2013 ANNUAL REPORT ON THE STATE OF PHILANTHROPY IN SERBIA
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Philanthropy as a topic is usually brought up only when strictly necessary: when there is no other response to a situation than contributing with a donation, when we need to analyse whether we are (or aren't) in solidarity as a society or when an egregious abuse happens and we wonder why we didn't prevent it before it happened. In this way, philanthropy is a topic that we don't deal with as a society on a daily level.

Unfortunately, by doing so, we – as a society – are neglecting the potential of philanthropy.

In the “golden era” of Serbian philanthropy – between the two world wars – philanthropy always included assistance to the poorest and to the ill. Simultaneously, the legacy endowments of rich Belgrade citizens made Belgrade University the third most-endowed university in Europe at the time, supported publication of scientific research, built hospitals, schools, libraries and social care institutions and made long-term investments in economic and agricultural growth.

The recent floods in Serbia have proven that the potential for charity still exists. The successful fundraising efforts in 2013 for Tijana Ognjanović and a large number of other children for their medical treatments have also demonstrated the same. Large sums of money were collected in relatively short time periods.

Therefore, the question for Serbia today isn't just whether we are in solidarity as a society. Rather, the question that should be posed is whether we utilize solidarity today in the best way and to the extent needed to maximise its results?

But this is a very hard question to answer without proper data, and in Serbia, there has been no comprehensive database on the topic. Until now, it has been nearly impossible to obtain information on the number of donations in Serbia annually, their purpose, the amount of money donated, who the donors are, and more importantly, what are the results of donations, that is, what kind of change is achieved by them.

This research is, therefore, an attempt to answer some of those questions. The research has been done based on the available data pulled from 2,984 media reports about instances of philanthropy occurring during an eight month period in 2013. We have followed the electronic, print and on-line media at the local, regional and national level. Compiling and processing this data enabled us to make findings including: the frequency of donations, their geographic distribution, the type of donations, purposes for which donations were made, recipients and final beneficiaries of donations, and an estimate of the value of donations in Serbia in the course of 2013. The research points to the state of philanthropy and, through comparison with some baseline research done in 2011, point to some trends of philanthropy.

We believe that the findings of this and future planned research will help us understand both the potential and influence of philanthropy in our society. If we should then choose to apply the resultant recommendations, philanthropy in Serbia may even become what it should be: not just a way for us to address the really important problems our society faces, but to actually shape the society we live in, our own future and the future of our children.

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1 Research and Methodology Framework
1.1 General Methodology - Summary and Limitations

The research methodology initially had to be informed by the options available for collecting data on philanthropy in Serbia. The established global research methodologies for measuring philanthropy rely primarily upon the self-reporting of individuals and companies of their donations to tax authorities. In those countries where there are tax incentives for both individuals and businesses, the data reported to the tax authorities provide insight into the both amount and purpose of giving. There are several reasons why it is not possible to apply this model to any of the countries of the Western Balkans.

In Serbia there are certain tax incentives for legal entities (businesses). However, as Catalyst managed to ascertain (with significant help from the Serbian Government’s Office for Cooperation with Civil Society), it is not possible to get data on the donations because of the way tax incentives are defined by the law and the manner in which the Tax Administration collects this data. Given that there are no tax incentives for individuals, there is no insight into the donations of individuals that could be obtained from the tax authorities either.

Keeping these difficulties in mind, Catalyst opted for alternative ways of acquiring data, using first and foremost the media, and then other available data sources. Specifically, the data in this report were collected by monitoring the media on a local, regional and national level. Electronic, print and online media were tracked from 1 May to 31 December 2013. This same method was used in an independent study covering a shorter period of time in 2011 and proved to be quite successful.

There are three key limitations to this methodology. First of all, one cannot get comprehensive data this way, because the media cannot be expected to cover all charity events and donations. Secondly, media reports often do not specify all the information that are important for monitoring philanthropy development (the sum of money given and collected is usually not stated). The third potential limitation is the question of the authenticity of the data announced by the media.

Unfortunately, the first issue cannot be avoided at the moment. As for the second and third limitations, Catalyst overcomes them by cross-referencing data from a variety of different media, and then performing additional research i.e. checks reports of companies and non-profit organizations (if publicly available). In spite of the limitations of which we are fully aware, we believe that there are two reasons that justify our analyses:

- The obtained figures, although not comprehensive, provide a minimum of relevant indicators. So, if we are talking about the number of charity events, we can state with confidence that the number we are quoting is the minimum number of events because these certainly took place, and that the real number is definitely higher. It is similar with the sums of money, stakeholders and the like. So, these data can be used as indicators of the minimum level of the development of philanthropy in a particular country.

- Continuous monitoring will indicate growth and/or decline in numbers and changes in data regarding our defined parameters. In this regard, the ongoing monitoring over the years shows trends of philanthropy development, as well as trends of increased media coverage.

1 According to the Corporate Profit Tax Law of the Republic of Serbia (Zakon o porezu na dobit pravnih lica Republike Srbije) article 15, tax incentives in Serbia are granted by recognizing any expenditures on health care, educational, scientific, humanitarian, religious, environmental and sport-related purposes, as well as expenditures on social welfare institutions or those on investment in the field of culture and cinematographic activities as expense amounting to not more than 5% of the total revenue. As the given amounts are deducted as expenses and legal entities are only obliged to report their income statement to Tax Administration and not their tax balance sheet as well, it is not possible to get any data on legal entities’ expenditures for the given purposes at present.
3 Various media often report on the same donations, so by comparing data from multiple media reports we can receive more accurate and complete information.
Catalyst will be refining this methodology in the future. Catalyst plans to strengthen contact with government agencies (the tax administration and tax offices that have the relevant statistics) as we want to emphasize the importance of these data and investigate possible ways in which we could increase the number of credible sources. Under the current conditions, we believe that this methodology provides a preliminary insight into the state of philanthropy in Serbia.

**Note:** A similar but shorter research was conducted in Serbia in 2011. Wherever it is methodologically possible, we will provide comparative data or a general analysis and explanation of the trends that are being observed in that way.

### 1.2 Factors That Indicate the Level of Philanthropy Development

It is quite difficult to assess the general level of philanthropy development, especially in the absence of continuous monitoring. Catalyst has therefore created a list of factors that serve as

1) **Instances of Giving.** The number of instances of giving, their geographic distribution, what is given (money, goods or time), etc., provide insight into the level and distribution of giving.

2) **Methods of Fundraising.** The use of a variety of fundraising methods indicates the activity level of those raising funds and shows their learning experience; the variety of methods and their nature clearly indicate the sophistication of fundraising methods and a general improvement in this area.

3) **Purpose of Giving.** Monitoring and analysis of the purpose or causes for which money, goods and/or time are given show to us which problems in the country are considered important; they also indicate which problems are considered as something to be resolved privately (through the act of giving). Over time we will be able to track how these trends are changing in each country.

4) **Recipients (Beneficiary Institutions) and Final Beneficiaries.** Although these two categories may seem the same, in practice they are very often different. Recipients are usually registered legal entities (such as state institutions, non-profit organizations, local authorities, etc.) seeking support for a purpose; recipients may also be individuals or families. On the other hand, final beneficiaries can be very different groups for whose benefit the support is provided. Thus, for example, if the recipient of a donation is a local hospital, the final beneficiaries are citizens of the local community. If the recipient is a school, the final beneficiaries are the children/young people of a certain age who attend that school. If the recipient is a non-profit organization that works with people with disabilities, the final beneficiaries are those citizens who have a disability, and so on.

Insight into who receives the donation demonstrates the public perception of who "deserves" support and who is trusted. The wide range of final beneficiaries reveals to us which groups are considered vulnerable (in any way) and over time it will also show us how the public awareness of the issue in question has changed.

5) **Donors.** Information about who the donors are shows the level of activity of various types of donors (such as business sector or citizens), and the review of the purpose, recipients and beneficiaries for which support has been given naturally indicate the position held by a certain group of donors on issues/groups that garner their support.
An additional factor is certainly the legal and fiscal framework for philanthropic giving, specifically, the clear and harmonized definitions in the legal framework concerning:

- the common good, as well as organizations working for the common good. The relevant legislation must give a clear and consistent definition of which purposes are considered to be those of importance for the common good (e.g. culture, education, human rights, etc.). Also, there is a need for clear and consistent definitions of organizations working for the common good.

- favorable, clearly defined and easily verifiable and administratively easy to prove and claim tax incentives both for the private sector, as well as for individuals.

A regulated legal/fiscal framework indicates that the state recognizes philanthropy as an important issue. A regulated legal/fiscal framework also helps the development of the practice of giving. Although experience shows that a well-established framework is not an absolute prerequisite for an increase in philanthropic giving, the fact is that the vague legal/fiscal conditions that exist both in Serbia and other Western Balkans countries, passively hinder its development. It also fosters and maintains the public perception of philanthropic giving as a kind of "grey zone" that makes fraud possible (although experience suggests that there is much less abuse and fraud than it is often assumed). Given that there were no changes in legal and fiscal framework in Serbia in 2013, as well as that other actors actively work on this issue (for example, Trag Foundation), Catalyst does not specifically analyse this factor in this report.

