Annual Report
on the State of Philanthropy
Kosovo
2013
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Foreword

The 2013 Annual Report on Philanthropy in Kosovo was a result of monitoring of published media output concerning local philanthropic giving in the period from May to December 2013. Though this is a period of only eight months, we believe that a sufficient level of information has been collected to allow insight into local philanthropic giving in Kosovo.

Even though Kosovo offers tax incentives for philanthropic giving both to the private sector and individuals, it is very difficult to find information that would show the scope of donations on an annual level, their purpose, the amount of money donated, who the donors are and, more importantly, what are the results, in other words, what kind of difference has been made by those donations.

Given the challenges, Catalyst opted for primarily using data from the media, augmented by annual reports from associations, foundations and other organizations. More specifically, the data in this report have been collected through monitoring of the media at the local, regional and national level. We monitored electronic, print and on-line media in the period from May 1 to December 31, 2013. Despite the fact that this methodology is somewhat limited, we believe that it provides us with information that would otherwise be difficult to obtain: the frequency of donations, geographic distribution, the type of donations, the purpose of giving, donors, recipients, and final beneficiaries as well as estimates of the total donated amount in Kosovo in 2013.

Kosovo, unfortunately, wasn’t included in a similar research that was carried out in several other countries in the region in 2011. Therefore, it is not possible to present current trends, but only record the baseline situation in 2013. However, the first next report (for 2014) will already enable us to see the development of philanthropy in Kosovo.

1 For the time being the only way to obtain data about philanthropic giving in most countries in the region is to monitor the media reports
2 See Appendix 1: General Methodology and Limitations
3 Philanthropy in the Eye of the Media, Aleksandra Vesić, 2011, C.S.Mott Foundation (BiH, Montenegro, Croatia, Serbia)
Why is it important to monitor the data in this and other research?

A primary reason to carry out this research is to monitor the trends of local donations provided to non-profit organizations. Non-profit organizations, as groups with an important role in society, still predominantly depend on foreign donor funds, the providers of which are slowly leaving the region. In this sense, domestic donors may be an important source of support to those organizations, and the research about trends of local donations and best practices may help them be more successful in raising funds from local donors.

This, however, is not the only reason. Philanthropy in the region, including Kosovo, hasn’t reached its full potential. Besides the obvious benefit of one-time assistance for those who needed it, international experience shows that the potential for giving is enormous if provided strategically. It not only finances services provided to marginalized groups, but it allows investing in research and development in fields such as poverty reduction, education, healthcare, environmental protection, etc. Global experience shows that such giving complements government investments and that it frequently becomes an impetus of significant progress in those fields.

Therefore, a continuous monitoring of trends in this field may contribute to better understanding of challenges to local giving in each of the countries where we do monitoring⁴. Simultaneously, such understanding enables us to influence general tendencies, how they change and develop and also, to a point, shape the society we live in.

Catalyst Foundation

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⁴ Albania, Bosnia and Herzegovina, Montenegro, Croatia, Kosovo, Macedonia, Serbia
Summary

In spite of the fact that this research is somewhat limited, it does allow us to get a general idea about the state of philanthropy in Kosovo.

Conservative estimates made based on the collected data show that a total of between 892,000 and 1,000,000 euros were donated in Kosovo in 2013 with 10 instances of philanthropy being recorded on average each month. In addition to this, our research pointed to some other interesting findings.

First, citizens (mass individual) were the most active donors in Kosovo; they took part in more than a third of all instances (38.3%). Companies followed with 19.7%, and, if small and medium companies are taken into account, the number is close to 21%. Named individuals are in the third place with 12.3%, then mixed donors and associations with 11.1%.

Compared to other countries in the region, the percent of the media reports which provided information about the value of the donation was somewhat higher in Kosovo (33.3%), however, given the relatively small number of instances and the fact that one extremely large donation was provided, it is very difficult to estimate the amount of money provided by specific types of donors. The data point to that the largest amounts being provided through mass individual giving; however, there were some indications that the donations of individuals surpassed them, although the value of the latter was rarely published, which also holds true for donations provided by companies. Therefore, the data on the breakdown of the value of donation by type of donor should be taken with some reservations.

In regards to the purpose of giving, in 2013, donors in Kosovo supported primarily poverty reduction (44.4%) then marginalized groups (close to 21%) and healthcare (18.5%). Education was in the fourth place with 9.9%. The range of topics was, however, narrower than in other countries in the region.

In Kosovo, individuals and families were the primary recipients of donations (55.6%). Nonprofit organizations (including foundations) were in second place with 22.2%. They were followed by institutions with 17.3%, specifically education and healthcare institutions along with social welfare and cultural ones. Behind them, with a lower number of instances, are religious communities (2.5%) and local and national authorities (1.2%). In general,

1. Those are the activities undertaken by several donors. They can be citizens and companies, individuals, associations and companies or any other combination of different types of donors.
it seems that the government of Kosovo is not a prominent recipient of donations, since they are owner of the recipient entities in only approximately one fifth of the instances.

