014.

The conclusion of the European Financial Perspective (2007-2013) continues to affect CSOs. Tenders for the new Financial Perspective (2014-2020) were delayed or published late in the year, resulting in gaps in the provision of some services, such as informal education and youth activities.

There continue to be very few public calls for funding advocacy activities at the national and local levels. Because Slovenian advocacy organizations tend to be small, they usually are not eligible for EU programs. As this trend has perpetuated for many years, there is a large gap in development between advocacy organizations and CSO service providers.

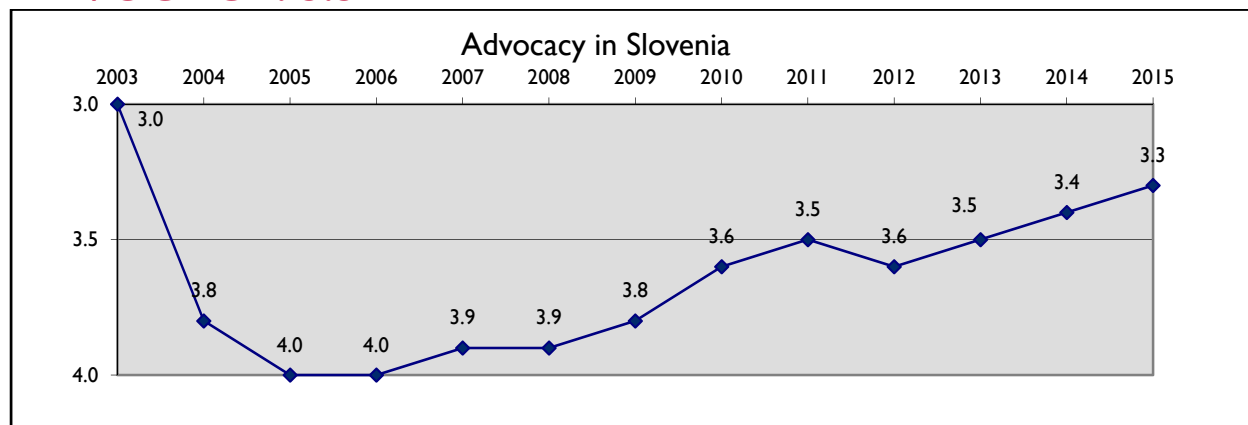
According to the 2015 World Giving Index, 42 percent of respondents in Slovenia reported that they donated to charities in 2014, compared to 41 percent in 2013. People typically donate to humanitarian organizations when a major crisis occurs. In 2015, the Syrian refugee crisis attracted such donations. However, donations linked to specific causes do not contribute significantly to the financial sustainability of humanitarian organizations.

Individuals can allocate 0.5 percent of their personal income tax to public benefit organizations. The total amount of allocated funds increased slightly from €3.5 million in 2013 to €3.65 million in 2014. The tax office transferred the amount allocated in 2014 to CSOs in September 2015.

Corporate volunteering increased in 2015. Members of the American Chamber of Commerce were particularly active in this respect, cooperating with Slovene Philanthropy, a humanitarian organization.

All CSOs must follow clear accounting requirements according to the type and size of an organization. All CSOs need to submit annual reports approved by boards to AJPES; the vast majority of organizations submit these reports in a timely manner. CSOs do not need to be audited, with the exception of associations with annual incomes of over €1 million.

ADVOCACY: 3.3



Advocacy improved in 2015. At the beginning of the year, the Ministry for Public Administration began the process of preparing the Strategy for the Development of the Non-Governmental Sector and Volunteering, which will define measures for the sector's development, including larger tax incentives for donations. The process aims to be extensive, inclusive, and democratic. It includes two national conferences, working groups consisting of many CSOs, and preparation of the draft strategy within focus groups including CSO representatives. The Strategy is expected to be adopted in February 2016.

Several other advocacy efforts fostered CSO-government dialogue in 2015. For example, CSOs formed a coordinated dialogue with the Ministry of Interior about the refugee crisis. In addition, numerous CSOs worked together to advocate for changes to the penal code with regard to domestic violence. Furthermore, CSOs have been active stakeholders in the process of adopting the Law on Integrity and Prevention of Corruption and the Act on Access to Public Information. The latter process was particularly successful. CSOs succeeded to include an amendment that guarantees free access to public information. On the basis of this amendment, public bodies can only charge for the reimbursement of material costs.

The new government has shown more openness and accessibility than the previous government, and the participation of CSOs in consultative bodies has become more prominent. For example, a new consultative body focused on youth issues was formed. In addition, CSO representatives were appointed to the Monitoring Committee for the new Financial Perspective. New Local Action Groups (LAS) for the implementation of Community-Led Local Development programs were formed for the period from 2014 to 2020, and CSOs have taken a more active role in these groups, even taking on the role as a group's president or vice president.

