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**Master Thesis**

*International Support for the Arts and Culture in the Western  
Balkans*

by

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## ABSTRACT

The arts and culture sector in the countries of the Western Balkans has been exposed to a rapidly changing environment, from wars and ethnic conflict in the 1990s, to reconstruction and reconciliation, and an orientation towards Euro-Atlantic integration. The funding situation in arts and culture has changed drastically, from a large number of external donors in the post-conflict decade following the mid-1990s to international donor withdrawal since 2005. Specific to the region over this period is the substantial development of actors within each national context and the emergence of new actors, especially NGOs that were supported by international funders.

However, while it has immensely contributed to the development of the third sector in the region, international support has also often failed to secure a level of sustainability, as many of the supported organisations and initiatives have either closed down or are in a delicate position today. My own personal experience working in the field of regional cooperation projects led me to the opinion that there is a strong necessity for projects to better reflect the cultural needs of the communities where they are being implemented and a general lack of a cooperative approach and a synergizing effect among funders.

The thesis is an attempt to enhance understanding of the existing framework of international support and of its implications in terms of policies, tools and actors, as well as for an evaluation of the experiences, developed practices, and key strategies set down in the field of arts and culture for the near future in the Western Balkans.

The main objective is to identify, examine, and evaluate the existing state of international support in the field of arts and culture in the countries of the Western Balkans, to analyse the current practices, and formulate recommendations for the best possible models for funding and promoting arts and culture in the region. In order to be able to draw some conclusions in this respect, a closer analysis of the four following international donor organisations and their projects was carried out: Pro Helvetia (*The Swiss Culture Programme*), European Cultural Foundation (*Balkan Incentive Fund for Culture*), ERSTE Foundation, and Robert Bosch Foundation were analysed. The primary data was collected by qualitative questionnaires

distributed to both the targeted international donors and cultural organisations from the Western Balkans region funded by these donors and whose projects were analysed, followed up by four in-depth interviews with cultural operators. The secondary data was collected by the analyses of specific documentation (national reports, annual donor reports, reports of various commissioned committees, project web pages, etc.). The key findings can be divided in the following categories: improving sustainability of cultural organisations in the Western Balkans region, enhancing donor impact, improving donor-recipient relations, as well as developing better donor coordination and communication. Recommendations for both donors and cultural organisations from the region were provided in the end.

**Key words:** *financing arts and culture, international donor policies, Western Balkans and post-transition processes, third sector, NGO cultural sector development, regional cooperation projects*

## **Résumé**

Ces vingt dernières années de changement tumultueux dans les pays des Balkans occidentaux<sup>1</sup> ont bouleversé le niveau de l'appui fourni, particulièrement dans le domaine des arts et de la culture. Ce qui caractérise la région au cours de cette période est le développement considérable des acteurs dans chaque contexte national et l'apparition de nouveaux acteurs, particulièrement des ONG (des organisations non gouvernementales), qui sont devenues actifs sur la scène internationale. Pendant les années '90, la nouvelle scène culturelle indépendante a été largement soutenue par des fonds internationaux. En même temps, le secteur public n'est pas passé par une véritable réforme, bien qu'il y ait eu des différences d'un pays à l'autre dans l'ensemble des Balkans occidentaux. Seulement quelques fonds ont investi dans la réforme et le développement de capacité du secteur public et cet écart entre le secteur public et la scène développée d'ONG est considéré comme un obstacle dans le développement général du secteur culturel et des projets de coopération dans la région.

De nombreuses organisations comme par exemple *Swiss Pro Helvetia*, l'Autrichien *Kultur Kontakt* ou la *Fondation européenne de la Culture*, sont toutes orientées vers les projets de coopération d'artistes et des projets d'aide pour des communautés locales et des organisations non gouvernementales dans la région. D'autres organisations de l'Europe occidentale ont aussi joint cette tendance, aussi bien que de nombreuses organisations humanitaires, des agences nationales, des agences européennes pour la reconstruction et le développement, qui en échange de leur aide à quelques organisations dans la région, demandent que les projets prennent un caractère régional et incluent au moins plusieurs associés de pays différents.

Cependant, c'est important de noter que tandis qu'il a énormément contribué d'une façon critique au développement du troisième secteur partout dans la région, le support international n'est pas toujours parvenu à garantir un certain niveau de durabilité et beaucoup d'organisations et d'initiatives soutenues ont ou fermé ou sont dans une position délicate aujourd'hui. De plus, le fait que le soutien des fonds internationaux et étrangers a été dirigé principalement vers le

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<sup>1</sup> Les pays qui appartiennent à la zone géographique appelée les Balkans occidentaux sont les suivants: Albanie, Bosnie et Herzégovine, Kosovo, Croatie, ancienne République yougoslave de Macédoine, Monténégro et Serbie.

troisième secteur, a fourni une excuse pour des autorités nationales et locales pour ne pas fournir de l'argent au secteur culturel, ou au moins pas pour le développement du secteur indépendant - une pratique qui menace les nombreuses initiatives privées de la valeur et l'impact attestés.

D'autre part, le processus d'intégration de l'Union européenne a apporté de nouvelles occasions, mais aussi de défis à la fois pour la région et pour l'UE. Cela se déroule dans un contexte de coopération très faible entre les pays dans la région, où les politiques de coopérations culturelles continuent de manquer de la cohésion, avec peu de volonté politique pour faire de la culture un élément central de développement social et économique. Il n'y a aucun doute que les initiatives diverses de fondations indépendantes et organisations internationales et de différents réseaux européens ont été significatives et influentes avec leurs programmes spécifiques à travers la région. Beaucoup d'entre eux se sont même mis ensemble grâce aux fonds correspondants pour créer un impact dans la région, par exemple, des programmes comme l'Art pour le Changement Social et Kultura Nova, un renforcement de capacité pour les ONG, développés par la Fondation européenne de la Culture et le réseau Soros. Au cours des dernières années le financement de coproductions et des projets de coopération à long terme dans la région est devenu de plus en plus important.

Bien que le support étranger pour des activités culturelles ait énormément influencé la scène culturelle locale dans les pays des Balkans occidentaux à partir des années '90, la période d'influent support étranger s'est lentement terminée. Depuis l'année 2000 il y avait une tendance générale vers le retrait de certains de plus importants fonds qui ont soit complètement reculé de la région soit révisé leurs propres priorités, terminé leurs programmes ou restructuré leurs programmes culturels de coopération. Les fonds de l'UNESCO, du Conseil de l'Europe, de Soros et d'autres organisations internationales ne supportent pas de projets dans la région comme auparavant. Il y a même eu un manque important des instruments financiers alternatifs nationaux et régionaux qui supportaient la coopération culturelle. C'est un problème très important car depuis il y a un besoin de ressources et d'un cadre bien développé pour l'accomplissement de la coopération régionale. Néanmoins, de nouveaux donateurs se sont également joints au cours des dernières années et certains existants se sont penchés vers les nouveaux domaines d'intérêt.