During this research, as it evolves over the next several years, some of these factors might change and new factors may appear. In any case, the listed factors give us a solid starting point for determining the state of philanthropy in each of the countries monitored.
1.2.1 Indicators for Each Factor

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 (observed time period – one year)</th>
</tr>
</thead>
</table>
| Instances of Philanthropy     | - number of different actions/initiatives in the course of the year  
- geographical distribution (% of shares by region in relation to total number of actions)  
- % of actions in which money was given compared to total number of actions  
- % of actions in which they goods/services were given in relation to total number of actions |
| Fundraising Methods           | - different groups (types) of methods for collecting money  
- % of representation of different methods  
- emergence of new methods for fundraising |
| Purpose of Giving             | - purpose for which support is collected  
- number (% of actions for each purpose  
- emergence of new purposes |
| Recipients and Final Beneficiaries | - types of beneficiary institutions (recipients)  
- number of actions with recipients from public sector (% of total number)  
- number of actions with recipients from civil sector (% of total number)  
- number of actions with recipients from other groups (% of total number)  
- types of final beneficiaries  
- number of actions 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 actions by type of donor (% relative to total number of events)  
- number of actions by different recipients based on type of donor  
- number of actions by purpose based on type of donor  
- number of actions 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) |
2 Research Findings
2.1 Instances of Giving
2.1.1 Number of Instances

In Serbia, there were 1,041 different instances of philanthropic giving in cash or in kind during the observed period. Although the number of instances varies from month to month, 130 instances was the monthly average. In 2011, that number was considerably smaller, averaging only 91 per month.

There are two possible explanations for the 45% increase. Either the number of instances truly increased by 45%, representing a significant change in the frequency of philanthropy, or, the data may instead actually indicate that the media has become more interested in covering philanthropy and increased its coverage.

Regardless of the cause, this increase is a positive sign. Even if the assumption is that the number of instances hasn't actually risen, which is unlikely, the fact remains that the media has reported on average 39 more instances per month than before. This tells us that interest in this topic in Serbia has grown during the past two years.

An overview of instances by month presents an expected result: their number reduces towards the middle of the year and increases as the year end approaches, peaking in December.
2.1.2 Geographic Distribution

An analysis of the geographic distribution of instances of philanthropy demonstrates the following:

**Geographic Distribution of Instances of Philanthropy**

- City of Belgrade: 34.9%
- Vojvodina: 25.1%
- Southern and Eastern Serbia: 14.8%
- Šumadija and Western Serbia: 18.8%
- Serbia - Multiple Locations: 3.4%
- Outside Serbia - Kosovo: 1.2%
- Outside Serbia - Republic of Srpska: 1.8%
- Outside Serbia - Croatia: 0.1%

As illustrated in the chart, Belgrade received the largest number of donations (34.9%) with Vojvodina receiving the second most (25.2%).

The remainder of Serbia accounted for 37% of all instances, out of which Šumadija and Western Serbia comprised 18.9%, Southern and Eastern Serbia with 14.9%, and 3.4% of the instances occurring in multiple locations in Serbia.

32 recorded instances were for beneficiaries outside of Serbia, with 19 targeted to the Republic of Srpska, 12 for Kosovo and Metohija and 1 for Croatia.

When this data is compared to the data from 2011, several differences are noticed. In 2011, Vojvodina and Belgrade were closer in terms of the number of instances (29% and 27% respectively), while in 2013 Belgrade recorded a higher number of instances resulting in a 10% difference from Vojvodina.

The number of donations sent abroad decreased notably. In 2011, as much as 10.3% of all donations were sent abroad, whereas in 2013 they decreased to 3.1% of the overall instances. This discrepancy may be due to the organized campaigns in 2011 in support of the victims of the earthquake in Japan. In 2013, the only recorded support outside of Serbia was to neighboring countries where Serbs also live.

In relation to the support sent to the Serbian community in neighboring countries, it is interesting to note that the number of instances organized to support Kosovo decreased – from 6% in 2011 to 1% in 2013. In 2011, the Republic of Srpska (RS) was not the recipient of any recorded instances, whereas, in 2013, the number of instances organized to benefit the RS exceeded those organized for Kosovo.
2.1.3 Type of Donations

As far as the type of donations - money, goods, services and/or volunteer time – money was the most frequent type (751 – 72.1%) with the collection of in-kind goods being the second most common type (227 instances – 21.8%). There were 46 instances where people donated both money and goods. The number of instances where services were donated or time given by volunteers were recorded even less frequently – 10 and 7 respectively.

When comparing the data with the findings from 2011, there is little change to the breakdown of donations by type: 74% of instances in 2011 were of money, goods and services accounted for 21%, and 5% involved the donation of both.

Type of Donations

- Money 72.1%
- Goods 21.8%
- Services 1.0%
- Money and Goods 4.4%
- Time 0.7%

1,041 instances of donations was recorded, an average of 130 per month, which is a greater frequency than in 2011.

The highest percentage of instances were in Belgrade (34.9%), and the lowest were those made for outside of the country (3.1%). Compared to 2011, the increase in the number of donations in Belgrade and the decrease of those outside of the country, specifically for Kosovo, are notable.

Money is still the most frequent type of donation (72.1%), followed by goods (21.8%). There was no significant change in the breakdown of donations by type compared to 2011.

Key Points:

- 1,041 instances of donations was recorded, an average of 130 per month, which is a greater frequency than in 2011.
- The highest percentage of instances were in Belgrade (34.9%), and the lowest were those made for outside of the country (3.1%). Compared to 2011, the increase in the number of donations in Belgrade and the decrease of those outside of the country, specifically for Kosovo, are notable.
- Money is still the most frequent type of donation (72.1%), followed by goods (21.8%). There was no significant change in the breakdown of donations by type compared to 2011.

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4 Although Catalyst recorded some instances of volunteering, we have to mention that this piece of information is rather unreliable, because the media, in principle, rarely cover volunteers’ actions unless they are of a major scope of importance. In that sense, we may assume that the number of such actions (and their share in the general structure) is probably much higher; nevertheless, once this number becomes an item of regular monitoring it may point to changes in approach to volunteers’ actions.
2.2 How Are Funds Raised?
2.2.1 Fundraising by the Numbers

The data shows that there are a variety of ways that funds have been raised. For the purpose of analysis, they have been grouped into three major types of fundraising.

The first type – calls for donations – is when a general call to the public to donate funds for a particular purpose (or for a particular beneficiary/user) is made. The second type is direct donations (when donors give money directly to a particular beneficiary when there hasn’t been any general calls). The third classification used are when donors call beneficiaries/users to apply for donations.

Calls for donations can be additionally classified into two subtypes: campaigns and events.

How Are Funds Raised?

- Direct donations 48.3%
- Campaigns 14.0%
- Calls for proposals 0.1%
- Events 37.6%

In 2013, 51.6% of the instances involved calls for donations, out of which 37.6% were using events and about 14% relying on campaigns.

The number of direct donations was also rather high – 48.3%. Media recorded only one call for proposals issued by a local company.²

The available data indicate that the situation hasn’t changed much since 2011 – there were around 48% direct donations then, and very few calls for proposals recorded.

The difference in the structure of public calls for donations is notable, however. Although there is practically no difference in the overall percentage (51% in 2011 and 51.6% in 2013.), the percentage of events organized increased from 26% in 2011 to almost 38% in 2013. Given that each event requires preparation, logistics, a target audience, etc., this particular change shows us that the approach to fundraising has become more focused, organized and sophisticated.

In terms of the types of events organized, the list is very long. The most frequent types include concerts (12.7%, with a similar result in 2011), sporting events (6.3%) and exhibitions, fairs and auctions (5.9%). Other types of fundraising events included charity dinners, balls and cocktails, theatre plays and performances, and fashion shows.

² Further research indicated that this number is actually higher (although we cannot claim with certainty what it really is), and that the media haven’t recorded it. Since it was impossible to obtain reliable information, the data presented here are solely collected from the media reports.
2.2.2 Exploring New Fundraising Methods

Although entirely new ways of raising funds cannot be reported for 2013, there are some notable examples of innovation in fundraising that may prove to be the forerunners of some future trends.

One of those examples is the “solidarity meal” campaign. Although not a ‘new’ way to collect the donation of goods, this is an action in which citizens purchased products in bakeries and left them for those in need of food. This type of spontaneous and simple cooperation between the business sector (small and medium enterprises) and citizens, without any centralized and complicated logistics is inspiring. The solidarity meal campaign quickly spread to include numerous bakeries throughout Belgrade and other cities in Serbia and demonstrated to the ability to sustain for a number of months.

There was an instance that received significant attention from the media: students about to graduate from a Pirot high school collectively decided to combine the money given to them by their parents for the purchase of nice outfits for their prom night and donated it instead to two ill boys from their community. Another innovative example is a campaign to collect plastic bottle caps and sell them to a recycler, with the funds then donated to the local association for children with cerebral palsy.

