



Giving Serbia 2019

REPORT ON THE STATE OF PHILANTHROPY – QUICK FACTS

3,037

recorded instances

€34.5M

estimated value of donations

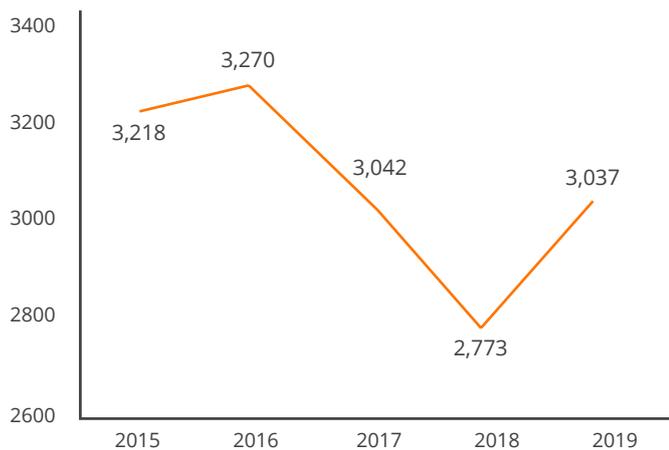
€4.9

average donation per individual

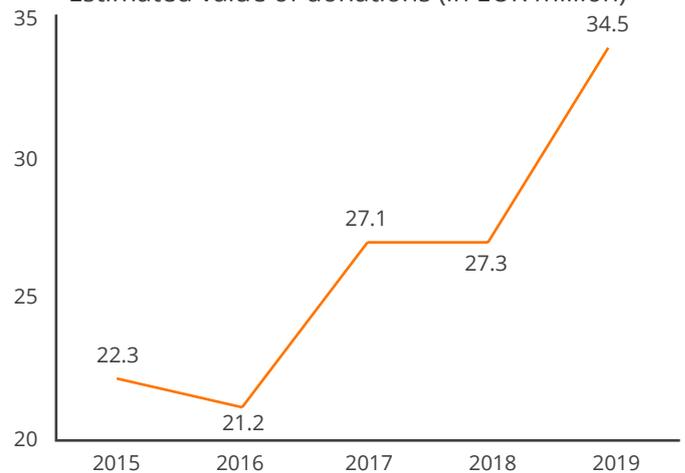
26.2%

increase of giving compared to 2018

Number of recorded instances



Estimated value of donations (in EUR million)



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Rockefeller
Brothers Fund
Philanthropy for an Interdependent World

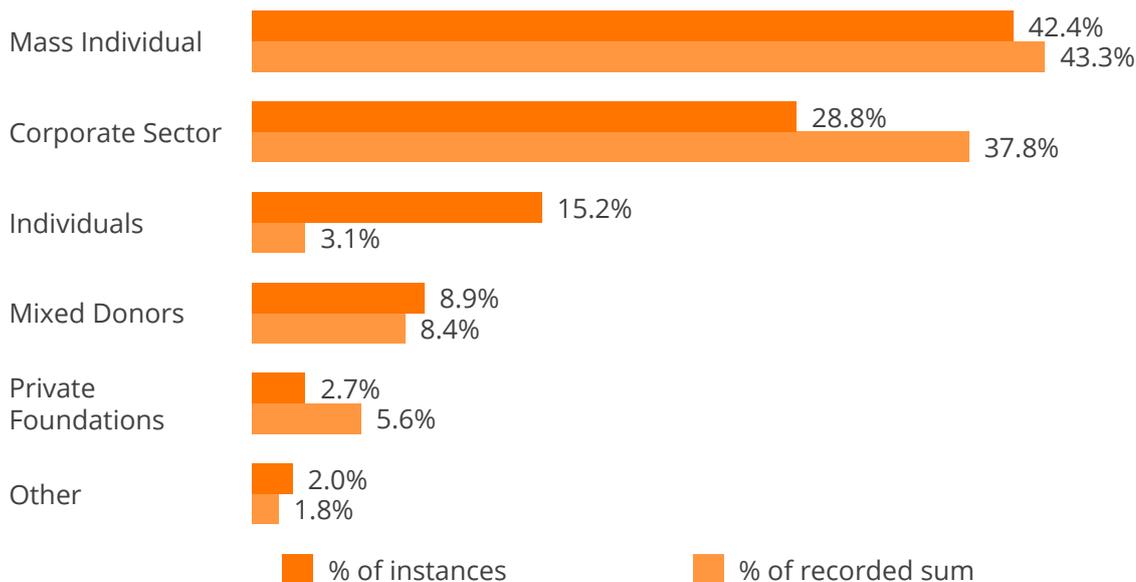
Activity

The estimated value of donations in 2019 rose by 26.2% compared to the previous year. EUR 34.5 million was donated – this huge leap implies significant progress. The level of activity also rose, given that a total of 3,037 unique instances of giving to social good were recorded, which represents a 10% increase compared to 2018.