Cependant, il y a une forte nécessité pour des projets qui vont mieux refléter les besoins culturels des communautés et des sociétés où ils sont mis en œuvre vu que l'écart s'élargit partout dans la région entre les besoins culturels d'une part et des outils disponibles sur l'autre. Aujourd'hui, les donateurs cherchent à supporter une *approche plus régionale* ainsi que des projets de *coopération régionale*. Tout cela mène à la nécessité d'une meilleure compréhension du cadre existant de support international et de ses implications en termes de politiques, des outils et des acteurs, aussi bien que d'une évaluation des expériences, des pratiques développées et des stratégies clés définies dans le domaine des arts et de la culture dans un avenir proche pour la région des Balkans occidentaux.

Cette recherche a pour but d'identifier, examiner et évaluer l'état actuel de support international dans le domaine des arts et de la culture dans les pays des Balkans Occidentaux, d'analyser les pratiques actuelles et formuler des recommandations pour les meilleurs modèles possibles pour le financement et la promotion des arts et de la culture dans la région.

Cette recherche a mis l'accent sur les questions suivantes :

- Quelle est le cadre général de programme de soutien des arts et de la culture dans les pays des Balkans occidentaux ?
- Quelles sont les sources principales de financement international pour ces pays ?
- Quel est le rôle d'organisations et de fondations internationales dans le soutien des arts et de la culture dans la région des Balkans Occidentaux ?
- En ce moment, quelles sont les priorités principales, les outils et les mécanismes de financement d'un tel support international ?
- Quels types de projets sont financés et quel est l'élément manquant dans le financement international dans la région?
- Quels sont les résultats à court terme et à long terme des projets de financement international?
- Comment peuvent-ils contribuer à la mise en place d'une scène culturelle durable dans ces pays?
- Quels sont les principaux enjeux auxquels ils font face?
- Est-ce que les projets financés répondent aux besoins des communautés et de la société où ils sont réalisés

- Quels sont les mécanismes pour assurer la durabilité des projets lorsque le financement touche à sa fin

Ce mémoire contient cinq chapitres.

*Le chapitre 1* donne un cadre théorique et décrit les principaux concepts de financement des arts et de la culture dans le contexte contemporain. Un aperçu des sources de financement général des arts et de la culture a été fourni, ainsi qu'un examen de l'importance de fournir un soutien aux arts et au secteur de culture, avec la référence spécifique sur l'aide internationale et le développement de société civile. Les spécificités des trois catégories principales de financement: le financement public, le financement privé et les revenus gagnés ont été fournies en détail, ainsi que les principaux défis des trois types de sources de financement, en se concentrant notamment sur le troisième secteur et les enjeux théoriques.

*Le chapitre 2* contient le contexte et la présentation générale de la situation actuelle du financement dans les pays des Balkans occidentaux. Cette section commence en présentant la région des Balkans Occidentaux comme la partie d'une structure socioculturelle plus large. Les politiques culturelles dans la région ont été examinées, ainsi que le rôle du soutien de l'Etat et du secteur privé dans le financement des arts et de la culture. Ce qui a été également abordé, c'est la relation significative mais complexe entre l'aide internationale et le développement de la société civile et du secteur culturel de la région dans la période de transition de postcommunisme, avec un accent particulier sur le secteur émergent des ONG dans la culture à travers la région.

*Le chapitre 3* cherche à obtenir une meilleure compréhension des acteurs clés et des principaux types de soutien dans le financement des arts et de la culture dans les Balkans occidentaux. Les principaux acteurs de l'aide internationale composée du *Soutien de l'Union européenne, des organisations et des initiatives* internationales, des *fondations indépendantes et privées*, ont été identifiées et analysées, les principales tendances du financement ont été discutées et des observations critiques ont été fournies pour chaque type de soutien. Cette partie de la recherche a également examiné les principaux bénéficiaires de l'aide internationale et un accent particulier a été mis sur les projets de coopération culturelle.

Concernant la méthodologie utilisée lors de cette première partie de la recherche, une étude de la littérature actuellement disponibles et des informations relatives aux mécanismes de financement a été faite, y compris des études comparatives et des rapports ainsi que des matériaux liés aux pays des Balkans occidentaux. La recherche des ressources en ligne et hors ligne (portails web, annuaires, textes académiques, les publications et les rapports annuels pertinents) a été également utilisés pour recueillir de différentes informations pour cette partie de la recherche. Une revue de littérature détaillée est jointe à la fin de l'étude.

*Le chapitre 4* est composé de quatre études de cas qui vont permettre de mieux comprendre des politiques des donateurs internationaux ainsi que leur fonctionnement dans la pratique. Les quatre organisations internationales, fondations et agences actives dans les Balkans occidentaux et les projets qu'elles sont financées ont été analysés à cette fin. Ce sont : Pro Helvetia (*Programme Culturel Suisse*), Fondation culturelle européenne (*Fonds d'encouragement pour la culture des Balkans* -BIFC), Fondation ERSTE et Fondation Robert Bosch Fondation (RBS). Ces organisations et fondations ont été choisies en raison de leur implication à long terme et la pertinence dans le financement du domaine des arts et de la culture dans les Balkans occidentaux. En outre, au cours des discussions préliminaires avec des opérateurs culturels de la région, ces fondations et organisations ont été cités à maintes reprises comme les plus dominants donateurs internationaux dans la région pour les arts et la culture. Les limites et les difficultés de la recherche ont également été explorées et certaines perspectives ont été données.

De principaux types de programmes financés ont été analysés, leurs outils et méthodes, ainsi que leur mission et leurs objectifs. L'analyse a identifié les principales stratégies et politiques des donateurs internationaux, si les projets financés répondent aux besoins des communautés et de la société où ils sont réalisés et si les mécanismes de financement de ces donneurs étrangers contribuent à la définition d'une scène culturelle durable dans ces pays. L'accent a été également mis sur les principaux défis et les meilleures pratiques.

*Les données primaires* ont été recueillies par un questionnaire qualitatif auprès des donateurs internationaux ciblés, par un questionnaire qualitatif auprès des organisations culturels des Balkans occidentaux financées par ces donateurs et dont certains des projets ont été analysés,

suivis par quatre entretiens approfondis avec les opérateurs culturels. Ces interviews ont été réalisées pour une élaboration plus approfondie des réponses fournies dans les questionnaires. Les données provenant des entretiens et des questionnaires ont été complétés par des rapports annuels de l'organisation, des évaluations de projets et de programmes, ainsi que par des informations pertinentes provenant de divers sites Web.