In regards to **direct beneficiaries of donations**, in other words those who were the end users of the donated money and goods, economically vulnerable people were the most prominent (48.2%). Populations of specific communities were in the far second place (14.8%) then adults and children and youth with health problems (8.6%). Similarly as with topics, the range of beneficiary groups is somewhat narrow. Compared to the region, the absence of the elderly, women and children victims of family violence, children and youth, or talented children and youth was noticeable.

In regards to **the purposes for which the donated money and goods were spent**, a high percentage (70.4%) focused on one-time assistance (humanitarian assistance and material and consumer goods and medical treatments). In Kosovo there was another category of assistance which may be considered one-time aid – building houses for families with inadequate places to live or for those had no place to live. Less than one fifth (16%) of all instances were focused on donations with potentially long-term effects or with some sort of strategic approach like equipment, capital improvements, or scholarships (long term investments in human capital). No instances focused on research or building awareness of the public on specific challenges.

There were several other **characteristics of giving in Kosovo**: besides the expected larger number of instances in the Pristina Region, instances were relatively balanced in all other regions. One instance focused on assistance outside of Kosovo provided to the Albanian minority in Serbia.

Similar as to how the media covered philanthropy in Macedonia, the most active reporters on philanthropic instances were the web media, which was not typical for other countries in the region where print media is the most frequent.

Compared to other countries in the region, the percentage of instances in which the diaspora took part was rather high – over 35%. Even though those instances were mostly of humanitarian character and one-time donations, such an intense activity of the diaspora represents a significant potential for Kosovo.

It should be added that two strategic donations (construction of a home for children without parental care and a high school) came from individuals. Besides the fact that they were both strategic, those donations include significant and tangible funds.
Finally, as in other countries in the region there was very little information about giving/receiving of religious communities and churches. As a result, insight into philanthropic levels connected with religion remains incomplete.

## Recommendations

The results of this research point to several areas to which different stakeholders, especially those interested in promoting philanthropy, could pay attention:

- **Solve the problem of the lack of data.** As with all previous research on local philanthropy, this report also shows that one of the major issues is the lack of complete and accurate data on the number of donations, donors, amount of money etc. In that sense, it is necessary to initiate a dialogue with government institutions and explore ways to collect data that can provide us with a more complete picture.

- **Build trust in local and small non-profit organizations.** The research has shown that nonprofit institutions surpass institutions as recipients of donations. However, it is notable that donors mostly trust in national and/or hub organizations while there was practically no mention of local organizations. In that sense, it seems that organizations that promote philanthropy and small and local organizations need to work harder in order to promote their activities and outputs.

- **Promote underrepresented issues and beneficiary groups.** Even though poverty reduction and support to marginalized groups are highly represented as a topic, and economically vulnerable people was a significant beneficiary group, as in other countries in the region, the research has shown that the range of topics and beneficiary groups in Kosovo was narrower than elsewhere in the region. Therefore, important underrepresented topics or topics that were not represented at all (environmental protection, economic development) need to be promoted. The same applies to beneficiary groups such as the elderly, women victims of family violence, talented children and youth, children at risk and the like.

- **Promote giving and outputs of strategic investments.** Given that almost two thirds of all instances in Kosovo are one-time humanitarian instances it is extremely important to promote long-term investments like investments into services, research, human capital (like scholarships) and the similar subjects. As in other countries in the region, particular attention should be paid on the promotion of outputs. The role of non-profit organizations and the media in this area was significant.

- **Use the potential of the diaspora and individuals.** Considering that the Kosovo diaspora and individuals in the country are particularly active in comparison to other countries in the region, outputs of their giving should be particularly promoted. Donors who have already become active need to be further advised as to how to act more strategically when providing donations. Consultants who work with donors could have an important role in Kosovo advising about the investments that result in the best possible outputs.

- **Work with the media.** The number of reports about instances and the number of instances that were reported about hasn’t been particularly high. For this reason organizations that promote the development of local philanthropy should try to involve the media as much as possible in the process – that is organizations should try to have as much reporting on the instances as they can.
As in other countries in the region, it is important to pay attention to the promotion of underrepresented topics/beneficiary groups, to point out possibilities for strategic giving and be aware of the role of the state in the improvement of the environment for philanthropic giving.

- **Increase transparency.** It is important that all stakeholders, meaning those who receive the donations, the donors, and the media, be transparent in connection to philanthropic giving. Transparency allows insight into data and increases the trust of donors from the general public. Trust grows stronger when information about the amount of funds raised, their purpose, results and effects of assistance is made public.

- **Advocate addressing outstanding issues with the legal framework.** Even though this process in Kosovo is under way, as in other countries in the region, it should be intensified.

## General Overview

### 1.1 Number of Instances and Their Distribution

During the observed period, there were 81 different instances of fundraising and/or collection of goods for philanthropic purposes reported by the media in Kosovo. Even though the number of instances varies from month to month, statistically, the average was around 10 instances per month.