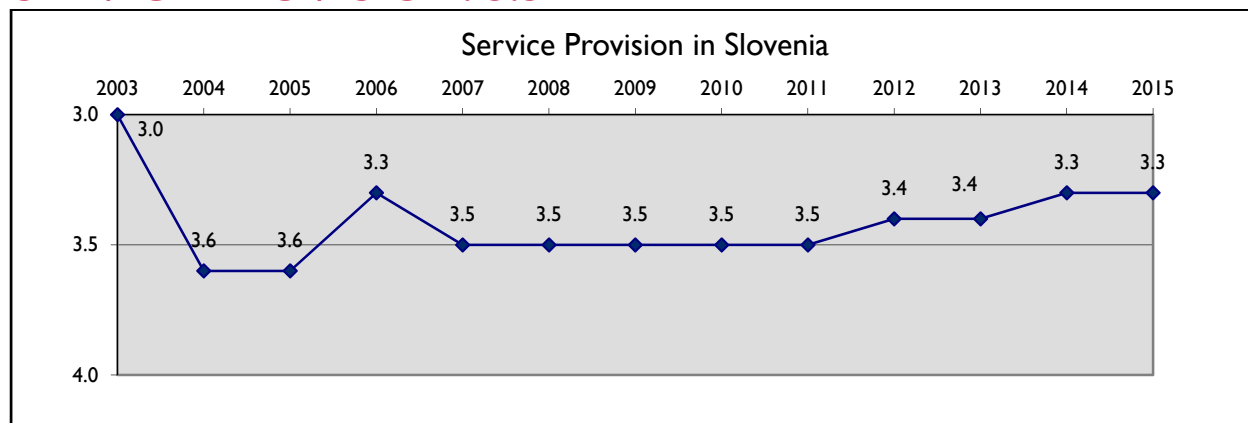
The government's openness towards public consultations also improved somewhat in 2015, although consultation deadlines are still breached frequently. According to monitoring conducted by CNVOS, since September 2015 the current government has breached the deadlines in 57 percent of cases, while the previous government breached the deadlines 65.5 percent of the time.

On the local level, after significant pressure from the Decide on Your Town campaign in the beginning of 2015, Maribor became the first municipality to take steps to introduce participatory budgeting. In the fall of 2015, the Radvanje district of Maribor ran a pilot project, which enabled residents to influence the allocation of a portion of the city budget. This is expected to become a trend, as more than fifty other municipalities committed in 2014 to introduce participatory budgeting.

The preparation of the Act on Non-Governmental Organizations (NGOs), the new core legislation to govern the CSO sector, has been underway throughout the year. CSOs have been involved significantly in the

process. CNVOS prepared the first draft of the law through broad consultations with the CSO sector. This draft served as the starting point for discussions by a working group, half of the members of which are CSO representatives. The Act is expected to be adopted in 2016. CSOs also advocated to amend the Administrative Fees Act and Court Fees Act to extend exemptions from administrative and court fees to all public benefit organizations.

SERVICE PROVISION: 3.3



CSO service provision stayed the same in 2015. CSOs continue to be prominent providers of public services, especially in the fields of social assistance, culture, sports, emergency preparedness, and fire prevention. They offer their services broadly, beyond their own memberships. CSOs also market their products to other CSOs, the business sector, and the government, especially local governments. For example, CSOs offer various training courses, consultations, supervision, mediation, and other techniques to improve the working environment and human resource management.

CSO goods and services reflect the needs of communities and constituencies. Constituencies report needs to CSOs directly. CSOs also conduct various needs assessments with the help of online questionnaires and in-person meetings. In 2015, humanitarian organizations responded to the refugee crisis by collecting donations and providing aid to refugees at home and abroad. They also came up with new ways to collect and deliver aid and established joint online platforms to publicize relevant information and mobilize volunteers.