Ensuite, *une analyse comparative* des résultats généraux les plus significatifs provenant des études de cas, des questionnaires et de l'analyse des entretiens a été effectuée. Cela permet un commentaire exhaustif sur les politiques des donateurs internationaux dans le domaine des arts et de la culture dans les Balkans occidentaux. Les principales conclusions ont été réparties dans les catégories suivantes et puis élaborée: les principales activités de financement et types de projets financés dans la région, la durabilité des organisations culturelles dans la région des Balkans occidentaux, l'impact des donateurs, les relations entre les donateurs et les organisations culturelles, la coordination et la communication des donateurs, la visibilité médiatique, les leçons majeurs, les défis majeurs et la perception du public sur les ONG culturelles dans la région.

*Le chapitre 5* conclut que l'ensemble des ONG culturelles dans les pays de la région des Balkans occidentaux a été exposé à un environnement en constant changement, à partir des guerres et des conflits ethniques jusqu'à la reconstruction et la réconciliation, et une orientation vers l'intégration euro-atlantique. Il se penche sur la situation financière qui a radicalement changé, à partir d'un grand nombre de donateurs extérieurs dans la décennie post-conflit, au milieu des années 1990, jusqu'à le retrait des donateurs depuis 2005. Bien que ce retrait puisse être considéré comme un signal positif d'amélioration de la situation dans la région, les sources locales de financement, publiques ou privées, n'ont pas réussi à remplacer ce financement international.

Il souligne également que beaucoup de travail ait été accompli pour supporter la société civile et les ONG culturelles dès le milieu des années 90. Toutefois, comme cela a été avancé tout au long de ce mémoire, le soutien international n'a pas été pleinement fructueux en stimulant l'art et la culture d'une manière durable dans la région et il est y a toujours la nécessité d'une plus grande amélioration. Dans les pays des Balkans occidentaux, les donateurs internationaux et la société

civile continuent d'avoir besoin l'un de l'autre et doivent apprendre à mieux travailler ensemble. Il est souligné que les enjeux identifiés par les acteurs locaux dans toute la région offrent des leçons importantes.

La partie finale du mémoire rassemble les principales conclusions de la recherche liées aux sujets qui ont apparu comme les plus cruciales et ont également été identifiés par les organisations de donateurs et des organisations culturelles opérant dans la région comme les plus stimulants pour leur futurs travail: les questions de *durabilité, l'impact des donateurs, les relations donateur-bénéficiaire, la communication et la coordination des donateurs.*

*Des recommandations* basées sur les exemples de meilleures pratiques qui ont été identifiés dans des études de cas analysées et tirés de recherche générale, ont été présentés. *Le premier groupe* de recommandations inclut des propositions pour une plus grande durabilité en améliorant la diversification et la fiabilité du financement. *Le deuxième groupe* de recommandations est axé sur l'augmentation de l'impact des donateurs par une évaluation plus précise de leurs besoins pour avoir une plus proche et meilleure coopération avec les organisations culturelle de la région, en favorisant une approche plus flexible, en étendant considérablement le soutien et se concentrant davantage sur la coopération régionale. *Le troisième groupe* de recommandations comprend l'amélioration de relations internationales donateur-bénéficiaire et la proposition de nouveaux mécanismes de renforcement de la confiance, la création d'une plate-forme d'apprentissage commun, prenant rapports et évaluation comme de nouveaux outils d'apprentissage organisationnel et les donateurs développant des politiques plus orientées sur les risques. *Le quatrième groupe* de recommandations se concentrent principalement sur l'amélioration de la coordination et de la communication des donateurs par le développement de groupes de contact des donateurs, par les événements publics de plus grande visibilité, « Knowledge Hub » en ligne et des forums sur l'internet.

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## INTRODUCTION

The past twenty years of tumultuous change in the countries of the Western Balkans<sup>2</sup> have drastically affected the level of support provision, particularly in the field of arts and culture. Specific to the region over this period is the substantial development of actors within each national context and the emergence of new actors, especially NGOs, which have become active on the international scene. During the 1990s, the newly developed independent cultural scene was significantly supported by foreign funders. At the same time, the public sector did not go through real reform, although there were differences from country to country throughout the Western Balkans. Only few funders invested in the reform and capacity development of the public sector and this gap between the public sector and the developed NGO scene has been seen as a setback in the overall development of the cultural sector and of cooperation projects in the region.

Numerous organisations such as the Swiss Pro Helvetia, Austrian Kultur Kontakt, the European Cultural Foundation, the Open Society Fund of Budapest and its Programme for Culture and Art, have all been directed towards projects of cooperation of artists and assistance projects for local communities and non-governmental organisations in the region. Other organisations from Western Europe have also joined in this trend, as well as numerous humanitarian organisations, national agencies, European agencies for reconstruction and development, which, in return for their help to some organisation in the region, request that the projects take on a regional character and include at least a number of partners from different countries.

However, it is significant to note that while it has immensely and critically contributed to the development of the third sector throughout the region, the international support has also often failed to secure a level of sustainability, and many of the supported organisations and initiatives have either closed down or are in a delicate position today. In addition, the fact that support from international and foreign funders has been directed primarily at the third sector has provided an excuse for national and local authorities not to provide money to the cultural sector, or at least

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<sup>2</sup> The countries that belong to the geographical area called the Western Balkans are: Albania, Bosnia and Herzegovina, Kosovo, Croatia, Former Yugoslav Republic of Macedonia, Montenegro and Serbia.

not to the developing independent sector, a practice that threatens numerous private initiatives of attested value and impact.

On the other hand, the EU integration process has brought forth new opportunities but also challenges for both the region and the EU. This is taking place in a context of very weak cooperation between countries in the region, in which cultural cooperation policies continue to lack cohesion, with little political will to address culture as a central feature of social and economic development.

There is no doubt that the various initiatives of independent international foundations, organisations and different European networks have been significant and influential with their specific programmes throughout the region. Many of them have even gathered together in matching funds to build up the impact in the region, for example, programmes such as Art for Social Change and Kultura Nova, capacity building for NGOs, developed by the European Cultural Foundation and the Soros network. In the last few years funding co-productions and long-term cooperation projects in the region have become increasingly significant.

