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Comparative overview of the composition and responsibilities of the body for selection of projects and for making the decision on the distribution of State funds to CSOs from the countries in the Western Balkans region

Introduction

Based on the request from the General Secretariat of the Government and Council for Cooperation and Development of Civil Society from 7 December 2020, an overview of the composition and responsibilities of the body for selection of projects and for making the decision on the distribution of State funds to CSOs from the countries in the Western Balkans region has been prepared. The below table overview is followed by some preliminary reflections on key points that should be considered by the Council members and the General Secretariat before deciding on the most adequate approach to setting up evaluation or selection committees for calls for public funding of CSOs projects.

In general, the decision on the composition of evaluation and selection committees should be preceded by the discussion on the division of work and responsibilities in the system of public funding of CSOs, as well as in the overall institutional architecture for supporting civil society development in the Republic of North Macedonia. A number of systemic questions still need to be considered and common agreement reached on essential components of the new model of distribution of State budget funds for CSOs before the structure of the evaluation/selection committee (as only one aspect of the new model) is determined.

In view of the ongoing process of developing the new model of State funding of CSOs, this document aims to serve as a “food for thought” and contribute to the discussion, rather than offering some ad-hoc instructions or recommendations.



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Country	Legal basis for the establishment and functioning of the structure(s) for decision-making on the allocation of State budget funds for CSOs	Name and responsibilities of the body(ies) for decision-making on the allocation of State budget funds for CSOs	Composition/ Membership of the decision-making body
Albania	<p><u>Regulation</u> of the Agency for the Support of Civil Society (ASCS) on procedures of financing of grants supporting civil society (adopted by the ASCS Supervisory Board in December 2016) - article 14</p> <p><u>Law</u> no. 10093, dated 09.03.2009 "On the Organization and Functioning of the ASCS – article 18</p> <p><u>Decision</u> of the Council of Ministers no. 769, dated 15.07.2009 "on the Approval of the Statute of the ASCS (as amended)</p>	<p>The Evaluation Committee is responsible for assessing the project applications and submitting the proposal of the Decision on financing of NGO projects to the Supervisory Board of the ASCS.</p> <p>The Board makes the relevant decision on the projects to be funded considering the established standards and objectives.</p>	<p>The ASCS Supervisory Board consists of 9 members: 5 members, representing civil society organizations and 4 members, representing the central public administration institutions. The Council of Ministers, appoints 4 members of the Supervisory board from representatives of central public administration institutions and 5 members from representatives of civil society organizations, according to the principle of equal gender representation. Representatives of CSOs are appointed based on experience and contribution, according to the representation of the main and primary areas and strategic priorities for the development of civil society. CSOs,</p>



			<p>registered under the law, have the right to submit proposals for representation on the Supervisory board to the Secretary General of the Council of Ministers.</p> <p>The Executive Director of the ASCS appoints the members of Evaluation Committee for each call – among the members of the agency. The evaluation committees should not have less than 3 members, and CSOs can participate as invitees/observers. In principle, the ASCS evaluation committees are composed of employees of the Agency where the role of the President of Evaluation Committee is performed by the Head of Sector of the Agency, while other members are selected from other employees of the Agency.</p>
Bosnia Herzegovina	<u>Rulebook</u> on criteria for financing and co-financing of projects in the areas of public interest implemented by	The Commission for assessing the projects is established by the Head of institution responsible for the call for financing.	The Commission has a secretary and at least 3 members appointed from employees of the institution , and where needed, also from other public institutions and external



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	associations and foundations (articles 16-17)	<p>The Commission has the following competencies: a) verifies whether the received application for the public call is complete and meets the formal-legal criteria set in the Rulebook; b) reviews and evaluates the received project proposals that meet the formal-legal criteria in accordance with the methodology for assessing the quality of proposed projects prescribed by the Rulebook; c) submits to the Head of the institution a proposal of the ranking list of projects for financing and co-financing, with accompanying documentation.</p> <p>Based on the ranking list submitted by the Commission, the Head of institution drafts the proposal of the Decision for the allocation of funds for financing or co-financing of projects of associations and foundations (at the latest within 60 days from the date of closing the public call) and submits it to the Council of Ministers of Bosnia and Herzegovina that adopts the Decision.</p>	<p>experts.</p> <p>In case of the conflict of interest, member of the Commission is excluded from the scoring process.</p>
Kosovo	Regulation of the Ministry of Finance nr 04/2017 on	Each provider of financial support that has published a public call for financial	The Evaluation Committee is expected to be composed of