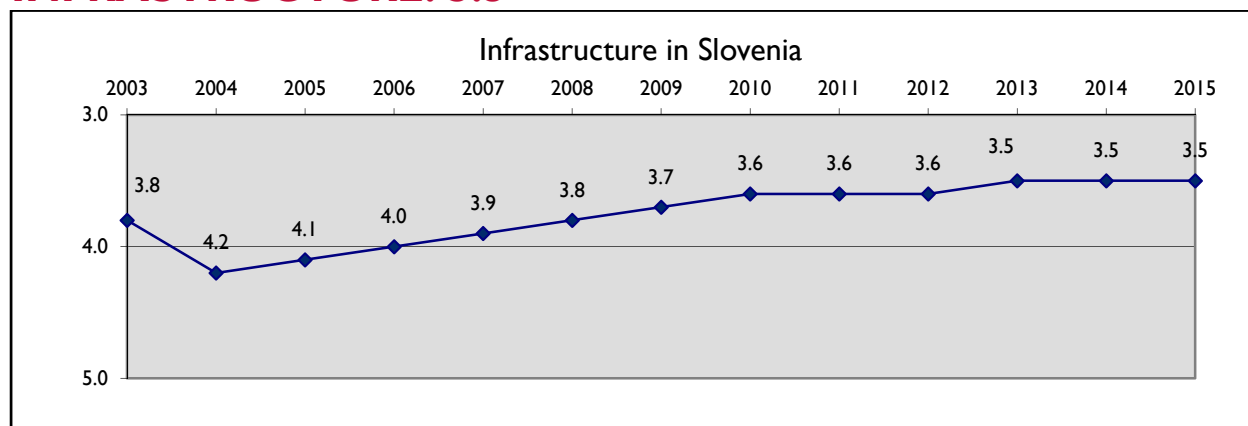
The Association of Friends of Youth's Adopted Child program, which provides sponsorship of poor children, continues to be among the more successful service programs. In 2015, the Association partnered with the company Hofer to promote the consumption of healthy and local food through a project called Ferfud. Ferfud prepared and sold food in a special vehicle at events throughout Slovenia, with all proceeds going to the Adopted Child program. The Association of Ecologists without Borders provided prominent new services aimed at reducing the amount of wasted food across Slovenia, including counselling on how to use waste and how to shop in order to produce less waste. Meanwhile, Transparency International established a new hotline for reporting corruption. The hotline can also be used by banks, which are required to have a system for reporting corruption.

CSOs are recognized as service providers in national programs and legislation in most areas. For example, according to the Law on Fire Service, voluntary fire brigades, which are registered as associations in Slovenia, are responsible for providing public fire services. Several services, including safe houses for the victims of violence and therapeutic communities for drug abusers, are co-financed with public resources. CSOs also offer services in cooperation with primary and secondary schools, using funding from the schools or parents' contributions. For example, CSOs have expanded their offerings of elective courses, which all schools must have. Despite these positive developments, CSOs still need to recover some costs for services, which is

difficult because beneficiaries are usually marginalized and vulnerable groups who cannot afford to pay for services.

The state increasingly recognizes the role of CSOs in service provision. For example, recent plans for Social Activation and Deinstitutionalization will provide CSOs an even larger role in service provision and greater financial sustainability for CSOs providing social services. At the same time, CSOs are not seen as having a role in monitoring and evaluating public services, as they still lack the requisite skills.

INFRASTRUCTURE: 3.5



Infrastructure remained at the same level in 2015.

Many intermediary support organizations (ISOs), such as national umbrella networks, regional NGO centers, and a variety of issue-based networks, are well-positioned and recognized by CSOs and national and local authorities. Two regional centers shut down in 2015, and several issue-based networks have stopped operating or were less active due to lack of funding. However, other regional hubs continued the activities of the defunct regional centers, minimizing the impact of their closure. There are currently ten regional centers and approximately 160 issue-based networks active in Slovenia. Many issue-based networks offer various services, such as free information, training, and consultancies to CSOs throughout the country, according to their needs and levels of development. Issue-based networks are mostly financed by membership fees and public funding. CNVOS and regional NGO centers are funded by the European Social Fund. In 2015, there was also an increase in co-working spaces that provide organizations with free or very cheap places to work, network, and cooperate with others.