Finally, a phenomenon emerged where educational institutions, such as kindergartens and schools, organized fundraising events to improve their working and studying environment. The emergence of instances like these is a result of the economic crisis but may also be seen as a potential sign of growing activism and “do it yourself” spirit - a process in which citizens are gradually relying less on the state and/or expecting somebody else to address their problems. An example of such an instance is a campaign of collecting electronic waste organized by a school in Becej, which, with the help of the local Rotary Club, sold it to recyclers with the funds collected funds used for school improvements. Similarly, in Kikinda, a Race for a Happy Childhood was organized and the funds raised through the entry feed were used for the improvement of local schools. There are also numerous instances where kindergartens organized the sales of souvenirs made by children or sold tickets for children's performances to raise money for toys or books or educational games.

Key Points:

- Funds have been most frequently raised – in over 51% of cases – as a response to general calls for help and then through direct donations (a donor directly chooses the recipient and directly provides the donation).

- Compared to 2011, the percentage of events organized as part of general calls for help increased to 38% while the number of calls decreased, which points to better organization and more sophisticated fundraising organizations.

- Some interesting actions emerged such as „Solidarity meal“ action, youth actions and actions organized by schools and kindergartens, as well as actions which reflect strengthening the „do it yourself“ spirit.
2.3 Purpose of Giving
2.3.1 Breakdown of Donations by Purpose

Healthcare has become the number one cause in Serbia to which donations have been made – 39.5% of instances occurred in support of addressing key health care issues in Serbia, including both assisting individuals/families in paying for medical treatments abroad and donations of equipment or services directly to healthcare institutions which serve a large number of users.

The second most frequent purpose was providing support to marginalized groups with 24.3% and included donations to social care institutions and non-profit organizations supporting a wide range of beneficiaries from marginalized groups. Support to marginalized groups does not include initiatives aimed at poverty reduction, which Catalyst defines as a separate purpose that serves a broader range of beneficiaries and comprises the third highest percentages of instances recorded (22.4%). Support to education ranks as the fourth most frequent, but distant with about 5% of instances.

All other causes or purposes – community development, culture, sports, religion, and heritage and others – each attracted considerably less attention, less than 1.5%. It is interesting to note that only one action – a company which provided grants to small start-ups – pertained to economic development and that environmental protection – topical elsewhere – has attracted very little attention in Serbia.

It is not a surprise that healthcare was the number one topic in Serbia in 2013, the year when Tijana Ognjanović, a little girl in need of major surgery abroad, the government not willing to cover the costs, and an unusual public call for help to this girl involving a celebrity, Sergej Trifunović, that caused an avalanche of donations to fund Tijana’s treatment and put similar cases of children and adults alike in need of medical treatment abroad and in need of funding in the spotlight. In the wider context, the campaign around support for Tijana should be mentioned as a unique example in which a call for help enabled the opening of a wide public discussion about an topic important for the entire society, shed light on a poor situation in the healthcare system in Serbia and the inability of the state to address this particular problem. The public has been animated not just in terms of being eager to donate but to advocate a different long-term solution.⁶

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⁶ Several influential bloggers have continuously written about the cases of children refused by the Commission for Approvals of Funds for Medical Treatments Abroad; some of those cases were reexamined and funds have been approved. TA continuous media attention and the pressure of the public have resulted in the state response and the proposal to form another, new public-private fund, The New Fund (which is likely to be formed in 2014) is not a good solution and bloggers have continuously written about it.
The increased interest in healthcare is the largest change compared to 2011 (29.6%, nearly 10% less than 2013). Social care issues (including both support to marginalized groups and poverty reduction) saw a small change, 42.7% of instances in 2011, increasing to 46.7% in 2013. Both increases happened at the expense of education, where the percentage declined from 12% of instances in 2011 to only 5% in 2013. Also, nearly 7% of the instances in 2011 were concerning the mitigation of consequences of natural disasters which was not a focus topic in 2013. Culture remained nearly the same – 1.4% in 2011 and 1.5% in 2013.

2.3.2 The Use of Donations

Approaching the data on donation spending within the key purpose categories allows deeper analysis of whether donations were used for only one-time (humanitarian) aid or for long-term activities aimed at addressing specific problems. Below, we show data for three key purposes.

### Donations: Healthcare, by Use

- **Equipment**: 18.0%
- **Material and consumables**: 12.4%
- **General or unspecified support**: 3.4%
- **Capital investments**: 2.7%
- **Medical treatments**: 63.5%

In healthcare, the vast majority of instances involved one-time assistance – 63.5% to individuals for the costs of operations or medical treatments abroad and 12.4% for material and consumables in healthcare institutions. An additional 3.4% of instances involved general or unspecified support to institutions or organizations.

Only 20.7% of donations were used for more strategic support such as long-term capital investments and purchases of equipment or appliances.

Support to marginalized groups reflects a better ratio: less than half (43.1%) of the instances were related to one-time humanitarian aid.

Similar to healthcare, around one-fifth (19.4%) of donations have been used for long-term investments (capital investments and equipment for organizations and/or institutions).

It is interesting to note that as many as 15.8% of donations have been used to support services to marginalized groups, indicating that an awareness of the need to finance those services exists. 17.4% were used for unspecified or general support to organizations or institutions.

Support for poverty reduction is comprised of a significant majority of instances of direct humanitarian aid (78.5%).

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7 An unspecified, general donation is a donation provided to an organization and/or institution which isn't intended for a specific program/project but as support to their operations in general.
Although Catalyst recorded some instances of volunteering, we have to mention that this piece of information is rather unreliable, because the media, in principle, rarely cover volunteers' actions unless they are of a major scope of importance. In that sense, we may assume that the number of such actions (and their share in the general structure) is probably much higher; nevertheless, once this number becomes an item of regular monitoring it may point to changes in approach to volunteers' actions.

## Donations: Marginalized Groups, by Use
- Raising awareness: 0.8%
- Miscellaneous: 3.5%
- Capital investments: 9.5%
- General support: 17.4%
- Equipment: 9.9%
- Services: 15.8%
- Humanitarian aid: 43.1%

## Donations: Poverty Reduction, by Use
- General Support: 0.9%
- Equipment: 3.4%
- Services: 5.6%
- Capital Investments: 11.6%
- Humanitarian Aid: 78.5%

## Donations: Education, by Use
- General Support and Miscellaneous: 13.5%
- Scholarships: 11.5%
- Capital Investments: 15.4%
- Equipment: 28.8%
- Services: 30.8%
15% of the poverty reduction instances were used for long-term investments. And only 5.6% were used for services in this sphere.

In the area of education, the largest category of donation use was long-term investments: 44.2% was used for equipment and capital investments.

Almost one third (30.8%) of donations were used for services.

The remaining instances were distributed between scholarships (11.5%) and general support and miscellaneous (13.5%).

This overview indicates that one-time short-term aid is still the prevalent type of donation in Serbia. Although undoubtedly useful and often necessary, such donations actually do not attack the root of the problem. Still, they are “simple” in the sense of decision-making: it is clear to whom and why the donation has been awarded, and what will be the expected result. For instance, financial support to economically vulnerable individuals and organizations is both a humane and useful act; its direct effect is short-lived, but clear. Unfortunately, such assistance will not contribute to the reduction of poverty in any significant way nor will it solve it as a problem of our society.

It has been noted that the share of donations used for capital investments and for making purchases of equipment is not insignificant. Those are long-term investments and in that sense by all means can “more strategically” enable addressing problems. They are also characterized by the fact that they are visible and tangible. In addition to the fact that they enable addressing problems, donors are clear as to what they used for and what the expected result should be.

Support to services has been given to a certain extent – most in the sphere of education and least for poverty reduction.

The absence of donations which do not yield immediate effects is striking. For instance, not a single donation was recorded for research (in any area). As mentioned previously, there was only one recorded donation in the area of economic development - to finance small start-ups, which may be risky but in the long run may have an impact on economic development and poverty reduction.

Key points:

- The area that receives the most assistance is healthcare (39.5%), then marginalized groups (24.3%) and poverty reduction (22.4%).
- Compared to 2011, the most striking changes concern an increase of the percentage of actions for poverty reduction (increase of 12.5%) and healthcare (increase of 9.9%), as well as the decrease of actions concerning education from 12.7% to 5%.
- Analysis of the purposes of donations indicates that the most frequent are one-time, humanitarian actions in almost all spheres. There have been some capital investments and purchases in equipment. In conclusion, donors opt for actions followed by immediate and visible effects which clearly show who is supported.
2.4 Who Are the Intended Beneficiaries of Donations?

As previously mentioned, there are two categories which need to be taken into account when doing a study of the final destination of donations: recipient organizations and final beneficiaries. The recipients may be institutions, local/national authorities, non-profit organizations (associations and foundations) and/or individuals or families. The recipients of donations are not necessarily the final beneficiaries. For instance, a donation made to an educational institution (a school, in this case) has its final beneficiaries the children attending that school. If the recipient is a local government, the final beneficiaries of that donation are often the citizens of that municipality. If a recipient of a donation is a non-profit organization, its final beneficiaries are the users of services of that organization based on the aims and target populations they serve.