Although foreign support for cultural activities has greatly influenced the local cultural scene in the Western Balkan countries from the nineties and on, the period of influential foreign support has slowly come to an end. Since the year 2000 there has been a general tendency towards the withdrawal of some of the most significant funders that have either completely retreated from the region or have revised their own priorities, ended their programmes or restructured their cooperative cultural programmes. Funds from UNESCO, the Council of Europe, Soros and other international organisations do not support projects in the region as before. There has even been a substantial lack of national and regional alternative financial instruments which support cultural cooperation. This is a very important issue since there is a need for resources and a well-developed framework for accomplishing regional cooperation. Nevertheless, new funders have also joined in the past few years and some existing ones have turned their attention on new areas.<sup>3</sup>

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<sup>3</sup> “*Expert Talk-Cooperation and Funding Landscapes in Southeastern Europe*”, prepared for the Robert Bosch Stiftung by Prof. Dr Milena Dragičević-žešić and Dr Lidia Varbanova, p.3

However, there is a strong necessity for projects to better reflect the cultural needs of the communities and the societies where they are being implemented since there is a growing discrepancy throughout the region between the cultural needs on one hand and available tools on the other. Funders are also nowadays looking to support a more *regional approach* and *regional cooperation* projects which are underdeveloped in the region, particularly from the point of satisfying local needs. All this leads to the necessity for a better understanding of the existing framework of international support and of its implications in terms of policies, tools and actors, as well as for an evaluation of the experiences and developed practices and of the key strategies set down in the field of arts and culture for the near future for the region of the Western Balkans.

### ***Main aim of research***

**This research aims to identify, examine, and evaluate the existing state of international support in the field of arts and culture in the countries of the Western Balkans, to analyse the current practices, and formulate recommendations for the best possible models for funding and promoting arts and culture in the region.**

Throughout this research, *focus* will be placed on the following questions:

- What is the general framework of supporting arts and culture in the countries of the Western Balkans?
- What are the main sources of international funding for these countries?
- What is the role of international organisations and foundations in supporting arts and culture in the region of the Western Balkans?
- What are the current main priorities, funding tools and funding mechanisms of such international support?
- What types of projects are being funded and what is the missing element in international funding in the region?
- What are the short-term and long-term results of internationally funded projects?
- How do they contribute to establishing a sustainable cultural scene in these countries?

- What are the main challenges they face?
- Do funded projects correspond to the needs of the communities and the society where they are implemented?
- What are the mechanisms to assure that projects remain sustainable when funding comes to a close?

In relation to the above mentioned, the *specific aims* of this research are:

- to identify and analyse the main sources of funding, the existing types of programmes, mechanisms, and instruments of international funders that support and promote arts and culture in the countries of the Western Balkans <sup>4</sup>
- to examine short-term and long-term results, outcomes, effects, and the impact of internationally funded projects in the Western Balkans
- to analyse what the funding level is by international organisations and foundations for projects in the field of arts and culture in the Western Balkans
- to examine the public image of internationally supported projects and the opinion the local communities throughout the region have in relation to them
- to conduct a comparative analysis of international foundations and organisations and multidisciplinary art projects funded by them from the Western Balkans in order to examine how international funding is used and what the short-term and long-term effects are
- to analyse whether internationally supported projects reflect the need of communities and the society where they are implemented
- to propose best future models of funding the arts and cultural sector in the countries of the Western Balkans

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<sup>4</sup> This would include: project funding, network support, funding institutions, capacity building, co-production and cooperation programmes, supporting individuals and further training) as guided by the ideas put forward in the report: “*Expert Talk-Cooperation and Funding Landscapes in Southeastern Europe*”, prepared for the Robert Bosch Stiftung by Prof. Dr Milena Dragičević-žešić and Dr Lidia Varbanova.

<http://www.labforculture.org/en/users/site-users/site-members/site-committors/site-moderators/lidia-varbanova/51495/64310>

### ***Subject of the research and theoretical frame***

This master thesis will be based on the body of research covering the topic of financing cultural practices in the countries of the Western Balkans written by experts mainly from the region. The conceptual overview of this thesis thus borrows heavily from the positions taken by authors such as Milena Dragičević-Šešić, Sanjin Dragojević, Nada Švob-Đokić, Lidia Varbanova (from Bulgaria) and Corina Suteu (from Romania).<sup>5</sup>

The thesis begins by providing an examination of the theoretical framework of financing the arts and culture according to Arjo Klamer and analyses the three main sources of financing: the government, the market and the third sphere (non-profit sector). The specificities of the three main categories of funding: public funding, private funding and self-earned income were provided in greater detail, as well as their main challenges, particularly focusing on the third sector development and the role of international support as described by theorists of non-profit organisations Helmut K. Anheier and Wolfgang Seibel.

A significant source of information regarding the funding of arts and culture in the region and evaluating the achievements was the most recent report prepared for the Robert Bosch Stiftung in 2009 by Prof. Milena Dragičević-Šešić and Prof. Lidia Varbanova titled “*Expert Talk: Cooperation and Funding Landscapes in Southeastern Europe*”. Steven Sampson’s analysis regarding civil society in former Yugoslavia was also examined. In addition, a relevant source of information of the cultural context of the Balkans was the book “*Intercultural Mediation*” by Milena Dragičević-Šešić and Sanjin Dragojević, as well as the book “*Art Management in Turbulent Times*” by Milena Dragičević-Šešić. This thesis will thus continue attempts that have already been undertaken in exploring the field of financing practices in the countries of the Western Balkans and try to provide further analysis about the role and effect of international support throughout the region in the field of arts and culture.

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<sup>5</sup> A more comprehensive list of sources can be found in the Bibliography.

## *Research hypotheses*

The research is based on the following hypotheses:

### **1. The current funding mechanisms of foreign donors do not contribute effectively to establishing a sustainable long-term cultural and art scene in the countries of the Western Balkans.**

1.1 Foreign donor support lacks a systematic and long-term approach for arts and culture in the Western Balkans.

1.2 The funded projects in the field of arts and culture in the region do not reflect sufficiently the needs of the communities and societies where they are implemented.

1.3 International funding policies lack frequent situational evaluations, research, and needs assessments coming from the region, and not outside of it.

1.4. There is a need for the development of new mechanisms to assure that projects remain sustainable when funding comes to a close.

### **2. International foundations and organisations develop similar standards, themes and profiles for funding throughout the region resulting in similar projects always receiving support.**

2.1 There is a low level of risk-taking decisions in the funding policies of international organisations and foundations, as the majority of funders prefer cooperating with well-recognised institutions and organisations that have a long history of existence in the region.

2.2 Funding is more effective when given to projects that have a flexible structure, that function as a network, and with multitude partners.

2.3 The criteria for selection and a thematic framework are determined in advance, limiting creativity.

### **3. There is a lack of a cooperative approach and a synergizing effect among funding organisations as a means for enhancing support for the arts and culture in the countries of the Western Balkans.**

3.1 Regular exchange of information and shared experience among different funding organisations operating in the countries of the Western Balkans are underdeveloped.

## ***Research methodology and structure of paper***

The research was conducted on several levels with an interdisciplinary approach. The research methods that were implemented in order to confirm or reject the above settled hypotheses were both qualitative and quantitative. The paper consists of **five main chapters** following the Introduction.