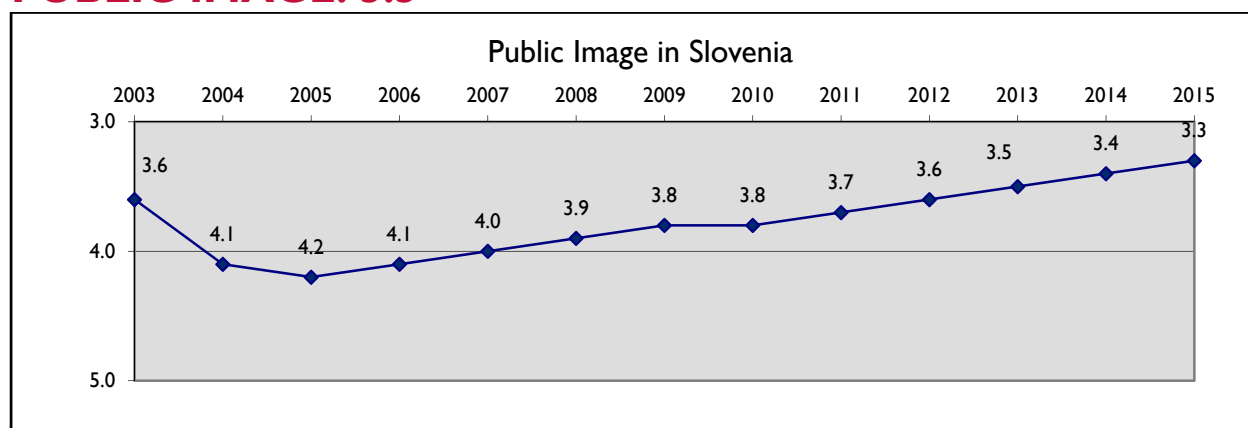
Local grantmaking organizations are still not well-developed. Grantmaking organizations that were registered almost ten years ago still operate, but they generally do not re-grant anymore, and there are few new grantmaking organizations. One exception is the Foundation for Disabled and Humanitarian Organizations, which re-granted nearly €19.2 million from the national lottery in 2015, an increase of €1.4 million from 2014.

Several new coalitions of CSOs formed in 2015, such as the Humanitarian Response Center (HOC), which formed in response to the refugee crisis, and the Coalition against Hate Speech. In Maribor, a large coalition of cultural and artistic organizations formed and created an online platform called Maribor is the Future. The platform enables organizations and individuals to promote cultural activity in the city, follow and analyze cultural and urban life, publish information on cultural events, organize seminars and workshops, publish blogs, and build collaboration among members of the platform.

CNVOS and regional NGO centers provide a wide range of free training—from short introductory courses to three-day advanced programs—covering all important issues for CSO development, including strategic planning, human resource management, fundraising, project management, lobbying, and public relations.

Partnerships between CSOs and other sectors are growing. For example, in 2015 the Cause Marketing project initiated seven joint projects by seven different coalitions of companies, CSOs, and marketing experts. All projects are socially responsible, aimed either at raising awareness about some societal problem, such as texting while driving, or donating a certain percentage of profits to a chosen CSO. Project Corporate Volunteering also continues to encourage cooperation between companies and CSOs. The public institute Cene Štupar – Center for Education Ljubljana established a center dedicated to developing business ideas with social impact. In addition to facilitating social entrepreneurship, it also facilitates cooperation and exchange of information between different sectors.

PUBLIC IMAGE: 3.3



The public image of CSOs is steadily improving. CSOs are now an integral part of national media programs. For example, Radio Slovenia 1 continues to broadcast the show Good Works, which presents different CSOs and volunteers. National television and radio programs more frequently request CSOs' opinions on societal developments. CSOs' involvement in the refugee crisis resulted in an increase in positive media coverage, as well as a limited negative response from the public.

To mark the European Year for Development, the Ministry of Foreign Affairs, in cooperation with Slovene Philanthropy and many other CSOs and media outlets throughout Slovenia, organized the Best News from the World campaign. This campaign gathered 300 volunteers in forty-one cities in Slovenia to distribute 12,500 issues of a special newspaper with positive stories from developing countries. The campaign was widely featured in Slovenian media, which also improved CSO presence in media and perception of CSOs as positive actors.

The public recognizes the role of CSOs due to their various campaigns, such as those related to the refugee crisis or sponsorship of children living in poverty, as well as their increasingly professional promotion of their activities. CSOs have more public relations staff, maintain personal contacts with the media, and have formulated communication strategies. The vast majority of CSOs have their own websites or at least a social media profile to promote their missions and activities.

National and local governments generally have a positive perception of CSOs. National government cooperates with CSOs in both service provision and advocacy. Local governments are relying more on CSOs for different activities, such as service provision and organization of local events. However, local authorities still often neglect to consult CSOs in decision making.

In light of positive and more frequent coverage of CSOs, the business perception of CSOs has improved, as demonstrated by prominent cooperation between companies and CSOs, such as in the Cause Marketing project.

A coalition of prominent CSOs aims to improve transparency in the sector. In 2015, the coalition initiated a self-regulation campaign to invite CSOs to sign a Commitment to Transparency. Annual reports of all associations, which account for 90 percent of all CSOs, are published on AJPES's website. Several organizations publish their reports on their own websites as well. Codes of conduct, however, are not very common in the Slovene CSO sector, although codes have been adopted for some areas of CSOs' work, including a code of conduct of social assistance and code of conduct of organized voluntary work.