It is important to differentiate between these two categories, in order to understand the various trends that philanthropy follows. Thus, the recipients of a donation identify the entity to which citizens and companies are providing their donations, indirectly indicating whom they trust.

The category of final beneficiaries indicates who receives the support/aid, that is which group of users is at the top of donor's concerns or which groups are considered by donors to be most in need for help.

2.4.1 What Entities Receive Donations in Serbia?

The available data for 2013 indicate that recipients were mostly families or individuals (43.5%), followed by institutions (32.7%), and non-profit organizations (domestic and foreign NGOs - associations and foundations) a distant third (17%).

Other types of entities of note were local and national authorities (3.65%) and religious communities (0.7%). In addition to these categories, there were donations recorded where the recipients is not known and situations where a donation instance had multiple recipients and it was not possible to identify individual recipients.

**Recipient Entity**

- **Individuals / Families**: 453
- **Institutions**: 340
- **Associations / Clubs**: 155
- **Local / National Authorities**: 38
- **Other or Multiple Recipients**: 33
- **Private Foundations**: 22
A more detailed analysis of institutions as recipients indicates that social care institutions were the most frequently mentioned donation recipients in 2013 (12.8%). This includes safe houses for children, homes for orphaned children, homes for children and adults with disabilities, day care centres, homes for the elderly, etc. Healthcare institutions ranked second with 10.1% and included community healthcare centres and hospitals. Educational institutions made of 8% of recipients, including kindergartens, elementary and high schools and some colleges. Cultural institutions were a lower priority with only 1.5% of all donations recorded.

Sporting institutions are mentioned in only 0.2% of all cases, which is rather unusual given that casual observation tells us that investments in sports are significant in Serbia. However, these investments are mostly in the form of sponsorship and state subsidies not philanthropic donations. It is interesting that religious communities recorded a share of only 0.7% donations; although no data are available, it is very likely that donations to religious communities and the church in general are considerably higher – however, these are rarely covered by the media and other sources of data are practically non-existent.

If we compare the available data with that of 2011 we can note several changes: individuals/families as recipients have become number one in 2013 with 43.5% compared to 30.5% in 2011. Institutions came second – dropping to 32.7% in 2013 from 40.4% in 2011.

Despite remaining third place across the years of comparison, non-profit organizations were recipients in a fewer number of cases in 2013 (17%) when compared to 23.9% in 2011. A portion of their share went directly to individuals and families.

2.4.2 Final Beneficiaries – Who Benefits from Giving in Serbia?

When we analyse final beneficiaries, an expected result, individuals (including children and youth) with health problems were the most frequent category, which includes individuals either needing a specific type of medical treatment or individuals with specific health conditions (users of services provided by specialized institutions which received donations). Almost one third of the total number of donations made were for the benefit of this group.

Economically disadvantaged members of Serbia society benefited from donations in 20.4% of the instances. Between 5 and 7% of all donations were for the benefit of each of the following beneficiary groups: children and youth, adults with learning disabilities, members of specific local communities, children and youth without parental care, and mothers and newborns.

Children and adults with disabilities, children and youth at risk and the general population were each end users in 3 to 4% of the instances. The elderly, talented children and youth, refugees and internally displaced persons benefited from between 1 – 1.5% of all donations.

There were three additional categories: multiple groups merged together (3.2%), unknown final beneficiaries (1.2%), and other which includes groups which collectively benefited from less than 1% of all donations. The other category includes: women survivors of domestic violence, members of religious communities, Roma children, patient in need of palliative care, homeless, and, in one case each, small start-ups and animals.

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8 This category pertains to donations provided to a specific local community and all members of that community are its potential users.

9 Donations provided to the national institutions or national authorities where all citizens of Serbia are its potential beneficiaries.
Compared with 2011, the number of persons with health problems who benefited from the donations increased from 21.1% in 2011 to 30.7% in 2013.

Economically disadvantaged persons also experienced a significant jump from 9.9% in 2011 to 20.4% in 2013.

The number of donations intended for children and youth decreased significantly from 15% in 2011 to 6.8% in 2013. This decrease goes hand in hand with the decreased percentage of donations made to education causes.

Other changes of note include that children and youth at risk (children on the street) were the final beneficiaries were the final beneficiaries of 3.2% of all donations in 2013 versus merely 1% in 2011. Similarly, donations provided to mothers and newborns experienced a slight increase – from 2.3% in 2011 to 4% in 2013. Another change is a decrease in donations made to benefit children and persons with disabilities from 12.2% in 2011 to 9.8% in 2013.

As far as new groups of users go, it is important to mention women victims of domestic violence who are end users of around 0.9% (9 donations) of all donations and which didn't appear as users in 2011.

**End users**

- Children and adults with developmental disabilities 6.1%
- Children and adults with physical disabilities 3.7%
- Children and youth without parental care 5.6%
- Children and youth at risk 3.2%
- Talented children and youth 1.1%
- Refugees and IDPs 1.4%
- Economically vulnerable persons 20.4%
- Senior Citizens 3.2%
- General population 3.1%
- Members of specific communities 5.8%
- Persons with health problems 30.7%
- Mothers and newborns 3.9%
- Children and youth 6.8%
- Mixed beneficiary groups 3.2%
- Other 2.7%
- Unknown 1.2%
The most frequent recipients of donations were individuals/families (43.5%), institutions (32.7%) and non-profit organizations (17%).

Compared with 2011, the percentage of donations provided to individuals increased by 13%, and the highest decline was in donations made to local CSOs (by 6%).

The lack of data about donations provided to religious institutions and communities is notable.

The most frequent final beneficiary group was to persons with health problems (30.7%) and the economically vulnerable (20.4%).

Compared with 2011, persons with health problems and the economically vulnerable recorded the highest increase in donations; while the highest decrease (8.2%) was instances of donations benefitting children and youth.

A new group of final beneficiaries emerged: women survivors of violence.

### 2.5 Donors and Value of Donations

#### 2.5.1 Types of Donors

A review of the data broken down by type of donors shows:

- Mixed: 224 In Country, 328 Diaspora
- Mass Individual: 159 In Country, 1 Diaspora
- Corporations: 63 In Country, 91 Diaspora
- Individuals: 25 In Country, 19 Diaspora
- Associations and Clubs: 8 In Country, 16 Diaspora
- Small and Medium Enterprises: 0 In Country, 0 Diaspora
- Corporate Foundations: 0 In Country, 0 Diaspora
- Private Foundations: 1 In Country, 0 Diaspora

Legend:
- **Red:** Diaspora
- **Orange:** In Country
In addition to the cross-sectional data by types of donors, the chart shows the ratio between donors from the diaspora and donors within Serbia – 133 donations (12.8%) from the diaspora were recorded in 2013.

Donations by mass individuals (involving more than one person and not individually named) were by far the largest source of donations (34.4%). These were from campaigns where a large number of people made a donation (most often in smaller amounts). Donations made by the business sector totalled 185 (17.7%), with 2.4% of those being donations from small and medium enterprises. If we add corporate foundations to this category the percentage of donations by the business sector increases to 19.6%.

Individual donations comprised 14.8% of the donors – which includes both identified individuals and anonymous donors who are known to be individuals. A high percentage of these donations came from the diaspora while the number of donations in country was considerably smaller.

Various associations and clubs (like Rotary Clubs, youth clubs, etc.) comprised 7.9% of the donors, private foundations 1.5%, and only one donation was recorded by religious institutions.

A significant percentage of donations (21.6%) are recorded as coming from a mixed group of donors (that is several types of donors provided donations to the same purpose). Those have been, most frequently, citizens, individuals and the business sector.

Compared to 2011, three significant changes were identified by structure/type of donors: the first is definitely a large decrease of donations provided by the business sector: from 36.1% in 2011 to only 19.6% in 2013. Although a decrease has been expected due to the economic crisis, the reduction of the number of donations by 16.5% has been certainly more than noticeable.

The second significant change was a sudden increase of campaigns which resulted in mass individual giving from 17.4% in 2011 to 34.4% of the donor base in 2013. There is no doubt that such an increase is a consequence of calls for help to be provided to ill individuals or families. It is interesting that citizens, in a difficult economic situation, took part in twice as many instances of philanthropy than before.

Finally, it is important to mention the increase of donations from the diaspora from 7.5% to 12.8%; it is notable that the diaspora is usually included through individual donations (identified individuals), the only category where the donations provided by the diaspora exceed that provided in the country. We have to thank Frankfurt Vesti for the great coverage on diaspora philanthropy they provide.

It is interesting to note that religious institutions were mentioned as donors only once – it was a religious community from the diaspora. Despite the recorded data, the assumption is that religious communities donate more and more frequently than it has been reported.
2.5.2 Breakdown of Donations by Type of Donor

In addition to the data provided here, it is interesting to analyse the structure of donations by type of donor, which indicates which demonstrates which recipient entities donors trust, which causes are important to donors, and which groups benefit. Presented below is a cross-section of the number of donations disaggregated by type of donors relative to three categories:

- **Recipient entities** – which may indicate which groups donors trust
- **Purpose of donations** – which may identify the causes donors deem important
- **Final beneficiaries** - which may identify the groups that donors think are most in need of support

Recipient Entities. Individuals/families were the most frequent recipient of donations from four categories of donors: individual, mass individual, corporate foundations and mixed.