Geographic Distribution

The geographic distribution of giving in Serbia followed the trends of the previous years. Recipients from the Region of Belgrade remained in first place, followed by those from Šumadija and Western Serbia, Vojvodina, and, finally, from Southern and Eastern Serbia. Fluctuations of percentages were minimal.

DONORS



Citizens were the largest donors, followed by the corporate sector and individuals. All three key types of donors kept the same level of activity as in 2018. Regarding the value of donations, both citizens and the corporate sector increased their share in the recorded sum, while donations by individuals declined. Donations of mixed donors dropped to the 2017 level both by the number of instances and by the value of donations. Private foundations maintained the same level of instances as in 2018, while their share in the value of donations slightly grew.

THEMES

16.4%

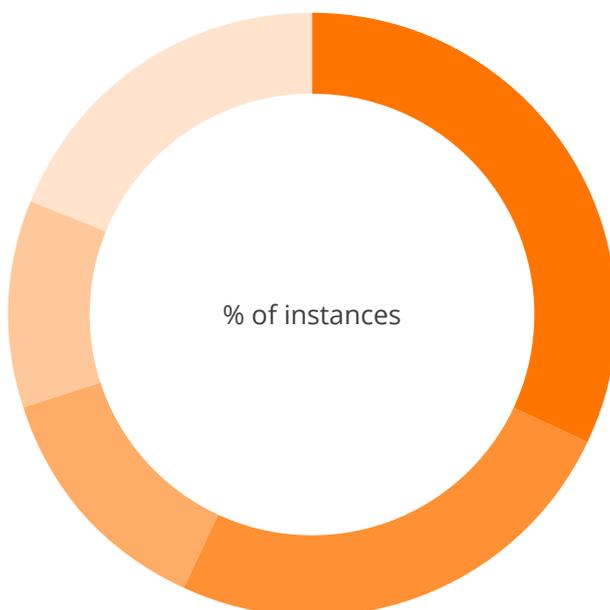
Other

12.9%

Education

14.4%

Poverty relief

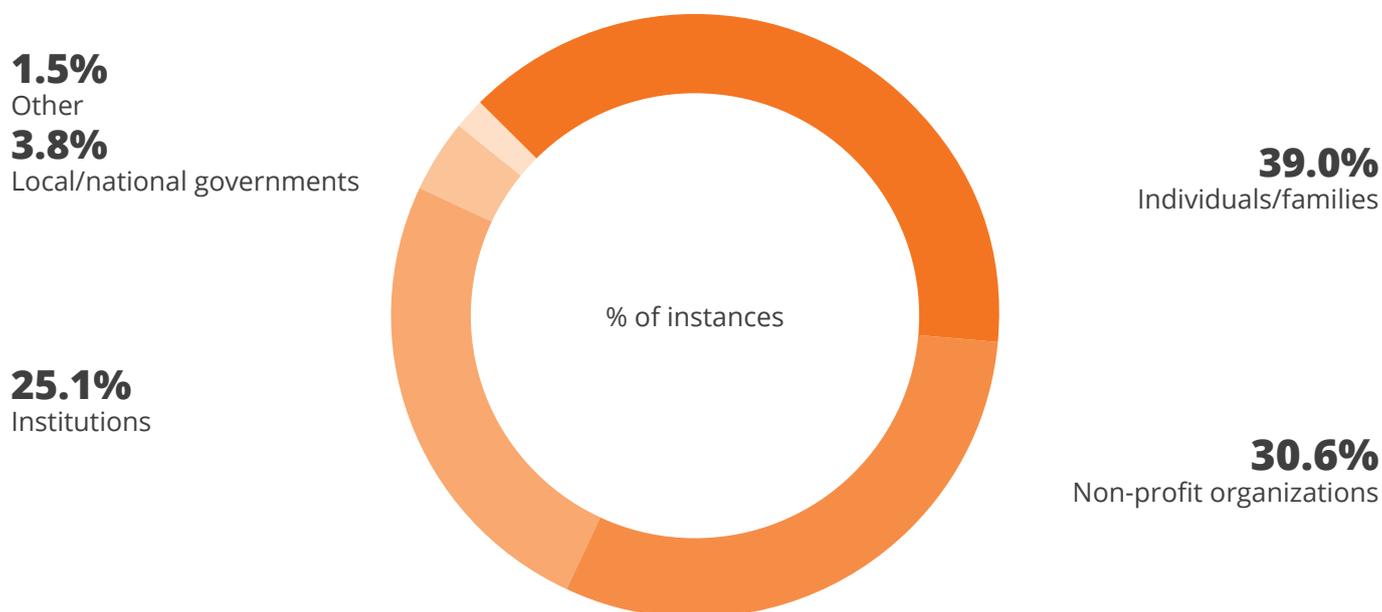


33.4%
Healthcare

22.9%
Support to marginalized
groups

The healthcare once again received the largest support in 2019, even to a greater extent than in 2018. Support to marginalized groups remained in second place, while an increase in the number of instances brought poverty relief to the third place, leaving education in final place. These four themes were supported with a larger total number of instances than in the previous year, while other themes remained without significant support.

RECIPIENTS



The highest percentage of instances in 2019 was directed to individuals and families, followed by non-profit organizations. Third place was taken by institutions, while local and national governments received a small percentage. Of all the recipients, non-profit organizations were the only ones to receive more frequent support, receiving the largest share of the value of donations as well. The decline of direct support directed to the state (institutions and local/national governments) continued in 2019, but this drop does not reflect the real picture because a part of support to state institutions was directed through non-profit organizations and foundations.