### Geographic Coverage

- **6.2%**
  - North Kosovo

- **9.9%**
  - Mitrovica / Mitrovica

- **13.6%**
  - Peje / Pec

- **6.2%**
  - Gjakove / Djakovica

- **1.2%**
  - Out of Kosovo

- **3.7%**
  - Kosovo

- **32.1%**
  - Prishtine / Pristina

- **13.6%**
  - Gjilan / Gnijilane

- **6.2%**
  - Ferizaj / Urosevac

- **7.4%**
  - Prizren
The number of instances by month varied with interchanging spikes and drops. Such a situation was rather unusual because, for instance, a spike is recorded in August when the numbers in other countries dropped because of the summer vacation season. Some of the possible explanations for this would be that such a result was the consequence of the return of the diaspora to the country for the summer vacation, and/or that the media report more about philanthropic instances in the period when there was not much other news. However, it was not possible to identify the real reasons for the imbalanced score.

The data showing the directions of donations point that in addition to the expected higher number of instances in the Pristina Region, the distribution of instances among other regions is relatively balanced. There were 3.7% of all instances focused on several regions (or instances that covered larger portion of the country), and one donation focused on Serbia, the Presevo Valley population.

As for the cities most instances were focused on Pristina followed by Gjilan, Peje and Mitrovicë.\(^2\)

1.2 **Topics Important to the Citizens of Kosovo**

The data point to a somewhat narrower range of topics compared to the region.

Poverty reduction counted for the most instances with 44.4%. It was followed by support to marginalized groups with 21% and then healthcare with 18.5%. Education was in fourth place with 9.9%.

Community development, religion and culture all received one or two donations, and counted for the other topics present.

Purposes marked as Other were mostly multipurpose donations (that is, several donations provided by the same donor).

Like other countries in the region, the four key topics were poverty reduction, support to marginalized groups, healthcare and education. The statistics show that instances focused on other topics were did not receive much support and may hold little interest from donors.

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\(^2\) Prishtine 21, Gjilan 8, Peje 8, Mitrovicë 5
1.3 **Intended Recipients of Donations**

When it comes to recipients of donations in Kosovo, individuals and families were the first, far ahead everyone else with 55.6%.

Nonprofit organizations (including foundations) placed second with 22.2%. Institutions followed with 17.3%, these included primarily education and healthcare and then social welfare and cultural institutions.

Religious communities came next with a recorded far lower number of instances (2.5%). Local and national authorities came after with 1.2%. In one instance there were several recipients who couldn’t be classified into categories.
Nonprofit organizations in Kosovo that appear as recipients of donations were primarily organizations and foundations active on the national level.

The range of topics used by nonprofit organizations to raise funds was not too wide. A bit above half of donations to nonprofit organizations aimed at supporting marginalized groups and close to one third at reducing poverty. Healthcare also appears as one of the topics.

It was difficult to make any inference about the donated amount of money because the values of donations provided to nonprofit organizations were published only in 7.4% of all instances. Given the values that were published, it seems that the usual level of donations did not exceed 5,000 EUR.

Nonprofit organizations mostly received donations from mixed donors, then associations and less often donations from companies and citizens.

In terms of the number of instances the following nonprofit organizations received the most support: SOS Children’s Village Kosovo, Association for Mothers and Children and Hendikos Association. In addition to them, some donations were provided to national associations – one donation was provided to the National Association for Autism of Kosovo and one to the Kosovo Association of Persons with Down syndrome.

Among nonprofit organizations that received donations, several should be mentioned. One of them is Ndihmo edhe ti (You can help too) founded by the former Mayor of Mitrovica to support building houses for Albanian returnee families without a place to live in Mitrovica. The other is Salih and Isa Nushi Foundation, primarily focused on the improvement of education.

Much like in Macedonia, it seems that the nonprofit sector in Kosovo (despite the fact that it holds the second place as a recipient of donations) fell behind other countries in the region in terms of the range and diversity of topics given to. Also, it is notable that donors mostly trusted national and/or hub organizations while there was practically no mention of local organizations. In that sense, it seems that organizations that promote philanthropy and small and local organizations need to work harder in order to promote their activities and outputs.
1.4 Intended Beneficiaries of Donations

The data about final beneficiaries, that is, the group to whom donations were provided, were quite interesting. In Kosovo, the first three beneficiary groups, in terms of the number of instances in which they appear as recipients, were as follows:

The table below shows the complete picture:

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<thead>
<tr>
<th>PERCENTAGE OF INSTANCES</th>
<th>GROUPS OF BENEFICIARIES</th>
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<tbody>
<tr>
<td>2–5%</td>
<td>General population</td>
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<tr>
<td></td>
<td>Religious communities</td>
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<tr>
<td></td>
<td>Children and youth</td>
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<tr>
<td></td>
<td>members of minorities</td>
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<tr>
<td></td>
<td>Mothers and newborns</td>
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<tr>
<td></td>
<td>Children with</td>
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<tr>
<td></td>
<td>developmental</td>
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<tr>
<td></td>
<td>disabilities</td>
</tr>
<tr>
<td></td>
<td>Population of other</td>
</tr>
<tr>
<td></td>
<td>countries</td>
</tr>
<tr>
<td>5–10%</td>
<td>Adults and children</td>
</tr>
<tr>
<td></td>
<td>with health problems</td>
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<tr>
<td></td>
<td>Children and adults</td>
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<tr>
<td></td>
<td>with physical disabilities</td>
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<tr>
<td></td>
<td>Children without</td>
</tr>
<tr>
<td></td>
<td>parental care</td>
</tr>
<tr>
<td>10–20%</td>
<td>Population of specific</td>
</tr>
<tr>
<td></td>
<td>local communities</td>
</tr>
<tr>
<td>20+%</td>
<td>Economically vulnerable</td>
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Economically vulnerable people were the key beneficiary group in Kosovo, including families that were left with no adequate accommodation.