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	<p>Criteria, Standards and Procedures on public funding of NGOs (article 8)</p>	<p>support, establishes the Evaluation Committee, which will deals with the assessment of applications according to the public call and makes the selection of beneficiaries. The administrative support to the work of the Committee is provided by the ministry responsible for the public call.</p> <p>The Evaluation Committee is established during the period when the public call is open and the names of the members of the Committee become public within 7 days after the establishment of Committee. At its first meeting, the Committee approves the working rules, through which the work will be led by the Committee and these rules are made public within seven (7) days.</p>	<p>members who have experience and integrity. The Committee composition, duration and its mandate is assigned by the decision of the chief administrative officer, or by the head of organization / institution.</p> <p>The Evaluation Committee consists of 5 members, as follows: 1 representative from the relevant unit, under which the financial support is planned; 2 representatives from the group of external experts, one of whom shall be a representative of NGOs, which will be selected through a public call done by the provider of financial support; 2 representatives from the institution providing financial support, one of which must be from relevant budget / finance department.</p> <p>Besides regular members of the Evaluation Committee, the provider of financial support</p>
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			<p>should foresee by the decision also 1 backup member, who will replace if necessary any member of the Evaluation Committee who has a conflict of interest.</p> <p>Members of the evaluation committee cannot be political appointees.</p>
Montenegro	<p><u>Law on NGOs</u> (art. 32b, art. 32đ)</p> <p><u>Regulation</u> on financing of NGOs' projects and programs (art. 9)</p>	<p>The Commission for the distribution of funds, formed at the level of the Ministry, is responsible for taking the final decision on the distribution of funds, based on the evaluation prepared by independent assessors.</p> <p>Two independent assessors selected by the Ministry responsible for the call, from the database set up based on a public call run centrally by the coordinating Ministry of Public Administration. Independent assessor cannot be a person who was involved in an NGO in past 2 years (from the date of publishing the Call), either as employee, volunteer, board member or had any contractual relation with an NGO.</p>	<p>Commission is composed of the president and two members, out of which, the president and one member are civil servants from the ministry responsible for the call, while the second member is a representative of NGOs working in the priority area of public interest covered by the call. If NGOs do not nominate their representative or in case of the conflict of interest, the second member is replaced by a civil servant appointed by the responsible ministry.</p>



		In addition, the assessor cannot be an employee of the Ministry distributing the funds nor a public officeholder.	
Serbia	<u>Regulation</u> on financing or co-financing of public benefit programs implemented by associations (articles 8-10)	<p>The Commission for implementing the Call for proposals is established by the responsible ministry/public administration body - through an act which determines the details on the composition, number of members, as well as other questions relevant for the work of the Commission.</p> <p>The Commission is responsible for conducting the evaluation and establishing the ranking list of applied projects within 60 days from the closing date for application. Thirty days after the deadline for complaints, the responsible ministry/public administration body adopts the Decision on the selection of programs.</p>	The Commission can be composed of members from public administration bodies and external experts – based on (discretionary) decision of responsible ministry/body. The composition of the Commission is decided by the responsible ministry/body and is not prescribed in the Regulation. All members of the Commission need to sign the Statement on the non-existence of the conflict of interest. In case the conflict of interest is identified with any member of the Commission, he/she needs to be replaced by a substitute member.
Croatia	<u>Law</u> on associations (art.33) <u>Regulation</u> on criteria, benchmarks and	Commission for the assessment of project / program applications is an independent, expert body for assessment, established by and its members appointed by the institution providing the public funds . Its	Depending on whether the provider of funds acts at the national or local level and in line with the main priorities of the call, the Commission may consist of