**Chapter 1** provides a theoretical frame and describes the main concepts of financing the arts and culture in the contemporary context. An overview of the general sources of financing arts and culture was provided, as well as an examination of the importance of providing support to the arts and culture sector, with specific reference to international support and the civil society development. The specificities of the three main categories of funding: public funding, private funding and self-earned income were provided in greater detail, as well as the main challenges of the three types of funding sources, particularly focusing on the third sector and related theoretical issues.

**Chapter 2** consists of a background and general overview of the current context of the funding landscape in the countries of the Western Balkans.<sup>6</sup> This section begins by introducing as part of a wider socio-cultural framework the region of the Western Balkans. Cultural policies in the region were explored, and the role of the state support and the private sector for financing arts and culture in the region were also thoroughly examined. The significant but complex relation of international support and the civil society development and the region's cultural sector in the post-communist transition period was also addressed, with specific focus on the emerging NGO sector in culture throughout the region.

**Chapter 3** attempts to yield a better understanding of the key actors and main types of support in funding arts and culture in the Western Balkans. The main actors of international support consisting of the *European Union support, international organisations and initiatives,*

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<sup>6</sup> Guided by the ideas put forward in the report: "Expert Talk-Cooperation and Funding Landscapes in Southeastern Europe", prepared for the Robert Bosch Stiftung by Prof. Dr Milena Dragičević-žešić and Dr Lidia Varbanova. <http://www.labforculture.org/en/users/site-users/site-members/site-committors/site-moderators/lidia-varbanova/51495/64310>

*independent and corporate foundations* were identified and analysed, the main funding trends were discussed and critical observations were provided for each type of support. This part of the research also examined the main beneficiaries of international support and special emphasis was placed on cultural cooperation projects.

**Chapter 4** consists of four case studies which will provide a better understanding of international donor policies and how they actually function in practice. The following four international organisations, foundations and agencies operating in the Western Balkans and their funded projects were analysed for this purpose: Pro Helvetia (*The Swiss Culture Programme*), European Cultural Foundation (*Balkan Incentive Fund for Culture*), ERSTE Foundation, and Robert Bosch Foundation (RBS). These organisations and foundations were selected due to their long-term involvement and relevance in financing the field of arts and culture in the Western Balkans. In addition, in preliminary discussions with cultural operators from the region, these foundations and organisations were cited repeatedly as being some of the most dominant international funders in the region for arts and culture. Research limitations and problems were also explored and certain perspectives were given.

The main types of funded programmes were analysed, their tools and methods, as well as their mission and goals. The analysis identified the main strategies and policies of international funders, whether the funded projects reflect the need of the communities and the society where they are implemented and whether the funding mechanisms of these foreign donors contribute to establishing a sustainable cultural scene in these countries. Focus was also placed on key challenges and best practices.

**Chapter 5** provides concluding remarks and adequate recommendations on the improvement of the main areas of international donor support that emerged as most relevant in the Western Balkans region throughout the research and identified by both donors and cultural organisations from the region.

During the research a review of currently available literature and information related to the financing mechanisms was conducted, including comparative studies and reports as well as

materials related to the Western Balkan countries. Desk research of online and off-line resources (such as web portals, directories, academic texts, publications and reports relevant for the above mentioned topic) were used to gather different information for this first part of the work. A detailed literature review is enclosed at the end of the study.

The analysis itself consists of two parts:

The first part consists of **conducting analyses of four case studies** that can act as reference sources with the aim of analysing projects from the Western Balkans (Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, and Serbia) funded by international organisations, foundations, and public agencies. Projects funded by the following international organisations, foundations and agencies operating in the Western Balkans region were examined as case studies: *European Cultural Foundation*, *Pro Helvetia*, *ERSTE Foundation*, and *Robert Bosch Stiftung*. The main types of funded programmes were analysed, their tools and methods, as well as their mission and goals. The analysis identified the main strategies and policies of the international funders and whether and how they were met, whether the funded projects reflect the need of the communities and the society where they are implemented and whether the funding mechanisms of these foreign donors contribute to establishing a sustainable arts and cultural sector in these countries.

The second part consists of a **comparative analysis**, using findings from case studies, interviews and analysis of qualitative questionnaires, in order to examine what types of projects were supported and what the short-term and long-term effects of these projects was then conducted. The focus of the comparative analysis was to examine how on one hand, the funding bodies measure the project's effectiveness and impact, and on another hand, what the opinion of grant-receivers was regarding the impact and effectiveness of the funded projects. The key findings were divided in the following categories and elaborated: main funding activities and types of funded projects in the region, the sustainability of cultural organisations in the Western Balkans region, donor impact, donor and cultural organisations relations, donor co-ordination and communication, media visibility, main lessons learned, major challenges, and the public perception about cultural NGOs in the region.

The **primary collection** was done through questionnaires and four in-depth interviews (both the grantees (project managers) and the funders (international monitoring/evaluation officers). The

**secondary data** was collected by the analyses of acquisition of specific documentation (such as national reports, stakeholders' annual reports, reports of various commissioned committees, project web pages, etc.) and conducting the previously described case studies.

### *Limits of the study*

Due to the large scope and different types of funded projects in the Western Balkans, as well as the constraints posed by the short research time of this master, it was necessary to limit the analysed projects to a single arts and cultural category. The category selected for this research was the category of multidisciplinary arts, being one of the most frequently financed categories,<sup>7</sup> with special emphasis on regional cooperation projects. The author is also aware that an analysis of four international funding organisations and foundations and their specific projects cannot be a representative sample of the arts and culture sector, however, it can assist in the better understanding of how significant international funding bodies and their grant receivers measure the project's effectiveness and impact, whether the funded projects reflect the need of the communities and the society where they were implemented and whether the funding mechanisms of these foreign donors contributed to establishing a sustainable cultural scene in these countries or not.

## **1. FINANCING THE ARTS AND CULTURE IN THEORY AND PRACTICE**

### **1.1 THEORETICAL BACKGROUND: THE MAIN SOURCES OF FINANCING ARTS AND CULTURE**

For the purposes of the study it is significant to first stress a specific economic characteristic of culture that many authors (Frey 1997, Klamer 2002, Klamer & Zuidhof 1998, Throsby 2001) all point out: the probability that the manner in which a cultural good is financed will matter to its valuation and its functioning.<sup>8</sup> It is therefore important to distinguish whether cultural activities are financed by means of government subsidies, market arrangements or the third sector as the mode of financing has certain bearing on the organisation of cultural institutions and has an impact on the assessment of cultural goods and their recognition of worth.