Corporations, associations and clubs and private foundations entrust their donations to institutions most frequently.

<table>
<thead>
<tr>
<th>Type of Donor</th>
<th>Recipient Entities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Individuals / Families</td>
</tr>
<tr>
<td>Mass Individual</td>
<td>200</td>
</tr>
<tr>
<td>Corporations</td>
<td>12</td>
</tr>
<tr>
<td>Individual</td>
<td>107</td>
</tr>
<tr>
<td>Associations &amp; Clubs</td>
<td>22</td>
</tr>
<tr>
<td>Small &amp; Medium Enterprises</td>
<td>10</td>
</tr>
<tr>
<td>Corporate Foundations</td>
<td>8</td>
</tr>
<tr>
<td>Private Foundations</td>
<td>3</td>
</tr>
<tr>
<td>Religious Institutions</td>
<td>0</td>
</tr>
<tr>
<td>Mixed</td>
<td>91</td>
</tr>
</tbody>
</table>
Purpose of Donations. It is shown here that citizens (mass individual giving), and associations and clubs and small and medium enterprises most frequently donated to healthcare. Companies gave more to marginalized groups; individuals and corporate foundations to poverty reduction and only private foundations focused on education.

<table>
<thead>
<tr>
<th>Type of Donor</th>
<th>Healthcare</th>
<th>Marginalized Groups</th>
<th>Poverty Reduction</th>
<th>Education</th>
<th>Community Development</th>
<th>Culture</th>
<th>Sports</th>
<th>Religion</th>
<th>Infrastructure</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass Individual</td>
<td>184</td>
<td>81</td>
<td>68</td>
<td>7</td>
<td>3</td>
<td>3</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Corporations</td>
<td>49</td>
<td>50</td>
<td>12</td>
<td>17</td>
<td>6</td>
<td>6</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Individual</td>
<td>48</td>
<td>18</td>
<td>72</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Associations &amp; Clubs</td>
<td>29</td>
<td>23</td>
<td>16</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Small &amp; Medium Enterprises</td>
<td>8</td>
<td>6</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Corporate Foundations</td>
<td>3</td>
<td>1</td>
<td>12</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Private Foundations</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Religious Institutions</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mixed</td>
<td>87</td>
<td>69</td>
<td>43</td>
<td>10</td>
<td>3</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>10</td>
</tr>
</tbody>
</table>

Final Beneficiaries. Mass individual giving and associations and clubs both have a primary focus on persons with health problems. Individuals, SMEs, corporate foundations and religious institutions focussed more on assisting economically vulnerable persons. Companies and private foundations focused their donations on children and youth.
2.5.3 Value of Donations

Considering the fact that it is very difficult to obtain specific data on amounts donated and that media rarely present information on specific amounts donated, data given hereinafter should be understood as an approximation or only as a framework indicator.

Out of 1,041 different donations (appeals, actions, reports and alike), the value of the donations were made public in 28.4% of cases, almost the same percentage as in 2011 (28.2%). 5,250,000 EUR\(^\text{10}\) was the total recorded value of the donations reported by media in 28.4% of the instances over the eight month period.

Apparently, the low level of complete data sets in articles indexed makes it difficult to estimate the total value for the full year of 2013. However, one can use extrapolation to arrive at a conservative estimate of the value of philanthropic donations in Serbia for 2013 is 18 to 20 million EUR.\(^\text{11}\)

A further examination of the value of donations by type of donor (based on 28.4% of the recorded instances where the value of the donation is known) reveals the following:

### Value of Donations, by Donor Type (%)

<table>
<thead>
<tr>
<th>Type of Donor</th>
<th>Final Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass Individual</td>
<td>169</td>
</tr>
<tr>
<td>Corporations</td>
<td>19</td>
</tr>
<tr>
<td>Individual</td>
<td>38</td>
</tr>
<tr>
<td>Associations &amp; Clubs</td>
<td>17</td>
</tr>
<tr>
<td>Small &amp; Medium Enterprises</td>
<td>3</td>
</tr>
<tr>
<td>Corporate Foundations</td>
<td>2</td>
</tr>
<tr>
<td>Private Foundations</td>
<td>0</td>
</tr>
<tr>
<td>Religious Institutions</td>
<td>0</td>
</tr>
<tr>
<td>Mixed</td>
<td>72</td>
</tr>
</tbody>
</table>

10 This amount does not include donation for Tijana Ognjanović, or the amount of 1.6 million Euros directed by Tijana’s parents to the Mother and Child Institute.

11 As this amount has been recorded for eight month period, this amount for a total period of one year would be 7.8 million Euros. Considering this amount relative to 100% of donations, we would arrive to the amount of 27.5 million Euros. Taking into account that the number of donations is not the same throughout a year, as well as that amounts of donations are different, subject percentage should be definitely reduced. If the extrapolated amounts reduced by one third we would arrive to the figure of around 18 million Euros; if reduced by one quarter, we would arrive to the figure of 20 million Euros.
While corporations declined in the percentage of instances of donations, they remain the most significant donor group in terms of value (27.9% or $5.02 million EUR). With the inclusion of the value of donations by small and medium enterprises and corporate foundations, the estimated total value rises to 5.22 million EUR (29%).

Individual donations account for 25.4% by total value. However, this includes several high-value donations from the diaspora that may have skewed this higher. Mass individual donations were totalled 17.4% of the amount donated. Private foundations at 6.3% were also among significant donor types.

Analyzing the total value of donations by recipient entity produces the following results:

**Value of Donations, by Recipient Entity (%)**

- OCD 7.6%
- Foundations 6.1%
- Individuals & Families 9.8%
- Institutions 44.2%
- Local & National Government 29.2%
- Other 3.2%

Analysis indicates that the state is indirectly receiving a lion’s share of donations from Serbian companies and individuals: more than 70% of value of donations was directed to institutions and authorities (primarily at the local level). The largest sub-category was for equipment purchases at institutions (health institutions comprising 37% of the value), with various infrastructure investments of municipal authorities within local communities being a secondary priority.

Non-profit organizations received close to 14% of amount donated, while individuals and families, ranking highest by number of donations, received only 9.8% of the funds (here again, without the donation for Tijana).

Finally, an analysis of the purposes for which donations were made results in:

**Value of Donations, by Purpose (%)**

- Healthcare 47.2%
- Marginalized Groups 13.2%
- Poverty Reduction 3.7%
- Education 2.1%
- Community Development 1.5%
- Culture 1.1%
- Economic Development 3.4%
- Infrastructure 24.2%
- Other 3.6%
Nearly half (47.2%) of the funds donated were invested in healthcare, including donations for medical treatments abroad and investments in the healthcare system.

Public infrastructure made up 24.2% of the donations by value and support to marginalized groups at 13.2%. Other causes, as noted in the chart, attracted significantly less funds.

Key points:

- Citizens, through mass individual giving, are the most common donors (34.4%) with the business sector (corporations, SMEs and corporate foundations) being the second most common (19.6%).

- Compared to 2011, mass individual giving accounted for the most important increase in the number of instances (by 14%), while the most significant decline was the business sector (by 17%). 5% growth in the number of donations recorded from the diaspora was also significant.

- The value of a donation was provided in only 28.4% of the indexed media reports, nearly the same as in 2011. The total calculated value of donations recorded during the eight months of monitoring was 5.25 million EUR. When scaling up for time and sample, the conservative total estimated value of donations in Serbia for 2013 is 18 to 20 million EUR.

- Corporations are the biggest donors by value (29%) and individuals account for individuals (25.4%).

- More than 70% of the funds were given to government through institutions and local governments, with non-profit organizations being recipients of 14% of the funds and individuals and families receiving 9.8% of the funds.

- Most funds (47.2%) were directed to healthcare while support to marginalized groups accounted for 13.2% of the overall value of donations.

### 2.6 Media Coverage

2,894 media reports of instances of philanthropy were recorded over the subject 8 month period in Serbia. A monthly average of 362 reports is a significant increase from 2011 when 232 reports was the monthly average.

#### # of Media Reports, by Media Type (%)

- Broadcast 15,4%
- Print 52,9%
- Web 31,7%

#### # of Media Reports, by Geographical Coverage

- National 88,4%
- Regional 6,0%
- Local 5,4%
- Sub-Regional 0,1%
- Other 0,1%

#### # of Media Reports, by Frequency

- Daily 2561
- Weekly 222
- Other 111

0 1000 2000 3000
As shown in the charts, more than half (52.9%) of the media reports appeared in print media, closely followed by web media (31.7%). Broadcast media accounted for the smallest percentage of media reports. Regarding geographical coverage, the vast majority of reports (88%) appeared in national media, while all other levels accounted for significantly lower percentages.

Finally, the greatest number of reports appeared in daily media outlets.

More than 282 different media outlets published reports on philanthropic activity in 2013. Based on the number of reports, the most significant ones are Blic (various editions), Frankfurt Vesti, Večernje novosti, RTS, Danas, Kurir, and RTV B92.