Like with topics, the range of beneficiary groups was somewhat narrower in Kosovo. Compared to the region the absence of the elderly, women and children victims of family violence and talented children and youth was notable.
1.5 How Are Funds Raised?

In Kosovo, direct donations were most frequent – they appear in more than half of cases (55.6%). In 27.2% of all instances donors responded to campaigns or calls for donations. Events were in third place with around 16%; concerts were the most frequent followed by sporting events.

One call for project proposals was recorded – issued by the Croatian company Argeta which issued the same call in all countries in the region where it operates.

**INTERESTING INSTANCES**

The partnership between SOS Children’s Village and Luan Krasniqi, a former boxer needs to be particularly mentioned. Mr. Krasniqi took part in two instances to the benefit of SOS Children’s Village: in the first, he ran a marathon race in Germany, and in the other he took part in a humanitarian boxing match. Such partnerships don’t happen often in the region and may be mentioned as a model for other countries to follow.

An instance from the Kosovo National Association for Autism shows that a proactive approach yields results: this organization organized a concert with the help of its partners, promoted it well and attracted much attention. The revenues of tickets sold reached EUR 4,000, an impressive amount.
1.6 Use of Donations

Use of donations, in other words, whether they are used to purchase equipment, donate food and clothes or finance construction or significant renovation of structures, tell us about the proportion of one-time (humanitarian) assistance and funds spent on long-term solutions to specific issues within the total amount raised. The following chart shows the situation in Kosovo:

As expected, the largest number of instances focused on humanitarian assistance. In addition to humanitarian assistance, donations of material and consumer goods, instances focused on surgeries or health treatments for individuals could be considered the least strategic. In Kosovo there was another category, which could be considered one-time assistance – building houses for families without adequate or any place to live. In total, these four categories accounted for 70.4% of all recorded instances. The output was expected. One-time donations were “simple” in terms of decision-making: it was clear who received it and for what, or what would be the expected output and the results were immediately visible. However, such donations, although useful and often necessary, do not really eliminate the root cause of the problem. In other words, by donating food and clothes we will not reduce poverty in the long run.
Less than one fifth of instances focused on donations with potential long-term effects, or that implied some kind of strategic approach. Those were donations of equipment, capital improvements, investments in services (education, medical, and/or social), scholarships (long-term investments in human capital) and building awareness about specific problems and research. Those “long-tem” donations accounted for 16% of all recorded instances.

In 12.3% of all instances it was not possible to determine the exact purpose of the donation. Those were cases where the purpose of the donation wasn’t mentioned – only the recipient, and in some cases not even the recipient.

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**STRATEGIC INVESTMENT IN KOSOVO**

Capital investments and donations of equipment were a dominant form of strategic instances in Kosovo. Those were mostly instances organized by companies that donate equipment to education and healthcare institutions. For instance, ProCredit Bank donated 30 computers to Arberia High school; NewCo Ferronikeli donated the entire chemical laboratory to Fehmi Lladrovë High school, and Bank for Business donated an EKG device to a family medical center.

Capital investments provided by individuals mostly for construction of facilities should also be singled out.

As opposed to other countries in the region, however, there were no instances focused on raising awareness of the general public or on research.

For that reason it seems that Kosovo needs to invest more effort in promoting strategic investments and their potential outputs.

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2 **Donors**

2.1 **Types of Donors in Kosovo?**

The 2013 data showed that citizens were the most active donors in Kosovo with more than one third of the percentage of all instances (38.3%).

Companies donated in 19.7% of instances, and together with small and medium enterprises they accounted for close to 21%.
Individuals were in the third place with 12.3%, followed by mixed donors and associations with 11.1%.

The media also mentioned private foundations (3.7%) and it was impossible to identify donors in two instances.

The Kosovo Diaspora took part with 35.8% of all instances, which made it the most active in the region. The most active part of the Diaspora were citizens (through mass individual giving) and associations. Individuals, mixed donors and a private foundation were also mentioned.

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3 Those are the activities undertaken by several donors. They can be citizens and companies, individuals, associations and companies or any other combination of different types of donors.
YOUTH AS DONORS

Close to 5% of all instances were launched by youth of various age groups. Two instances could be singed out as particularly interesting and reflective of their initiative: in the first, the association of art students set up an exhibition of the work of their members and the revenue was donated to economically vulnerable families.

The second example is an instance launched by children from Mitrovica who organized a sale of homemade products to raise funds for the medical treatment for one of their friends. Other stakeholders from Mitrovica joined the children and their instance.

DIASPORA

Given the significant involvement of the Kosovo Diaspora in philanthropic giving, it deserves to be mentioned separately.