	<p>procedures of financing of public benefit programs and projects implemented by associations (art.29)</p>	<p>aim is to prepare the proposal of the decision of financing.</p> <p>Based on the proposal of the Commission, the final decision is taken by the head of institution providing the public funds.</p> <p>The specific details on functioning of the Commission are elaborated in the Rules of procedures adopted by the Commission at its first meeting. The general mandate of the Commission is established in the Decision on the manner of distribution of public funds adopted by the head of institution responsible for the call.</p>	<p>representatives of state administration bodies (or local and regional self-government units), companies, representatives of scientific and professional institutions and independent experts from the priority areas of the public call. The composition of the Commission is a discretionary decision of each institution. Employees of the institution providing the funds who are involved in the tender procedure, and are not members of the assessment committee, must not influence the work of assessors in any way.</p>
	<p><u>Law</u> on the National Foundation for Civil Society Development (2003)</p>	<p>The Management Board of the National Foundation for Civil Society Development appoints the members of the Evaluation Committees who prepare the ranking list and the draft Decision on the allocation of funds.</p>	<p>Evaluation committees of the National Foundation are set up for each call and are composed exclusively from external independent experts. Evaluation committees need to have odd number of members and at least 5 members.</p>
	<p><u>Statute</u> of the National Foundation for Civil Society Development</p> <p><u>Rulebook</u> on conditions and procedures for the allocation of funds for the</p>	<p>The final Decision is taken by the Management Board which can ask the committee to review or repeat the evaluation – in exceptional cases, only if the proposed decision is in contradiction</p>	<p>The composition and manner of work of the evaluation committees</p>



	realization of the purpose of the National Foundation for Civil Society Development	with the purpose and priority objectives of the published call.	<p>is established by internal acts or rules of procedures of the committees.</p> <p>The Management board of the National Foundation, which takes the final decision based on the proposal of the evaluation committees, is composed of 5 independent experts from various areas of social development and/or representatives of CSOs or other non-profit organisations, 3 representatives of central state bodies (responsible for finance, education and European/foreign affairs) and 1 representative of local and regional administration (in accordance with the article 5 of the Law on National Foundation for Civil Society Development).</p>
Slovenia	The <u>Rules on the procedures</u> for implementing the budget of the Republic of Slovenia (art. 218) determines the basic responsibility of each ministry to establish	Expert committee is appointed by the head of the institution announcing the public call. It is tasked with opening and evaluating project proposals and proposing preferential list for funding. Rules are in place to regulate the conflict of interests. Committees compile minutes	The composition of the expert (evaluation) committee is established by the discretionary decision of the head of institution/ministry and it is in general comprised of at least three members: committee president



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	the expert committee for distribution of funds.	from their work.	and additional two members, which are usually civil servants.
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The presented table overview of practices of the countries in the South-Eastern Europe (Western Balkans) in regard to the composition and responsibilities of the body for selection of projects and for making the decision on the distribution of State funds to CSOs indicates a great heterogeneity of approaches which can be understood only through a more detailed insight into the wider context and evolution of each of the established models of State funding of CSOs.

In case of the existence of a **central fund** which distributes State funds for various sectors or policy areas in which CSOs are active or allocates strategic institutional support to CSOs (i.e. Albanian ASCS or Croatian National Foundation for Civil Society Development), the the focus is on the composition of the final selection body which is more exposed to the public scrutiny and is expected to operate in an autonomous, non-biased way, independent from the political pressure or influence of State officials. In Croatian and Albanian case, this is ensured through the majority of independent experts / CSOs in the membership of the Management / Supervisory board as the final decision-making instance. As for the evaluation committees which prepare the decision of the Management Board, the two mentioned central funds rely on independent experts in evaluation committees (Croatian National Foundation) or its own employees (Albanian ASCS).

In case of **decentralized model** of State funding of CSOs where each ministry publishes the calls for funding of projects which respond to specific policy priorities of that ministry/institution, again, the described practices differ among countries. In general, the two-stage decision-making process is established – with evaluation committees assessing the project applications, preparing the ranking list and submitting the proposal of the decision to the head of institution which takes the final decision or submits it to the Government for adoption. The composition of evaluation committees is generally prescribed by the law/regulation with possibility of NGOs and external experts to take part in the committee while respecting all provisions of the prevention of the conflict of interest (Croatia, Kosovo), while some countries rely on employees of responsible institutions as members of evaluation committees (Bosnia-Herzegovina, Serbia). Montenegro is an exception in terms of very strict criteria on appointment of independent assessors of project/program applications which are preparing the ranking list for the commission distributing the State funds for CSOs – with no possibility for civil servants or NGO members to get involved in the assessment of proposals. That strict approach has been largely conditioned by the low level of trust between NGOs and government in past years.