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<sup>7</sup> [www.labforculture.org/en/directory](http://www.labforculture.org/en/directory)

<sup>8</sup> Klamer, A., Petrova, L., Mignosa, A. 2006. Financing the arts and culture in the EU. *Journal of Cultural Economics*, 5(4), 2007  
[http://www.culturalpolicies.net/web/files/134/en/Financing\\_the\\_Arts\\_and\\_Culture\\_in\\_the\\_EU.pdf](http://www.culturalpolicies.net/web/files/134/en/Financing_the_Arts_and_Culture_in_the_EU.pdf)

According to Klamer<sup>9</sup>, the three major sources of financing for the arts and culture are the government, the market, and the third sphere (non-profit sector). Financing by means of **public support (the government)**: In order to qualify for government support, cultural institutions and artists have to demonstrate that their activities meet qualitative and quantitative standards set by politicians and government agencies. They are also required to account for their activities. *Public direct support* includes subsidies, awards, and grants, as well as lottery funds provided by central and lower levels of governments.<sup>10</sup> *Public indirect support* includes tax expenditures, which refer to income that local and national governments forego because of tax reductions and exemptions granted to cultural institutions. Tax incentives provide additional funds for culture.

Financing by means of **private support (the market)** includes cultural institutions and artists that can generate funds by selling their work on the market. This business support includes the selling of their works to business organisations and companies in so-called sponsored deals. Financing by means of the **third sphere (non-profit organisations support)** includes cultural institutions that can also generate funds by means of donations from individuals or non-profit organisations. These donations come in the form of money, work or time. Financing by means of the third sphere prevails in the Anglo-Saxon tradition and appears to be on the rise in Europe.<sup>11</sup> It is also significant to note that several different terms are used to describe this sector – non-profit, non-governmental, third, civil, independent, voluntary, charitable, etc. and none fully conveys the sector's complex nature. For the purpose of this paper, the term that will be used is the one widespread in the countries of the Western Balkans – the civil sector.

Any cultural policy has to take the *three different sources* and their consequences into account. Each of three types of sources has its own rationale and is inclined to generate its own institutions and organisations. This paper will mainly focus on the sources of revenue for the civil sector, more specifically on the **cultural NGO sector**.

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<sup>9</sup> Ibid.

<sup>10</sup> Lower levels of governments include Länder (Austria, Germany), Communities (Belgium), Voivodship (Poland), Regions, Provinces, Counties, Municipalities.

<sup>11</sup> Klamer, A., Petrova, L., Mignosa, A, *The relationship between public and private financing of culture in the EU* <http://www.klamer.nl/docs/kmp.pdf>

While there is certainly great variation in the sources of NGO revenue among countries and NGOs within any sector, there are at the same time identifiable trends of NGO financing. Almost all NGO revenue falls within the following three wide categories: **(1) government funding**, and **(2) private giving or philanthropy**, and **(3) self-generated income**.<sup>12</sup> Government funding includes a broad range of direct and indirect support. Direct funding includes state subsidies, government grants, and contracting. Exemptions from taxation can also be considered a government subsidy. Private giving usually comes in the form of money and in-kind donations from individuals, businesses, and foundations or other grant-making legal entities. Volunteering may also be regarded as donations and can be included in the concept of philanthropy. Self-generated income comes in the form of membership dues, fees and charges for services (economic activity), as well as income from investments. What follows is an examination of each source of revenue in greater detail as extensive analysis of the financing of cultural organisations should take into consideration the combination of public, private, and non-profit sector resources.

### **1.1.1 STATE SUPPORT AND THE ROLE OF THE GOVERNMENT IN FUNDING ARTS AND CULTURE**

As Mellroy points out, the main responsibility for funding arts and culture should continue to lie with government and public bodies since only they can provide the foundations of a vibrant cultural environment by funding productions, exhibitions or training venues. Private funds should remain a supplement, and not become a substitute for public money.<sup>13</sup> But the government has another significant role in this field and that is the duty to support fundraising by using tax and legal tools. The key amongst these are: a positive tax treatment for businesses and individuals who support culture, a clear position of the legality of business support for state and public institutions, and a simple statement of when sponsorship or patronage may be inadequate (children, arms companies, cigarette manufacturers, etc).<sup>14</sup>

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<sup>12</sup> Ibid.

<sup>13</sup> As Andre Mellroy argues in the report for MOSAIC titled “*Funding the Future*”, p.15 : “*Even the most enthusiastic European fundraisers do not want to see a situation similar to that in the USA, where only the most prestigious arts organisations can raise money*”.

<sup>14</sup> Ibid.

Governments can also play a significant part in the creation of an overall positive environment for giving to the arts by training the arts in the necessary skills and by informing the business and foundation community of how they can be of assistance. The public sector should look to create a broad framework for mixed funding. They can also help to define the roles of the different partners and can establish guidelines. There needs to be flexibility and a minimum of legal intervention, but a strong clear statement of support for sponsorship can be very effective in encouraging businesses to participate.<sup>15</sup> The government has a role in strengthening the market on a general level, and in applying tax incentives and challenging funding schemes, where private money is matched by public money.

Moreover, it is important that arts organisations must not be sanctioned for raising funds and this issue should be as non-political as possible. For instance, although left and right wing governments have opposing positions on tax exemptions, all governments now recognise the necessity to provide larger funds for the arts. The arts should work to define a clear programme for the private sector giving and then develop support for this position among all political parties. This lobbying can be conducted in collaboration with business associations and voluntary sector organisations.<sup>16</sup>

State support includes all types of financing from public funds, both at the central or local level. This includes **grant support**, **contracts** and **third party payment schemes**. The most widespread form of financing activities is that of providing *direct budget support*. The two main forms of monetary support are **subsidies** and **grants** (there can also be in-kind support provided, e.g. premises to house the service).

**Subsidies** come from those bodies that have a statutory responsibility to fund artistic work, usually with money collected through the tax system. While subsidies remain the major source of arts funding in most European countries, in the USA private contributions comprise most of the arts finance. Not only is it difficult to raise money for some type of activity, such as salaries or repair work to buildings, public money provides a guarantee to other funders that the work is of

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<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

the right quality. Numerous arts groups in Central and Eastern Europe have seen their public subsidy severely reduced and are having to deal with a new funding situation too quickly in adapting to the fundraising challenge. Nevertheless, the aim of fundraising must be to supplement public money and not substitute for it. When provided to certain civil society organisations, subsidies are often given as institutional support. In the case of subsidies there is usually no competition and the recipient is entitled to the support as defined in a law. It is significant to note that the subsidy model is less favoured due to issues of transparency and accountability of public funding, since it lacks open and fair competition as well as performance measures that accompany the funding that would ensure “value for money”.<sup>17</sup>

**Grants** are a type of support from the state or local budgets. In contrast to subsidies, grants usually include competition for funding. NGOs are most often funded to perform a specific project that has strictly defined activities, deadlines and a detailed budget, i.e. reporting is based on whether money was spent in accordance with the proposed budget. Regarding grant-making, the state designates a specific amount available for the NGO grant projects under certain conditions. The government determines only the goals, not the means and invites the NGOs to develop the best ideas on how to accomplish the goals. Numerous NGOs can apply and several may win grants for their projects. NGOs will structure their costs according to the grant application form, usually differentiating between direct and indirect costs of the project, and the NGOs are accountable to the government, just like in the case of any other donor.