As shown above in the chart, the largest number of instances was mass individual giving, followed by (also quite active) diaspora associations, and then by individuals. All three types of donors mostly give donations to individuals and families, although there are several examples of donations provided to institutions and nonprofit organizations.

In terms of the supported beneficiary groups, most giving was to economically vulnerable people, but also adults and children with disabilities and children without parental care.

The instances were generally one-time, focused on the construction of houses or of a humanitarian character. The highest number of donations came from Switzerland and Germany but also from instances organized in the UK, while instances organized in Austria, Canada and Sweden were mentioned once.

In terms of associations it is noted that „Dore per Dore“ the German-Albanian Association of Students, Isa Boletini humanitarian associations have been quite active, while in terms of individuals the above mentioned Sevdail Haliti and Luan Krasniqi could be singled out.
2.2 Types of Donations

In Kosovo, money was donated in most cases (92.6%), followed by goods and money (3.7%), then instances of donations in goods. One instance of donations of services was recorded. There were no media reports about volunteering instances⁴.

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SERVICES – RARE DONATIONS

In Kosovo we found a nice example of a service provided as a donation. Mr. Enis Kamenica decided to start providing his dental services to all school children in Ferizaj. Enis Kamenica, an owner of two dental clinics modified a van and turned it into a dentist office on wheels which tours schools in Ferizaj.

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⁴ Even though Catalyst recorded volunteering instances, that piece of information is unreliable, because the media, in principle, rarely report about volunteering instances, unless they are of major scope and of significant relevance. In that sense, it may be assumed that the number of those instances (and their share) is probably a lot higher; still, once the information is monitored year in year out, it may be presented the change in attitude towards volunteering instances.
2.3 Profiles of Common Types of Donors – They Give to Whom, How and What?

**CITIZENS AS DONORS**

**TOP THREE BENEFICIARY ENTITIES**

- **71%** Individuals and families account for the highest percentage
- **9.7%** Nonprofit organizations
- **6.5%** Education institutions
- **6.5%** Healthcare institutions

**TARGET FINAL BENEFICIARIES**

- **58.4% INSTANCES** Economically vulnerable
- **16.1% INSTANCES** Adults and children with health problems and Populations of specific communities
- **3.2% INSTANCES** Children without parental care and Children with developmental disabilities and Children with physical disabilities

**PURPOSE OF GIVING**

- **51.6% INSTANCES** Poverty reduction
- **25.8% INSTANCES** Healthcare
- **12.9% INSTANCES** Support to marginalized groups

**HOW DO THEY GIVE?**

- **54.8% INSTANCES** They responded to calls/campaigns
- **22.8% INSTANCES** They attended events and Provide direct donations

**WHAT DO THEY DONATE?**

- **90.3% INSTANCES** Money
- **9.7% INSTANCES** Money and Goods
COMPANIES AS DONORS

TOP THREE BENEFICIARY ENTITIES

- **50% INSTANCES**
  Individuals and families

- **18.7% INSTANCES**
  Education institutions

- **12.5% INSTANCES**
  Nonprofit organizations

TARGET FINAL BENEFICIARIES

- **56.3% INSTANCES**
  Economically vulnerable people

- **18.7% INSTANCES**
  Population of specific communities

- **6.3% INSTANCES**
  Adults and children with developmental disabilities

PURPOSE OF GIVING

- **56.3% INSTANCES**
  Poverty reduction

- **18.7% INSTANCES**
  Education

- **12.5% INSTANCES**
  Support to marginalized groups

HOW DO THEY GIVE?

- **87.4% INSTANCES**
  They preferred direct donations

- **6.3% INSTANCES**
  They responded to campaigns

- **6.3% INSTANCES**
  They publish calls for proposals

WHAT DO THEY DONATE?

- **93.7% INSTANCES**
  Money

- **6.3% INSTANCES**
  Goods
**INDIVIDUALS AS DONORS**

### Top Three Beneficiary Entities

- **60% INSTANCES**
  - Individuals and families

- **10% INSTANCES**
  - Nonprofit organizations and Culture and education institutions and Religious communities

### Target Final Beneficiaries

- **50% INSTANCES**
  - Economically vulnerable

- **20% INSTANCES**
  - Population of specific communities

- **10% INSTANCES**
  - Members of religious communities

### Purpose of Giving

- **40% INSTANCES**
  - Poverty reduction

- **20% INSTANCES**
  - Support to marginalized groups

- **10% INSTANCES**
  - Education and Culture and Health-care and Religious activities

### How Do They Give?

- **100% INSTANCES**
  - Direct donations

### What Do They Donate?

- **90% INSTANCES**
  - Money

- **10% INSTANCES**
  - Services
**Associations as Donors**

### Top Three Beneficiary Entities

- **55.6%** instances: Individuals and families
- **33.3%** instances: Nonprofit organizations
- **11.1%** instances: Healthcare institutions

### Target Final Beneficiaries

- **33.4%** instances: Economically vulnerable people
- **22.2%** instances: Children and adults with physical disability
- **11.1%** instances: Mothers and newborns and children without parental care and population of specific communities and general population

### Purpose of Giving

- **33.4%**: Support to marginalized groups
- **33.4%**: Poverty reduction
- **22.2%**: Healthcare
- **11.1%**: Education

### How Do They Give?

- **66.7%** instances: They provided direct donations
- **22.2%** instances: They responded to campaigns
- **11.1%** instances: They took part in events

### What Do They Donate?

- **88.9%** instances: Money
- **11.1%** instances: Goods
2.4 Value of Donations

Since it was very difficult to find concrete data about the value of donations and the fact that the media did not report about concrete values, the data stated here should be understood as an approximation or as general indicators.