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When deciding on the possible model of the composition of evaluation or selection committee for the distribution of State funds for CSOs in the Republic of North Macedonia, the following aspects should be taken into account:

Need for a clear division of responsibilities and ensuring the clarity of mandate of bodies involved in the management of the public call for funding of CSOs, including the evaluation and selection procedure

For example, no country in the region currently foresees that the members of the Council for Civil Society Development take a final decision on the allocation of funds for CSOs or participate in the evaluation committee. The Council's role is mostly focused on monitoring the compliance of public administration bodies with adopted standards of public financing, but also on strategic, systemic reforms that affect the enabling environment for civil society development, rather than dealing with assessment of project applications. As an advisory body of the Government, the Council is usually more involved in the programming of priorities for funding of CSOs as well as in discussing the annual reports on results of public funding and proposing recommendations for improving the system. It may also be reasonable to foresee an observer status of the Council member(s) in the selection committee of a central fund for CSO development. Besides, an intermediary role of the Council in (setting criteria for) the selection of assessors/members of evaluation committees could be envisaged, although the question of publicity of the names of assessors is approached differently in countries of the region – ranging from full transparency of names of assessors to treating this information and “business secret”.

Capacities of the responsible government body (General Secretariat of the Government-Unit for Cooperation with NGOs)

The involvement of the Unit for Cooperation with NGOs/General Secretariat at all stages of the management of the public call for funding of CSOs is essential. As a general rule, State funding for CSOs in an instrument of public policy implementation and reaching strategic policy objectives adopted by the Government. Therefore, a responsible Government body which is given the mandate to manage the public call by the Government Decision should take full responsibility for the successful implementation of the call.

Building competences of the staff of the Unit in the area of grant-making procedures and conducting assessment of CSO project applications is essential in the context of long-term plans of future indirect management of the EU funds for CSOs. The successful transition to indirect management of EU funds for civil society is a long, but inevitable process, and more advanced involvement of the Unit in national public funding procedures should be considered as a valuable investment in ensuring future sustainable sources of funding for CSOs from EU structural funds.



Wider local context and level of trust of CSOs and citizens in the work of the government

In case of decreasing level of trust of CSOs and citizens in the work of the government, the increased transparency and openness of the process of distribution of funds is a necessary step which may contribute to rebuilding the trust. Therefore, different options for ensuring full transparency of the evaluation and selection process should be ensured – including, for example, the participation of Council members as observers in sessions of the selection committee, strict compliance with the standards of prevention of conflict of interest of members of all bodies involved in the evaluation/selection process, but also full disclosure of all data on financed projects.

Amount of funds distributed and number of sectors covered by the call for funding

The composition of the evaluation/selection committees depends on the number of priority areas and type of expertise required for very specific policy priorities addressed in the public call.

Need of reducing the potential for conflict of interest in the work of evaluation/selection committee

If the approach to preventing the conflict of interest is very strictly implemented, it may be challenging for various CSO members of the Council to get engaged in the evaluation committees as members, in case their CSOs (or CSOs from their network or coalition or former partners in the joint project) intend to apply to a public call. Even if they are excluded from evaluations of their own CSOs projects, there remains the risk of negative public perception on possible implicit influence on other members of evaluation/selection committees. That happened in the first year of implementing the calls for institutional grants of the National Foundation for Civil Society Development in Croatia. Even if the Management Board of the National Foundation was not involved in the assessment of applications, but only confirming the final decision on distribution of funds, the CSOs representatives in the Board of the Foundation were heavily criticized in the media because their CSOs benefited from grants of the Foundation. This has led the National Foundation to start choosing candidates for Management Board among independent experts from various non-profit institutions which generally do not apply to Foundation's calls for proposals.

Availability of the budget for paying members of evaluation committees

Assessors of CSO project applications should, in general, be paid for their work. Since this is the most sensitive and most complex part of the procedure of public funding of CSOs, due recognition should be given to the amount of work needed for reading and assessing every application. Depending on the budget available, the members of the evaluation committee could be only external experts or a combination of civil servants (who can do this task during their regular working hours or as a paid overtime) and external experts.



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