Support to non-profit organizations

The frequency of support to non-profit organizations continued to grow in 2019, which marked the continuation of this positive trend. Although the percentage of the value of donations slightly dropped compared to other recipients, non-profit organizations actually received EUR 1.1 million more than the previous year. Non-profit organizations are still the frontrunner according to the share of received funds. Although these figures refer to the entire non-profit sector, in 2019 several of the most active and most successful organizations and foundations stood out, as they received the most funds.

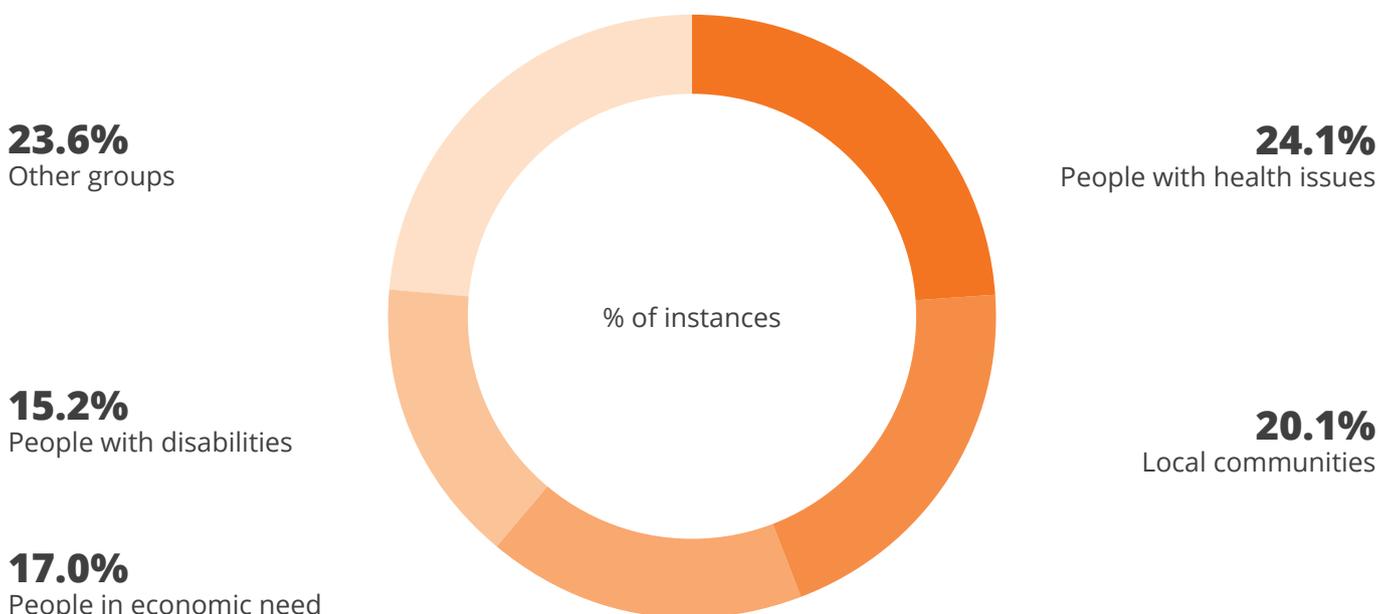
State as a recipient

Although slightly less than a third of instances was directed to the state (as was the case with individuals and non-profit organizations), the state's overall share in the number of instances and the value of donations have been declining for several years. Since 2017, the share in the number of instances has been declining by an average of 3% each year, while the drop in the value of donations recorded a smaller reduction (5.5%) compared to the recorded 17.7% in 2018. However, as previously noted, we do not know the number of instances where the support to the state was directed through non-profit organizations. Based on the situation in previous years, we assume that the support was significant in 2019 as well. Social, education and healthcare services received the most frequent support, while scientific, sports and cultural institutions received a very small share of instances. Nonetheless, over half of the value of donations was directed to healthcare institutions.