Out of 81 different instances (calls, instances, reports, etc.), values were reported in 33.3% of cases, which we considered a good score for the region. Values were most frequently reported when donations were provided in mass individual giving and associations and for donations given by small and medium enterprises were not.

The total amount reported by the media pertains to 33.3% of donations which was close to 797,000 EUR\(^5\) for a period of eight months in 2013.

Even though it was difficult to make any estimate as to the total value of donations based on one third of known data by using extrapolation, as we did for other countries, we may conclude that the value of philanthropic donations in Kosovo was between 892,000 and 1,000,000 EUR\(^6\).

A further examination of the value of donations by type of donor in relation to the recorded value of the donations reveals the following:

5 The exact amount was EUR 797,346.83. It includes a large donation worth EUR 500,000 provided for the construction of the school. Considering the size of this donation and the fact that it by far exceeded other donations it will be excluded in any further estimate and it will be taken into account that the amount donated in Kosovo in the observed period is 297,346.83 EUR.

6 As this amount is recorded for the period of eight months, if we consider the period of one year the value would be 466,020.24 Euros. If we put that amount against 100% of donations, we arrive to the amount of 1,338 million Euros. Given that the number of donations varies from period to period and that the value of donations differs, this figure should definitely be reduced. If we reduce the extrapolated value for one third we arrive to the figure of around 892 thousand Euros; if we reduce it by one quarter, we arrive at the figure of 1,004 million Euros.
The data, however, should only be understood as a rough estimate given the lack of reports on the exact value of donations, regardless of the high percent of instances from companies.

3 Media Coverage

Since the data have been extracted from the media reports, a brief analysis of the media reports is provided below. In the observed period there were a total of 215 media reports in Kosovo which reported about philanthropy one way or another. On average, this means that there were around 29 media reports issued monthly.

As shown in the charts, online media (52.8%) published the highest number of the reports followed by print media with 41.5%. The involvement of the electronic media was the lowest. In terms of the territory they cover, almost hundred percent of the reports were published by the national media; there were two reports of the regional media (0.9%).

As in other countries in the region, the dailies were absolutely dominant.

A total of 25 different media reported about philanthropic giving. In terms of the number of reports the most significant were Yeri, Kosova Sot and Bota Sot, out of the electronic media - RTK, and out of the web media - Ekonomia-ks.com, Telegrafi.com and Kosovapress.com.

The print media placed only 3.7% of the articles in the first five pages, and additional 24% from the sixth to the tenth page. As regards the size of articles, the most numerous were medium sized reports– around 75% - and then shorter ones – 16.6%.
The media in Kosovo were the primary source of information about philanthropic giving.

The role of the media is very important: the more frequent reporting about philanthropy contributes to its general promotion. However, analyses of media reporting show that they often fail to provide complete information, and a report or an article about philanthropic giving often consists of only several sentences out of which it was sometimes difficult to conclude who gave the money, what amount and even for what purpose.

Annexes

4.1 General Methodology and Limitations

The methodology employed in this research was unavoidably limited by available options for data collection. The global research shows that the only completely reliable source of information about the level of philanthropic giving is the Tax Administration. This source was not possible to use in the Western Balkan countries for several reasons.

As mentioned before, Catalyst opted for alternative methods of data collection, by using media reports and other documents from nonprofit organizations and foundations. Specifically, the data in this report were collected by monitoring the media at the local, regional and national level, and electronic, print and online media in the period from May 1 to December 31, 2013.

There were three key limitations to this methodology. First, it was not possible to get comprehensive data, because the media cannot report on all instances of philanthropy and giving. Second, the media reports often do not state complete information needed for monitoring of philanthropy (they mostly do not report about the value of donations). Third, another potential limitation is the matter of credibility of data stated in the media reports.

The first limitation – at this point – was impossible to overcome. As for the second and third, Catalyst has overcome them by cross-referencing data from different media, and then by means of additional research, or verification of the reports provided by companies and non-profit organizations (if made public). Regardless of the limitations, that we were aware of, we think that there are two reasons that argue in favor of our analyses:

7 Different media frequently report about the same donations and by comparing data from several media reports more accurate and complete data may be obtained.
The collected figures, although not comprehensive, present minimum values of relevant indicators. Thus, if we speak about the number of fundraisers we may claim, with certainty, that the number presented in our reports is the minimal number of instances, because they definitely happened, and that the actual number of instances must be higher. It is similar with value of donations, stakeholders and the like. Therefore, the data may be used as indicators of the minimal level of the development of philanthropic giving in a specific country.

