



# Decentralized system of public funding of NGOs- since 1999/2000

- state budget (including revenues from games of chance/ lottery funds) budgets of local and regional self-government units (LRSU)
- income of public trading companies and other public institutions
- EU funds
- international public sources
- line state bodies (ministries, the Government offices) - 70-90 calls annually
- local and regional self-government units (21 counties, 129 cities, 429 municipalities)
- other public institutions
- trading companies owned by the Republic of Croatia and LRSU
- other legal entities when using public sources to finance programs and projects of associations, donate or sponsor associations
- in line with the criteria, measures and procedures of funding programs and projects in the common, public benefit implemented by associations, which are determined by the Regulation on the Criteria, Standards, and Procedures for Financing and Contracting Programs and Projects of Public Benefit Implemented by Associations (Official Gazette 26/2015, 37/2021)

# State and local financing

2021: 370.331.050, 40 euro

Increase of 25,1% to funds available for 2020

## Relevant material:

Regulation on the Criteria, Standards, and Procedures for Financing and Contracting Programs and Projects of Public Benefit Implemented by Associations (Official Gazette 26/2015, 37/2021)

[http://narodne-novine.nn.hr/clanci/sluzbeni/2015\\_03\\_26\\_546.html](http://narodne-novine.nn.hr/clanci/sluzbeni/2015_03_26_546.html)

Manual for Procedures in the Implementation of the Regulation on the Criteria, Standards, and Processes for Financing and Contracting Programs and Projects of Public Benefit Implemented by Associations

<https://udruge.gov.hr/userdocsimages/listalice/prirucnik/01/index.html#1>

Link to Governmental Office for NGOs:



# Rationale of public funding of CSOs (1)

CSOs' contribution to more efficient implementation of public policies

- environmental protection
- health care
- youth policy
- human rights
- minority protection
- etc.

## Rationale of public funding of CSOs (2)

**CSOs delivering services that are not provided by State (*care for children with disabilities, residential community of people with intellectual disabilities, resocialisation and occupational therapy etc.*) with:**

- **lower costs**
- **same quality**
- **including volunteers**
- **contributing to the development of social capital**

**CSOs delivering public interest services**  
- **tasks delegated to CSOs by special laws**  
(**mountain rescue service,**  
**road assistance, firefighting...**)

# Precondition

## **Mutual trust**

## **Understanding**

\*requirements and procedures by government from contracts, financial reporting, issuing of a call...

\*NGO and its values and commitment to work, lack of administrative staff and resources, understanding of the work and related issues: from night shifts to spending gas on AC/heating in the car, NGOs need funding for costs on a daily base (from gas to salaries to commodities)- **delays in contracting or disbursement of funds might lead to closure of programs (in prevention activities easier to loose a client than to engage new ones !!!)**

**Partnership:** government-health institutions-NGOs working together for clients/beneficiaries

**Coordination of activities** (focus in shift in use of drugs-new drugs and festivals, migrant crisis: undocumented migrant and unaccompanied minors; targeting geographical coverage)

**Human resources** (both on government and NGO side: experienced staff)

**Financial resources**

# Road to success in Croatia

## **Mutual trust, understanding, partnership and coordination !!!**

- Previous calls/ experience in social contracting since 1999/2000
- PR was Ministry of Health- led to continuation of programs
- The Global Fund grant was focused on scaling up interventions (HR already existed, LGBT organisations and 1st Gay Pride in 2002, link between programs for people who use drugs and sex workers, testing/though without counselling, initiative/idea how to organise psychosocial support to people living with HIV)
- Biggest increase in surveillance- linked to WHO Knowledge Hub/Collaborative Centre
- UNAIDS, UNICEF and UNDP projects for M&E and targeting gaps (policy level)
- Annual meetings and coordination (by GF and UN Theme Group after the grant closure)
- One year before closure of grant: agreement on minimum and maximum cost for services

## **How to best use system developed by PR (if not a governmental body):**

**Use the transitional plans, build on existing structure !!!**

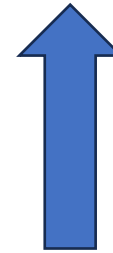
- M&E system in place
- Reporting system developed
- Audits/field visits developed
- Human resources (experienced technical staff)

**Mutual trust, understanding, partnership and coordination !!!**

## 2 models of social services funding

1. Social service contracting in the network of needs- cost per unit/beneficiary

2. Contracting of social service programmes- Calls for proposals



model used for HIV/AIDS prevention activities

## Road to success in Croatia (2)

- Since 2010, Ministry of Health issues Call for NGOs every three years
- Areas of funding:
  - Harm reduction services (needle exchange, HIV testing): people who use drugs, MSM and sex workers
  - Psychosocial support to people living with HIV (activities provided by NGOs, activities provided by hospital- direct funding from Croatian national health Insurance)
- VCT (direct transfer to Croatian National Public health Institute and county public health institutes)
- Biggest loser: HIV Surveillance (left to sporadic funding by other donors, mostly driven by NGOs)

# Problems

-Since 2010, Ministry of Health issues Call for NGOs every three years and there is usually a gap of funding before the programs continue:

Most of the programs ended by June 30 or July 31 and still no decision on new funding cycle:

- Call for proposals was issued at the end of July with deadline for submission until August 11
- Still no results on November 19
- Funding must be allocated until December 31
- Funding: 80% + 20%: first instalment at the moment of signing contracts, the second instalment after submitting interim financial and narrative report: very long delays in sending the second instalment
- Call for proposal has two steps: administrative check and evaluation process
- In 2022, few NGOs did not fulfil all administrative conditions (e.g. did not send a renting contract or forgot to sign one of the forms...) and few NGOs did not pass the evaluation criteria (with programs implemented since 2003 or even earlier)
- Ministry of Health issued another Call for proposals in 2023 to mitigate this crisis

# Solutions

- suggest social contracting for a longer period, subject to termination of the organisation does not fulfil its obligations
- implement quality assurance for long-term programs to avoid submitting proposal every three years (the question remains how to develop quality assurance: which set of criteria and avoiding too high criteria for implementation and prevent making institutions from community-based organisations, who is the one setting up the criteria, monitoring and evaluating the programs...)
- avoid financial and contractual gaps between programs (one ending and a new one starting)
- currently each NGO develops its own budget: there are differences in the cost of living between Zagreb and other parts of Croatia, one organisation budgets bigger salaries, another one lower salaries, cost of commodities....) on the other hand cost per beneficiary or cost per service allow less discrepancies but does not allow local approach by each organisation (one has more strength in one area, the other one does not want to provide all services... NGOs should have more liberty in planning and developing their services and activities)
- implement mutual respect, trust and cooperation