The other major type is procurement or contracting where instead of a donor-donee relationship, there is a relationship between contracting parties. The purpose here is to provide a concrete government service with the assistance of the CSO. In this case, the government knows exactly what needs to be done, sometimes even to the detail of procedural specifications and is seeking for someone who will carry out the service at the highest quality and for the lowest price, so NGOs have to compete with other providers. While there is usually a tender, as a matter of good practice, NGOs are supposed to provide bids (not applications) and there is only one winner. The

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<sup>17</sup> Sator, Balazs, *International Practices on Funding Civil Society Organisations*, OSCE report, 2010  
<http://www.osce.org/ukraine/76889>

cost structure of the bid is usually based on fees for some kind of unit (a fee is charged, for example, per beneficiary or per day) and the fee includes both direct and indirect costs.<sup>18</sup>

Another way of transferring social services to non-state providers is the so-called **third party payments** in which the government is the “third party” who pays for the cost of the service provided by the NGO to the beneficiary, either directly to the NGO as in **per capita** payments, or through the beneficiary, as in **voucher payments**.<sup>19</sup> These amounts are also paid for performing a government service and the terms of these contracts are specified in great detail in the law and are not a matter of negotiation.

### 1.1.2 PRIVATE FUNDING: MARKET MECHANISMS AND INSTRUMENTS

Private intervention within the arts and culture drew major attention with the process of decentralisation. The need for additional income and the drive for autonomy in the decision-making process made searching beyond government support imperative. Private intervention can take several forms: *donations, patronage, maecenatism, voluntary work, sponsorships*, etc. These concepts may differ among countries because the laws regulating them often do not provide clear distinctions and because traditions in private giving can be country-specific.<sup>20</sup> Therefore, while difficult to detect all types of private intervention within the cultural sector, it is important to identify private intervention as donation, sponsorship or maecenatism as it makes a difference with respect to benefiting or not from tax relief.

*Sponsorship* refers to support by which the sponsor receives something in return, either directly or indirectly. In many East European countries, sponsorship is regarded as *generosity*. This is unlike the concept in the rest of Europe, where sponsorship is a *commercial transaction*, connected to business objectives.<sup>21</sup> *Philanthropy (donation)* is support without returns. In some environments (especially the United Kingdom), the subcategory of *patronage* provides support with

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<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> Hemels, S.J.C. *Tax Incentives for the Arts in the Netherlands*, Mimeo, 2005

<sup>21</sup> Inkei, P. (2001) *Tax Relief for Business Sponsorship and Donations to Culture: Incentives for Rewards*, Paper presented at the conference Creative Europe – Culture and Business in the 21<sup>st</sup> Century, Innsbruck, <http://www.budobs.org/tax.htm>

some return. In many respects patronage is similar to philanthropy or maecenatism.<sup>22</sup> **Patronage** can be defined as “*Financial, material or moral assistance provided by an organisation or an individual for an undertaking, principally in the cultural, social or scientific field. The assistance provided is of no direct benefit to the patron's activities, but adds to his reputation and honour through the resulting fame.*”<sup>23</sup>

For the purposes of this thesis and to reduce misinterpretation, “private support” includes non-profit support and business support, while explicit reference to each source will be when necessary. The market mechanisms and instruments reflect the private, market enterprise, and the natural demand of the market forces. They are also influenced to some extent by the support for a specific product of cultural and social value, and in turn they pay back by awarding the contributor or sponsor with public image and prestige. The specific market tools can take the following forms of **sponsorship** (corporations or specialised funds in different forms -in cash, in kind) and **donations** according to the source: *corporate, foundations, and individual* (classical form, on pay roll, etc.), affinity cards, inheritance, etc.

### **Sponsorship**

Regardless whether the decision of sponsorship is made by an individual or an organisation, it evidently shows the synergy between the market forces and the state policy in the sector, the policy being expressed through the building up of a stimulating institutional background, both legislative and fiscal. Sponsorship can be defined as the payment of money by a business to an organisation with the explicit objective of promoting its name, products or services.<sup>24</sup> Sponsorship is part of a business' general promotional spending and may take on a sense of corporate social responsibility. The sponsorship is usually deductible as a business expense within certain legally defined limits and this definition is extremely significant. Sponsorship thus demands a return on the investment. The relationship is characterised by a high level of servicing for the sponsor. A business may finance the arts as they believe that the arts and culture contribute to a stable and vibrant economic environment in which they will be able to attract

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<sup>22</sup> Ibid.

<sup>23</sup>(Serraf in European Parliament 2003:4)

[http://www.europarl.europa.eu/hearings/20030930/cult/note\\_en.pdf](http://www.europarl.europa.eu/hearings/20030930/cult/note_en.pdf)

<sup>24</sup>[http://www.coe.int/t/dg4/cultureheritage/culture/Completed/MOSAIC/DGIV\\_CULT\\_MOSAIC\(2000\)24\\_EN.pdf](http://www.coe.int/t/dg4/cultureheritage/culture/Completed/MOSAIC/DGIV_CULT_MOSAIC(2000)24_EN.pdf) , MOSAIC report *Funding the Future* by Andrew McIlroy

employees more easily. In every case the business is searching for a return on its investment and will expect to gain some quantifiable advantage – for example, in corporate image, publicity, credibility or public approval, entertainment, employee and community relations.<sup>25</sup>

The English terminology in relation to the culture and sport contexts largely originates from American, rather than European, practice. In the UK, the term “sponsorship” is currently regarded as somewhat passé, having connotations of "patronage" (although it accurately described some practice in the 1980s and 1990s). The private sector is now trying to move on from the narrow "sponsorship" legacy and mind frame, preferring to promote a more dynamic concept of partnership. There is thus a necessity for cultural organisations to be confident and not "sell" what they offer too cheaply under the mistaken belief that they are asking for "charity".<sup>26</sup>

It is also worth mentioning that the generally accepted French term **mécénat**, close to the English use of "sponsorship". The term is derived from the name of Maecenas, a distinguished patron of literature under the Roman Emperor Augustus in the late 1st century BC and a kind of unofficial diplomat for the Imperial State. The literal implications of the term as used in modern Latin-based languages are consequently, and somewhat misleadingly, closer to the personal patronage of wealthy individuals (and external national cultural institutes) than commerce/business.<sup>27</sup>

The most common mechanism for encouraging individuals and corporations to make cash and in-kind donations to NGOs is through **tax incentives** for donors. Corporate tax incentives for giving to NGOs are available throughout the region, and generally in the form of tax deductions. Individual tax incentives are also available in a large number of countries. Although significant, tax incentives are not sufficient for the promotion of corporate philanthropy. Donors provide support based on different motivations, of which tax preferences are only one. The establishment of community foundations in some countries has attempted to attract a wider range of donor interests in giving. Volunteering efforts are also at least equally, if not more significant to NGO

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<sup>25</sup> Gordon, Christopher ‘*Sponsorship and Alternative Financing*’  
<http://www.labforculture.org/en/home/contents/floating-pages/articles/sponsorship-and-alternative-financing-for-culture>

<sup>26</sup> <http://www.labforculture.org/en/funding/contents/glossary> (Funding glossary by Christopher Gordon)

<sup>27</sup> <http://www.labforculture.org/en/funding/contents/glossary> (Funding glossary by Christopher Gordon)

sustainability. Yet few countries in the region have created a framework to support and encourage volunteering.