Continuous monitoring will point to growth and/or drop of figures and change in data pertinent to our indicators. In that sense, a continuous monitoring through the years shows trends of development of philanthropy, and trends of media reporting.

Catalyst will continue improving this methodology in the future. Also, we plan to establish contacts with government offices (tax administration, offices with relevant statistical data) and to explain the importance of the data and explore ways to increase the number of credible sources of data. In current circumstances, the methodology used enables a preliminary insight into the status of philanthropy in Kosovo.

4.2 Factors That Indicate the Level of Philanthropy Development

In the absence of a continuous monitoring and precise data it is difficult to give an estimate of the level of development of philanthropy. Catalyst, therefore, created an initial list of indicators which may point to different aspects of giving: instances/initiatives of philanthropy; fundraising methods; purpose of giving; recipients of donations and final beneficiaries; donors; stakeholders; media coverage.

During this research – which will hopefully last for several years – some of these factors will change and become sharper, while new ones will be added. At this point, the above listed factors represent a solid baseline for exploring the status of philanthropy in each of the countries where we monitor them.

8 Although those two categories may seem the same, in practice they often differ. Recipients of donations are usually registered legal entities (like institutions, non-profit organizations, local authorities, etc.) seeking support for some purpose; recipients can also be individuals or families. Final beneficiaries, on the other hand may be various groups who will benefit out of the support. So for instance, if a recipient is a local hospital, final beneficiaries are citizens of that local community. If a recipient is a school, final beneficiaries are children/youth at a particular age who attend it. If a recipient is a non-profit organization handling people with disabilities, its final beneficiaries are citizens with disabilities, etc. An insight into information about who receives donation shows perception of public about who “deserves” support and who is trusted. The range of final beneficiaries shows us which groups the public considers vulnerable (in any way) and in time, it will show us how much the mind-set of people on account of this issue has changed.

9 Stakeholders are not just donors, but also those who call for assistance and those who in some way become involved in the issue of philanthropy. Experience tells us that the increase in the number of stakeholders contributes to building awareness about the importance and the role of philanthropy in society.
In order to conduct comparative analyses (both between countries and in one country over time), it is important to define quantitative and qualitative indicators for each factor. The parameters used were as follows:
<table>
<thead>
<tr>
<th>Factor</th>
<th>Indicator</th>
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| Instances of Philanthropy                   | - number of different instances/initiatives in the course of the year  
- geographical distribution (% of shares by region in relation to total number of instances)  
- % of instances in which money was given compared to total number of instances  
- % of instances in which they goods/services were given in relation to total number of instances |
| Fundraising Methods                         | - different groups (types) of fundraising methods  
- % of representation of different methods  
- emergence of new fundraising methods                                                                                                               |
| Purpose of Giving                           | - purpose for which support is collected  
- number (%) of actions for each purpose  
- emergence of new purposes  
- use of donations by purpose                                                                                                                        |
| Recipients and Final Beneficiaries          | - types of recipients  
- number of instances with recipients from public sector (% of total number)  
- number of instances with recipients from civil sector (% of total number)  
- number of instances with recipients from other groups (% of total number)  
- types of final beneficiaries  
- number of instances aimed at different groups of final beneficiaries (% relative to total number of actions)  
- occurrence and number of new groups of final beneficiaries                                                                                         |
| Donors                                      | - number of instances by type of donor (% relative to total number of events)  
- number of instances by different recipients based on type of donor  
- number of instances by purpose based on type of donor  
- number of instances per user groups based on type of donor                                                                                           |
| Value of Donations                          | - total amount given  
- % of actions in which the amount donated is known (relative to total number)  
- % of amount given by type of donor  
- % of amount given by type of recipient  
- % of amount given by purpose                                                                                                                        |
| Stakeholders                                | - type and number of different stakeholders  
- emergence of new stakeholders                                                                                                                          |
| Media                                       | - total number of media reports  
- number (%) of media reports by type of media  
- number (%) reporting to the territory coverage (national, sub-regional, local)  
- number of reports treated as important by type of media (print, electronic, web)                                                                   |
The legal and fiscal framework for philanthropy is certainly an additional factor. This primarily implies clear and harmonized definitions within the legal framework that pertains to:

- The public benefit and organizations acting for public benefit. This means that relevant laws have to include a clear and harmonized definition of purposes of benefit for the public (like: culture, education, human rights, etc.). Also, definitions of organizations acting for public benefit should be clear and harmonized.
- Appropriate, clearly defined, easy to prove and attain in administrative sense both to the private sector and individuals.

A regulated legal/fiscal framework represents a significant progress in the development of philanthropy and points that the state recognized philanthropy as an important issue. Regulations, in a way, support development of philanthropy. Experience shows that proper regulations are not the only prerequisite for monitoring of giving, however the fact is that unclear legal/fiscal conditions discourage its development. This creates and maintains the perception of the public that philanthropy is a kind of “gray zone” which enables fraud (although experience to date proves that abuses are not as frequent as they are thought to be by the general public). Given that other stakeholders (FIQ – Forum for Civic Initiatives) have been working in this field for years, Catalyst didn’t analyze the situation in Kosovo, but opted to state the section of the “Tax Regulations of Significance for Philanthropy Development” publication of the SIGN network.