EFFECTS OF GIVING

Instances with one-off effects are still dominant with regard to the use of donations. Annually, slightly less than two thirds of instances are one-off, while the percentage of instances with potential strategic effects remains within the 30% margin. In 2019, the percentage of long-term support slightly dropped, while the percentage of instances with one-off effects grew due to the increased direct assistance to people in economic need and people with health issues.

FINAL BENEFICIARIES



In 2019, the four key beneficiary groups were supported with over 75% of instances. People with health issues received the largest support – 1.7% more than in 2018 – followed by local communities that maintained the same level as the previous year. People in economic need took third place, with a 3.5% increase compared to 2018. People with disabilities took fourth place, maintaining the same level of support as in the previous year. The scope of other beneficiary groups remains similar as in the previous years, but with no new groups or significant changes. Given the consistency of this trend, we would like to draw greater attention to the less represented beneficiary groups (such as people in need of palliative care or homeless people) and advocate for the development of better infrastructure and more frequent giving.

TRANSPARENCY

The transparency of the value of donations dropped by 5.9% compared to the previous year, which interrupted the stable growth in better media reporting on the values of donations established throughout the previous years. Next year will show whether this was a momentary change or a potentially new trend.

PHILANTHROPIC INFRASTRUCTURE

In 2019, within the Philanthropy Development Council of the Serbian Prime Minister's Office, three working groups and one working body were formed with the task of developing proposals for law amendments. They are the following:

- Working group for improving the legal and fiscal framework for giving to social good by legal entities and improving the implementation of existing legal mechanisms,
- Working group for improving the legal framework for donating excess food,
- Working group for creating stimulating environment for giving to purposes of general interest by individuals,
- Working body for defining criteria for exempting individual donations from VAT.

Over the course of 2019, these working groups and working body conducted several cost-benefit analyses that

analysed the proposals for amending certain regulations, primarily in the area of regulating the VAT on donations in goods and services. The Agenda and the Action Plan for the work of the Council were prepared based on the previous analysis of the legal framework and data obtained from research.

The Coalition for Giving (Ana and Vlade Divac Foundation, Trag Foundation, Catalyst Balkans, Smart Kolektiv, Serbian Philanthropy Forum, Responsible Business Forum and the Serbian Chamber of Commerce and Industry) and the Philanthropy Development Council achieved two significant changes in 2019:

- On 6 December 2019, the National Assembly adopted the amendments on increasing the non-taxable amount of scholarships and student loans to RSD 30,000,
- On 31 October 2019, the Tax Administration published the Guidelines on tax relief eligibility of donors on its website.

In 2019, the Coalition for Giving (within Trag Foundation's activities) and the Philanthropy Development Council published the Philanthropic Agenda, which affirmed the key targets for future work, as defined in the Action Plan of the Philanthropy Development Council.

OTHER IMPORTANT FINDINGS

The year 2019 recorded two important general findings about the philanthropic ecosystem.

The first finding is the change in the media coverage of philanthropy. After a general upward trend, the transparency of the sums of donations in media reporting dropped to 40.2%, which implies that there was a larger number of articles that did not report on the sum of a given donation, but also that there was a lower intensity regarding media coverage of individual instances. Although Catalyst Balkans received a significant amount of data on the values of donations directly from the sources, almost 60% of instances that were covered in the media did not have the information regarding the values of donations, which consequently reflected on the recorded sum, as well as on our possibility to appropriately monitor the trends in giving.

The second and more positive finding concerns the Donacije.rs crowdfunding platform managed by Catalyst Balkans. In 2019, a staggering EUR 190,000 was donated to 46 active campaigns via this platform, owing the activity of citizens and companies that recognised the importance of this mechanism of support to non-profit organizations. This represents a huge leap compared to EUR 75,000 donated to 20 campaigns from March 2018 (when the platform was launched) to December 2018. This is also a sign that organizations and projects for social good now have an open door towards raising funds from local sources.