As far as the size of the article is concerned, most (54%) reports were short and medium accounted for 14.7%. In view of the length of a recorded report, most reports (nearly 90%) were less than 3 minutes.

2.7 Stakeholders
2.7.1 General

Such a large number of instance of philanthropy certainly indicates a significant and diverse set of stakeholders. While it was not always possible to identify each donor, of those types that are currently known, we have developed a list of significant stakeholder group and have noted some interesting examples.

1) Individual Donations

Citizens are definitely significant stakeholders in philanthropic giving. Naturally, it is impossible to estimate the number of citizens involved in giving; however, based on data that citizens were involved in more than one half of actions of giving; one may come to a conclusion that this figure is definitely a significant one. In spite of the poor economic situation, the sense of solidarity is obviously strong and capacities for giving are present and used.

In analysing mass individual donations, citizens mainly help other individuals and families; it is assumed that they want to know who they are helping and what will be achieved by donating. This is most easily achieved in the case of donation to individuals or families - here we refer to persons with health issues, economically disadvantaged people and people with disabilities and learning difficulties. Citizens also demonstrate trust in institutions with their giving and important causes included healthcare, marginalized groups and poverty. A positive surprise was that CSOs are third in value as recipients of donations from citizens meaning that there is a certain trust in citizen associations and that it is possible to attract mass individual donations if associations are addressing the issues and/or groups important to citizens.

Citizens responded to a variety of public appeals and also participated in large campaigns and events. As mentioned previously, the increased number of fundraising events (section 2.2) indicates the improved focus and maturity of fundraising actors, as well as awareness that general calls, appeals and campaigns are not sufficient to activate citizens as potential donors.

Identified Individuals also remain as important stakeholder group. A major change relative to 2011 in regard to this stakeholder group is more involvement of individuals from Diaspora. An analysis of in-country individual donors shows that many of them are in the public eye - sport stars, musicians, fashion designers, TV hosts and alike. No major personal donations of wealthier ‘ordinary’ citizens are noted; experience shows that richer citizens, who are also company owners, may donate through their company accounts or choose to donate anonymously or without public attention.

12 328 massive actions of individual donations and 223 actions – mixed donors
In the majority of instances, identified individuals as a group tended to donate more to individuals and families and donates funds towards economically disadvantaged persons or persons with health issues. The data for this category was significantly affected by the majority of identified individuals originating from the diaspora who traditionally give directly and in a direct and one-time fashion.

2) Business Sector

**Corporations** remain as the stakeholders of exceptional importance. Even though the number of donations dropped from 2013 to 2011, they continued to be a key stakeholder donor group by both share and amount of money. Companies from almost all industries are present: by number of donations, food producers, banks, insurance companies, and the oil/gas industry are most frequent. Major wholesalers and pharmaceutical companies are also of note.

Companies trust institutions the most, CSOs second most, followed by local authorities. Three important causes for companies are support for marginalized groups, healthcare and education. In line with the aforementioned, final beneficiaries targeted by corporations are children and youth, citizens in local communities (with the communities where companies are located most often the target), persons with health issues, and the general population (mainly through donations to health institutions).

**Small and Medium Enterprises** are predominantly focused on individuals and families, institutions and local authorities. As far as the topics are concerned, they find healthcare, marginalized groups and poverty as important; with key final beneficiaries including economically disadvantaged and citizens of their communities, as well as persons with health issues, mothers and newborns, and children and adults with disabilities. They come from vastly different business sectors. While the value of funds given by small and medium companies are not large, this is partially the consequence of there not being many public reports on amounts given by these stakeholders. The overview of donations from this stakeholder group is definitely not complete considering that reports on them are less frequent than reports on stakeholders acting nationally.

**Corporate Foundations** donated to individuals and families, than other foundations and, finally, institutions. In regard to topics, they were focused on poverty mitigation and, thus, the beneficiary groups most frequently supported are economically disadvantaged. Here we have to note that these results are connected with the work of BLIC foundation that was very active in 2013 by supporting exactly poor families/citizens. Since this foundation has direct access to media, this has definitely affected the media image of donations provided by corporate foundations. In addition to this foundation, noted are also Telenor, Delta and Hemofarm Foundations.

3) Media

Media are among important stakeholders that are significantly involved in philanthropic giving in Serbia.

Media play a dual role in Serbia: they are a primary source of information on donations, while more frequent coverage of this topic contributes to the general promotion of philanthropy.

However, in numerous instances, media outlets were not just reporting. Some media houses have established their own foundations (Fond B92, Blic, Večernje novosti). Others organise their own campaigns and actions relatively regularly or organize active cooperation with other stakeholders. From this perspective, media outlets are sometimes acting as donors and sometimes as "the agent" in philanthropic giving and, thus, they directly contribute to strengthening the philanthropic sector.
In this sense, their role is quite positive: that Serbia ranks highest in the region in terms of the number of media reports on philanthropy speaks for itself in terms of strong promotion of the topic.

However, an analysis of media coverage indicates that often media do not provide complete information, and that a report or article about an instance of philanthropy is summed up in several sentences, often making it difficult to figure out who donated money, how much or even for what purpose. Furthermore, reports on donations by companies are often seen in media as a kind of free advertisement and, thus, making public such information is often avoided.

4) Other Stakeholders

**Associations and Clubs**, include Rotary Clubs and local citizens’ associations organizing a range of fundraising activities donated locally. There was a somewhat higher level of activity among local associations when compared with 2011. 11. godinu.

**Religious Entities and Institutions**, as in 2011, a minimum involvement of religious institutions was noted - either as donors or receivers - which is very interesting in view of the fact that religious communities, and especially the Orthodox Church, are very active in attracting donations. Unfortunately, lack of publically available data on the religious communities and their involvement in philanthropic activities prevents any serious analysis of their full role as a stakeholder group.

5) Diaspora

As aforementioned, an increase in the share of giving by the diaspora was observed in 2013, from 7.5% in 2001 to 12.8%. In addition to the number of donations, their share in total donated amount is also significant: around one third of donated amount arrived from the diaspora. This is mainly attributable to a donation from a Canadian donor that arrived in this year to Kraljevo Municipality worth more than $1 million CAD for bridge construction and two other major donations (total value of approximately 500,000 EUR) from Canada and United States both directed to healthcare institutions. The amounts of other donations are significantly smaller.

The diaspora predominantly gave directly to individuals or families (75%), institutions (12.8%) and local authorities and foundations. In terms of causes, people from the diaspora predominantly choose to help economically disadvantaged (56.4%), support healthcare (30.8%) and marginalized groups.

In addition to an increased number of donations and more significant value in 2013, a wider engagement of various stakeholders from the diaspora was also observed. As opposed to 2011 when only individuals were involved, 2013 saw giving from associations and clubs and some companies. Diaspora organizations began to act as receivers (i.e. agents) forwarding aid to direct beneficiaries.

Most recorded diaspora donors are from Australia, Germany and Canada, with those from Austria, the United States, Switzerland, Denmark, France and Great Britain rounding out the list.
2.7.2 Non-Profit Organizations as Stakeholders in Local Philanthropy

This section brings together the various data relating to non-profit organizations and their role in the philanthropic marketplace in Serbia.

As previously mentioned, non-profit organizations were the third most frequent recipient entities with 17% of recorded donations being directed to this group. Non-profit organizations are defined in this report as domestic citizens associations (CSOs) and private foundations, foreign non-profit organizations and diaspora organizations. The Red Cross is also included as a non-profit organization, but was separated out in the analyses due to its specific legal status and network nature of the organization. Clubs and associations were excluded from this breakdown, except those that are acting solely as donors (such as Rotary Clubs and Lions Clubs, professional associations and alike).

Non-profit organizations appear both as donation recipients and as donors. As donors, foundations are the most common type, but there were also cases where associations acted as donors.

An analysis of non-profit organizations as recipients indicate domestic associations were the most frequent recipients (63.8%). Associations focusing on social issues and marginalized groups were the dominant recipient type. Most notable are NURDOR and the Belgrade Drop-In Center for children living and working on the street.

Foundations were much less represented as recipients (26.6%) with the most notable being media foundations (Fond B92 and Blic Foundation) and the Ana and Vlade Divac Foundation.

However, a comparison with 2011 data indicates that the percentage of cases where foundations are recipients grew relative to the decrease in CSOs as recipients: in 2011, foundations were recipients in 13% of cases and, in 2013, 26.6% of the time, while CSOs were recipients in 2011 in 70% of the instances while, in 2013, in 64% of the cases. This interesting piece of data may indicate the potential growth of trust in foundations as agents of philanthropy.

The Red Cross is at approximately the same level as it was in 2011 (5.8% in 2011 vs. 6.2% in 2013), while UNICEF experiences a small decrease in overall percentage between years. Interestingly, diaspora organizations appeared in the research in 2013, serving as agents between the diaspora and beneficiaries in the country.

Although non-profit organizations are not the most frequent recipients from any of the types of donors, it is interesting to note that the most donations were received from citizens (mass individual donations). This indicates that it is possible - with a clear message (clear fundraising goal) and the trust of the public (citizens) - to attract many small donations that combine to be of great assistance to non-profit organizations in fulfilling their missions. The most successful were the aforementioned NURDOR and Belgrade Drop-In Center.