The text of this appendix has been taken from the publication "Tax Laws of Significance for Philanthropy Development in the South-East Europe Countries" prepared for the SIGN Network by Dragan Golubović, PhD. This appendix includes a segment related to Croatia while the text of the complete publication is available at [http://bit.ly/1wRCKkD](http://bit.ly/1wRCKkD)

**Corporate Income Tax**

"Non-governmental organizations" which are granted public benefit status pursuant to the Law on Freedom of Association (which conspicuously also pertains to foundations)\(^{10}\) are exempted from corporate income tax, so long as they use their income exclusively to further their public benefit purposes (Article 7(1) Corporate Income Tax Law).\(^{11}\)

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\(^{10}\) Law No. 04/L-103, on amending and supplementing the Law No. 03/L-162 on Corporate Income Tax; promulgated by Decree No. DL-019-2012 of May 17, 2012.

\(^{11}\) Law No. 04/L-103, on amending and supplementing the Law No. 03/L-162 on Corporate Income Tax; promulgated by Decree No. DL-019-2012 of May 17, 2012.
Corporations can deduct up to 5% of their taxable income for in-country donations to humanitarian, health, education, religious, scientific, cultural, environmental protection and sports purposes (Article 10(1), Corporate Income Tax Law). The eligible recipients of donations include NGOs which are granted public benefit status under the framework regulation and public institutions in the above mentioned areas (Article 10(2), Corporate Income Tax Law). An allowable deduction shall not include a contribution that directly or indirectly benefits the donor or persons affiliated with the donor (Article 10(3), Corporate Income Tax Law). The Law does not address the issue of tax status of institutional grants (donations) to NGOs which are granted public benefit status.

**PERSONAL INCOME TAX**

Giving by individuals to qualifying public benefit purposes are deductible under the same conditions which are set out for corporations (Article 28(1), Personal Income Tax Law).12

**GIFTS TAX**

Gifts are generally not subject to taxes. The Ministry of Culture, Youth and Sports is currently working on a draft law on sponsorship, which might also address this issue in some fashion.

**PUBLIC BENEFIT STATUS**

Rules governing public benefit status are set out in the Law on Freedom of Association. An NGO which is granted the legal entity status may apply with the competent body for “public beneficiary status,” which entitles the organization to tax benefits (supra) and fiscal benefits, and subjects it to certain reporting requirements (Article 17, Law on Freedom of Association). An NGO organized and operated to undertake one or more of the following as its principal activity may apply for public benefit status: humanitarian assistance and relief, support for persons with disabilities, charity, education, health, culture, environmental conservation or protection, economic reconstruction and development, the promotion of human rights, the promotion of democratic practices and civil society, the promotion of gender equality, or any other activity that serves the public beneficiary (Article 17(1), Law on Freedom of Association).

NGO activities are deemed for public benefit only if significant benefits are provided free of charge or at less than fair market value to disadvantaged individuals or groups (Article 17(2), Law on Freedom of Association). NGO with public beneficiary status must file annual financial and activity reports in order to retain that status (Article 18(1), Law on Freedom of Association). Special auditing requirements are prescribed for all NGOs whose annual income exceeds roughly €100,000 (Article 18(9), Law on Freedom of Association). Public benefit status may be suspended should the NGO fail to file a complete annual report or the NGO no longer meets

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12 Law No. 03/L-161 on Personal Income Tax; promulgated by Decree No. DL-020-2012 of May 17, 2012.
the requirements for public benefit status (Article 19 (1)(3) Law on Freedom of Association). If
the status is suspended or revoked, the NGO must wait three years to apply again.13

USE OF DONATIONS

The law does not provide for a specific time-line in which a donation must be utilized - nor
does it set out a specific threshold with respect to the organization’s overhead expenses. These
issues may be addressed in a donation agreement. However, with respect to the time-line in
which donations must be utilized, in the absence of statutory carry-over rules (infra), tax status
of donations which the agreement allows to be carried over to subsequent fiscal years remains
unclear; nevertheless.

4.4 Summary of Outstanding Issues in Kosovo

<table>
<thead>
<tr>
<th>CORPORATE INCOME TAX LAW</th>
<th>PERSONAL INCOME TAX LAW</th>
</tr>
</thead>
<tbody>
<tr>
<td>◦ Narrowly defined list of public benefit activities;</td>
<td>◦ Narrowly defined list of public benefit activities;</td>
</tr>
<tr>
<td>◦ The list exhaustive, rather than illustrative;</td>
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</tr>
<tr>
<td>◦ The list not consistent with the one provided in the framework regulation;</td>
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</tr>
<tr>
<td>◦ Not clear if donations in-kind are also tax-deductible;</td>
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</tr>
<tr>
<td>◦ No specific rules with regard to institutional grants to NGOs;</td>
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</tr>
<tr>
<td>◦ No specific carry-over rules for donations;</td>
<td>◦ No specific carry-over rules for donations;</td>
</tr>
<tr>
<td>◦ No specific rules for the overhead of the organization.</td>
<td>◦ No specific rules for the overhead of the organization.</td>
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