The data also shows that corporations tend to trust domestic associations with their funds as long as they deal with the topics and target groups of the company's interest. NURDOR proved to be very successful in attracting donations in 2013. Domestic associations were recipients of 13.7% of the value of corporate donations, with foundations (although far less represented by number of donations) attracting nearly the same amount of money as CSOs. Clearly, foundations attract bigger donations.
The analysis of non-profit organizations as donors points to private foundations giving 1.5% of all donations. The Novak Đoković Foundation was convincingly the most noticeable, followed by Fond B92 (mainly in partnership with other types of donors) and the Ana and Vlade Divac Foundation. Among small local foundations, the Humano Srce Šapca Foundation received the most coverage. When acting as donors, private foundations prefer institutions as recipients and primarily focused their giving on education with children and youth as the primary final beneficiary group.

When associations acted as donors, bikers’ clubs and cultural and artistic clubs were the most frequently mentioned. Most of these donations were one-time and short-term actions, mainly in the form of distribution of packages and/or humanitarian aid to poor children and/or children without parent care, i.e. children from local orphanages.

3 Findings and Recommendations
3.1 Philanthropy in Serbia – Main Findings

In spite of the fact that this research – as mentioned earlier – cannot give complete information, it certainly allows us to create a general picture of charitable giving in Serbia.

A conservative assessment is that donations in Serbia in 2013 totalled between EUR 18 and 20 million. The media reported over 1,000 different instances of donation. Both the number of instances and the number of media reports has increased compared to the data available in 2011, indicating an increased awareness of and an expansion in the level of philanthropic activity as well as the increasing importance of the role of media. It appears that despite the difficult economic situation in Serbia, there remains a willingness to give.

More than a third of the recorded instances involved mass individual giving, demonstrating the active engagement of citizens. When adding in the instances of donations involving a mix of donor groups, more than half of the recorded instances involved citizens as donors.

Companies remain an important stakeholder as donors. Although their share in the total number of donations is less than in 2011, the business sector is still at the forefront when it comes to the actual amount of money given.

In 2013, there was also an increase in the participation of the diaspora compared to 2011, both by number of donations and the sum of money.

Donors generally choose to give money (in 72.1% of cases) and to give direct donations (rather than responding to appeals and campaigns). When compared to 2011, the number of fundraising events organized in 2013 increased which, bearing in mind that event organization requires preparation, logistics, and audience identification, indicates that the approach to fundraising has become more focused, organized and sophisticated.

There was an observed increase in the percentage of donations aimed at Belgrade, while Vojvodina and central Serbia remained at approximately the same percentage as before. The percentage of donations to causes outside of Serbia decreased from 2011 to 2013, with most of these donations being directed to neighbouring countries where there is a Serbian minority. It is interesting that in 2013 there was a decrease in the percentage of donations directed towards Kosovo and the emergence of donations towards the Republic of Srpska.
As for the purposes for which donations were given, the healthcare sector has undoubtedly become the number one issue. This is hardly surprising considering that last year was marked by the lack of money in the health system, especially for the children in need of major surgeries who could not receive adequate help within the country.

It is particularly important to note that the fundraising for medical treatment of Tijana Ognjenović had broader effects than originally anticipated. Thanks to this appeal, a broad public discussion has been initiated on a topic of great social importance. Philanthropy thus focused public attention on the inability of the state to solve this particular problem and initiated public reaction to take steps to seeking a long-term solution.

As expected, the other two issues that drew attention when it comes to giving were support to the marginalized groups and poverty. It is important to note, though, that education – an extremely important topic in Serbia – is less prevalent as a topic in 2013 compared to 2011. Although this decline might have been expected (in times of economic hardships attention inevitably focuses on the primary issues – health and survival), it is not encouraging. The lack of grants for education will show effects in the long run.

It is also important to pay attention to the fact that the prevalent donations in Serbia are still directed to one-time, short-term assistance and support: in the area of poverty over 78%, in health care over 63% and in support of marginalized groups over 43%. Although this type of assistance is undoubtedly useful and necessary, it is also worth considering that giving can also help to strategically tackle the root of the problem, not only to remedy the consequences. In this sense, the surprising fact is that there was only one donation which focused on supporting start-up companies (economic development).

In accordance with that, it is not surprising that the highest number of recorded donations in 2013 was directed to individuals and families, although when looked at by value of donation, they are third.

A particularly important finding that needs to be emphasized is that the state and its institutions have benefited greatly from philanthropic giving. This is indicated by the fact that nearly a third of the recorded actions (32.6%) focused on supporting institutions, and an additional 3.6% on the local and/or national authorities. Even more significant is the fact that more than 70% of the total value of donations was directed to state institutions and (mostly local) authorities. Philanthropy is a private, free initiative and donors can choose who to give their money to; in this sense, it is perfectly legitimate to send it to state institutions and local authorities. What is missing, however, is an adequate response from the state to the generosity of the citizens and the business sector who, in addition to paying taxes, also give donations. In that respect, this data can be used in advocating for improving tax incentives.

Non-profit organizations as recipients of donations come third (behind individuals/families and institutions): 17% of donations were directed through them, and they received 13.7% of the total recorded amount. Compared to 2011, there is a visible decrease in the percentage of donations. At the same time, there is a visible rise in the participation of foundations in these percentages, which shows their increased activity and that they are gaining the donors’ trust as intermediaries.
Regardless that the results of non-profit organizations could be better, there are success stories to be noted (NURDOR and the Belgrade Drop-In Center for Children). And it is significant that CSOs received the largest number of donations through citizens (mass individual donations). This indicates that it is entirely possible to attract a large number of donations from citizens, if organizations have a clear message (clear fundraising objectives) and gain the trust of the public (citizens).

A certainly interesting finding is the lack of data regarding giving and receiving on the part of religious communities and churches. As experience suggests that their participation in charitable activities is significant, it is clear that a large part of our philanthropic marketplace remains unknown in this analysis.

In line with the results on the purposes of giving, the groups that received the most donations were people with health problems and economically disadvantaged citizens. In spite of the fact that these two groups received more than half of the recorded donations, the range of final beneficiaries is very broad and includes children and young people, adults and children with disabilities and learning difficulties, mothers and newborns, the elderly, refugees, patients in palliative care, children and youth at risk, etc. It is also noteworthy that, compared to 2011, a new beneficiary group has emerged: women who are survivors of violence. Such a wide range of final beneficiaries indicates that there is an awareness about the existence of different groups of citizens who are in one way or another marginalized and in need of support.

Finally, a few words about the media. There is no doubt that the role of the media in promoting philanthropic giving is huge; in Serbia, they not only report on philanthropic actions but often initiate them, and some have even formed their own foundations through which they collect and distribute money. In this regard, the positive power of the media to strengthen giving is evident. However, the analysis of media coverage suggests that the media often do not provide complete information but that a report or article is reduced to a few sentences, out of which it is often difficult to determine who gave the money, how much money was donated or even for what purpose. The fact that only 28% of media reports stated the sum of money that had been collected says enough about the need for greater transparency – not only of the media, but also of all the other stakeholders.

On the other hand, the rare negative cases in which money is misused or such misuse is suspected receive much more media coverage than a greater number of events where there was no abuse and that had significant positive results. While it is, of course, necessary to be inform the public about such cases, the tabloidization and the dissemination of incorrect information unnecessarily undermines public trust in the importance and results of philanthropy.

On the whole, the picture of charitable giving in Serbia is far from negative. Although there is plenty of room for improvement, even the incomplete data set available indicates that, as a society, we have not forgotten solidarity.

What we should be mindful of, however, is that philanthropy is not only an expression of humanitarian efforts and a way to help those in need. The act of giving is so much more: it is an expression of our personal responsibility to the community and society in which we live. It is an expression of values in which we believe and which we teach our children. In the end, it is the possibility to, in some way, directly influence what is happening around us and in the future.
3.2 Recommendations for the Further Development of Philanthropic Giving

In relation to this research, there are several areas to which different stakeholders, especially those interested in promoting philanthropy, could pay attention to:

**Solve the problem of the lack of data.** As 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. This research has shown that we are not talking about a negligible sum. In this regard, accurate data can help us not only to track important indicators for trends, but also to determine the best way to use the money provided by citizens and businesses to the common good. It is necessary to initiate a dialogue with state institutions and to explore ways to collect data that can provide us with a more complete picture.

**Promote underrepresented issues.** While it is understandable that the issues of poverty and medical treatment of individuals are highly emphasized, we should not forget that there are, in the long run, other equally important purposes. In this sense, we should give more attention to education in Serbia, and not enough is invested in the culture, environment and economic development.

**Promote and work with donors to invest in longer-term solutions.** The analysis showed that less is given to finance longer-term solutions to some of the problems, and that what can be classified as humanitarian, one-time assistance, is more prevalent in Serbia. Such donations are very helpful and necessary; at the same time, donors could also consider investing in longer-term solutions. For example, if we are talking about medical treatment that cannot be done in the country, in the long run it will be more effective if we examine the causes of why it cannot be done here (lack of equipment, expertise, etc.) and then invest in the purchase of necessary equipment or in additional training for doctors to be able to do certain procedures. If we talk about poverty, instead of a one-time financial gift that can help the family to survive for a few months, it may be better to donate to programs that will result in new jobs or further education. In this sense, organizations and institutions dealing with these problems should develop and offer appropriate programs to potential donors. Organizations working on the development of local fundraising should work with donors to inform them about the possibilities and effects of long-term investments, and the media can play a significant role in promoting such programs and fundraising appeals.

**Advocate tax authorities to create incentives for giving.** Research has shown that a substantial part of the money that is given for the common good actually benefits the state and its institutions. The benefits that the state itself gets from donations made by citizens and businesses is a good argument for stakeholders in the already initiated dialogue with state institutions regarding the introduction of tax incentives for individual donors. It would be especially important to introduce incentives for individual giving for citizens who contribute to the common good in this way.

**Increase transparency.** It is extremely important that all stakeholders (those receiving donations, the donors and the media) be as transparent as possible when it comes to philanthropy. Greater transparency not only allows more accurate data tracking, but also increases confidence of the donors and general public. It is important to not only announce the amounts that have been collected, but also how they are used, and the results and effects of the assistance that was given.
Work with the media. This research has highlighted the major role of the media in promoting and improving philanthropy. In this sense, organizations working on development of the local fundraising should open a dialogue with the media and actively involve them in promoting philanthropic giving. The media can and should be an important ally to all who are working to develop philanthropy, not least when it comes to the purposes for which not enough money is given, possibilities of more strategic giving, increasing transparency and the role of government in creating enabling environment.

Increase the role of non-profit organizations. The research has shown that in spite of the greater level of confidence given to state institutions, it is possible for non-profit organizations to attract trust and donations from citizens and businesses. In this sense, organizations (foundations) working with local civil society organizations should continue and intensify work on education that can help local fundraising. Particular attention should be paid to clear objectives and messages, transparency and greater efforts to nurture potential donors.
Appendix 1: Comparison of Trends: 2013 vs. 2011

Geographic Distribution of Donations (%)

- Belgrade: 34.5% (2013), 28.6% (2011)
- Vojvodina: 25.1% (2013), 27.3% (2011)
- Serbia proper: 36.9% (2013), 33.8% (2011)
- Out of Serbia: 3.5% (2013), 10.5% (2011)

Instances of Donation, by Donation Type (%)

- Direct Donations: 48.3% (2013), 47.9% (2011)
- Events: 37.6% (2013), 25.8% (2011)
- Call for Donations/Campaigns: 14% (2013), 24.9% (2011)
- Calls for Proposals: 0.1% (2013), 1.4% (2011)
Instances of Donation, by Purpose (%)

- Healthcare: 39.5% (2013), 29.6% (2011)
- Support to Marginalized Groups: 24.3% (2013), 32.9% (2011)
- Poverty Reduction: 22.4% (2013), 9.9% (2011)
- Education: 5% (2013), 12.7% (2011)

Instances of Donation, by Recipient Entity (%)

- Individuals / Families: 43.5% (2013), 30.5% (2011)
- Institutions: 32.7% (2013), 33.8% (2011)
- Local and National Authorities: 3.6% (2013), 6.6% (2011)
- Associations: 10.9% (2013), 16.9% (2011)
- Foundations: 4.5% (2013), 3.3% (2011)
Appendix 2: Summary of Tax Laws Significant for Philanthropy Development in Serbia

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 Serbia while the text of the complete publication is available at http://www.sign-network.org/activities/advocacy-for-policy-changes

Corporate Profit Tax Law. Article 1 of the Corporate Profit Tax Law implicitly excludes organizations of civil society (associations, legacies and foundations) from the general liability to profit tax if they act to achieve generally beneficial or common goals and activities, as per provisions of the statute. 

Article 15, Paragraph 1 of the Law stipulates that: "Expenditures for health care, cultural, educational, scientific, humanitarian, religious, environmental protection and sport-related purposes, as well as expenditures for institutions of social welfare founded in accordance with the law regulating social welfare, shall be recognized as expenditure amounting to not more than 5% of the total revenues" (in italic, our addition). Expenditures shall be recognized as expenditures only if they were made through legal entities registered for aforementioned purposes in accordance with special regulations and if used solely for that purpose (Article 15, Paragraph 2).

Additionally, expenditures in the field of culture, including cinematography, shall be recognized as expenditure amounting to not more than 5% of the total revenues (Article 15, Paragraph 3). The minister in charge of cultural affairs shall enact regulations in greater detail as to what the investment in the field of culture should be understood to mean for the purposes of this Law, having obtained the opinion of the minister of finance and economy (Article 15, Paragraph 9).

Personal Income Tax. Personal Income Tax does not include any tax reliefs for donations of natural entities -taxpayers, including entrepreneurs.

Property Tax Law. Article 14, Paragraph 6 (3) of the Property Tax Laws stipulates that gifts from individual donor in the amount less than 100,000 RSD within one calendar year are generally exempted from property tax liability. Additionally, foundations, associations and legacies acting for generally beneficial purposes, in accordance with regulations on their work, are exempted from the gift and inheritance tax, as well as for donations exceeding 100,000 RSD within one calendar year if they use subject resources for achieving generally beneficial goals (Article 21, Paragraph 1, Item 5-5a). As per the opinion of the Ministry of Finance, CSO - gift receiver that has received a gift worth more than 100,000 RSD from one gift giver within one calendar year (either one-time or recurring), shall apply for tax exemption for each gift exceeding prescribed amount. This is due to the fact that: "gift tax is set by a receipt issued by tax authority, meaning that the right to tax exemption (if legal requirements are met) is also set by a receipt issued by tax authority".

Status of Organizations Acting for Public Benefit. The concept of organizations acting for public benefit is not covered in details in tax laws. However, certain elements of the concept were defined in statutory regulations for associations, legacies and foundations (infra).

13 "Official Gazette of the Republic of Serbia", No 25/01, 80/02, 43/03, 84/04, 18/10; 101/11; 119/12; 47/13.
14 "Official Gazette of the Republic of Serbia", No 24/01; 80/02; 135/04; 62/06; 65/06 - amendments; 47/13; 48/13-link. BCIF's research found lack of tax reliefs as one of the factors hindering cultural development and charitable giving by natural entities (27% of respondents). However, lack of tax reliefs is a relatively smaller problem in view of the difficult economic situation presented by the respondents as the main cause of undeveloped culture of giving (92% respondents).
15 "Official Gazette of the Republic of Serbia", no. 26/01; 45/02; 80/02; 135/04; 61/07; 5/09; 101/10; 24/11; 78/11; 57/12 – ruling of the Constitutional Court; 47/13.
16 Response from the Ministry of Finance no. 430-43-00058/2011-04, from 9/02/2011 to the memorandum of the association: "Centre for palliative care and palliative medicine BELhospice". Also, see opinion of the Ministry: "Facts affecting presence and level of tax liability, i.e. presence of grounds for tax exemption, is the matter of assessment of the line tax authority in each individual case". (Ministry of Finance and Economy, no. 430-03-00038/2004-04 from 10/02/2004).
**Use of Donations.** The law did not define any specific time horizon for CSO to use the gift (donation) received for it to be exempted from tax liability, nor the law did regulate which part of the donation may be used for the recognized administrative costs. According to information from CSO practice, certain tax administrations tax the part of donation used to cover administrative costs.

**Corporate volunteering.** The Law on Volunteering permits business entities to perform volunteering activities provided that they are performed outside the premises of the business entity with previous consent obtained from the Ministry of Labour and Social Welfare (Article 14 of the Law).

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**SUMMARY OF OPEN TAX ISSUES IN SERBIA**

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<tr>
<th>CORPORATE PROFIT TAX LAW/PROPERTY TAX LAW:</th>
<th>PERSONAL INCOME TAX LAW:</th>
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<tbody>
<tr>
<td><strong>Profit Tax Law:</strong></td>
<td>- No tax reliefs and allowances for donations by natural entities - taxpayers.</td>
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<tr>
<td>Narrow definitions and extensive list of generally beneficial goals and purposes in the Profit Tax Law (incompliant with the statutory regulations for CSOs);</td>
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<td>- Amendments to 2012 law partially abandoned the focus on natural activity performed for generally beneficial purposes, before statutory form under which such activities are performed;</td>
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<td>- Certain tax administrations recognize only monetary donations.</td>
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<td><strong>Property Tax Law:</strong></td>
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<tr>
<td>- According to the interpretation of the Law by the Ministry of Finance, CSO should apply for tax exemption for each gift from an individual donor within one calendar year exceeding 100,000 RSD;</td>
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<td>- The law does not define the tax status of donation transferred to the following taxation period;</td>
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<tr>
<td>- The law did not explicitly define the tax status of so-called institutional grants;</td>
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<tr>
<td>- Certain tax administrations tax donations used for administrative costs.</td>
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17"Official Gazette of the Republic of Serbia", No 36/2010