**Specialised funds** include funds from specialised lotteries, or other games of chance, risk investment funds, specialised bank funds, stock on public sale, loan instruments: guarantee of creditability; micro crediting; loans backed up by social evaluation systems; crediting funded by business and the third sector. These market instruments are a new form of arts financing. In Europe they are commonly known as “*banking of culture*”, while in USA as the meaningful concept of “*risk philanthropy*”.<sup>28</sup> These tools emerged as a result from the increasingly growing free capital in USA, and in Europe to a certain degree they resulted as a reflection of similar developments, and under the pressure of the culture sector in search for additional financial sources. These are regarded as the most liberal financial instruments, which at their best reflect private enterprise and market ways. They are mostly used by culture industries and in culture infrastructure, most of them are in the form of investments, but the conditions under which they are received, are relieved.

### ***Donations according to source***

When discussing private funding, it is necessary to make a clear distinction between ***corporate funding, charitable institutional funding*** and ***individual donations***.

1. *Corporate funding* has two main categories: **institutionalised** and **non-institutionalised** funding mechanisms, and there is also a difference between **ad-hoc** and **strategic** giving.
2. *Charitable institutional funding* might be of **domestic** or **foreign** origin as well as categorised as **re-granting, sinking funds** or **endowed funds**.
3. *Individual giving* may be categorised by frequency: **one time** or **regular/planned** giving as well as by the size of the donations like **small donations** and **large gifts**.

**1. Institutionalised corporate grant making** - The companies that perceive grant making as a strategic intervention, corporate donors tend to institutionalise their grant making in forms of in house policies, tendering procedures, or setting up a separated grant-making unit or an administrative body within the corporation. These steps of development usually take place over years. There are a

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<sup>28</sup> Tomova, Bilyana, *Market Mechanism of Financing Culture in Accession Countries*, 2003 OSI International Policy Fellowship, p. 36

number of advantages of institutionalised grant-making, one of them being larger transparency of expectations of the donor. Other advantages are funding streams that are more predictable and in the end companies can better link such activities with their communications and branding.

**Corporate foundations** represent a special category within the framework of institutionalised corporate grant making. In terms of corporate funding there are various motivations of companies to engage in it, ranging from stressing responsibility towards society to personal motivations of the leaders or owners. There is an accusation that these foundations are to pursue the interest of the company and to serve the benefits (of employees, for example). On the other hand there is a much more typical pattern, when the company can actually support cases that are not fully or at all in line with their business interest. In the second case the company is acting as a socially responsible player but also not harming its own business interest. Such foundations often utilise NGO experience, by subcontracting preparation of the decision making to NGOs, or involving them as expert board members, that results in smart “know-how import”.<sup>29</sup>

### **Non-institutionalised forms of grant making**

The non-institutionalised form is more typical in case of corporate actors, which either do not have large volumes of funding or do not consider it as a strategic intervention in case of their markets. Such non-formalised grant-making may also be long-term (e.g. cultural events repeatedly for years) and often there is a high level of accountability, particularly at the local level, since the donation is provided based on previous experience. In case there is no such prior connection, then psychological and emotional factors, good timing, determines whether the donation is given.

### **Concepts of foundations, trusts, associations**

Due to different languages and legislation, various types of non-profit organisations exist in different countries: trusts, private associations (clubs, friends’ societies, etc.) and foundations. For instance, due to different legislation, the definition of *foundation* in the United States and the United Kingdom “reflects on common law traditions with an emphasis on trusteeship” and in Germany “on civil law traditions ... with the important distinction between legal personalities

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<sup>29</sup> Sator, Balazs, *International Practices on Funding Civil Society Organisations*, OSCE report, 2010  
<http://www.osce.org/ukraine/76889>

based on either membership or assets”.<sup>30</sup> A *foundation* corresponds more or less to the British *trust*, the Dutch *stichting*, the Finnish *saatio*, the French *fondation*, the German *stiftung*, the Italian *fondazione*, the Spanish *fundacion*, and the Swedish *stiftelse*.<sup>31</sup> Ilczuk suggests that “*in the continental law countries, associations and foundations have the most popular legislative forms in between non-profit organisations*”.<sup>32</sup>

**Associations** are voluntary, self-governing, non-profit organisations with permanent members. In cultural associations the main goals are to realise intellectual and artistic needs and develop the best conditions for their execution. According to their activities, they can be categorised as arts friends’ societies, creative associations, artist/performer unions, and cultural promotion associations. **Foundations** are organisations for the execution of publicly beneficial purposes such as support to artistic creation, promotion of culture or assistance to artists. Foundation goals are set by the founding body and are “provided for in the foundation act”.<sup>33</sup> The European Foundation Centre (EFC)<sup>34</sup> defines a *foundation* (or *trust*) as “*an independent, separately constituted, non-profit body with its own governing board and with its own source of income, whether or not exclusively from an endowment.*”<sup>35</sup>

## **2. Charitable institutionalised funding**

The model of **re-granting** to organisations exists in most European countries and is usually related to government funding and used as an attempt to make state funding more independent from the state (these organisations are often semi-independent called “arms length” agencies). In Eastern Europe they were created and funded mainly to have distribution mechanisms in channeling foreign funding to recipient countries for projects of national and local interest. A new “class” of so-called intermediary organisations were set up, ones that are looking for grants

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<sup>30</sup> European Commission (2005), *Giving More for Research in Europe: The Role of Foundations and the Non-profit Sector in Boosting R&D Investment*. Directorate General for Research, Information and Communication Unit.

<sup>31</sup> European Foundation Centre (2005), *A European map: Key data on the dimensions of the foundation sector in the EU*, <http://www.efc.be/projects/eu/research/eumap.htm>

<sup>32</sup> Ilczuk, D. (2001), “*Private Action for the Public Good; Regulations, Incentives and Examples of Practice*”, MOSAIC - Managing an Open and Strategic Approach in Culture, Council of Europe, [http://www.coe.int/T/E/Cultural\\_Cooperation/Culture/Policies/MOSAIC/DGIV\\_CULT\\_MOSAIC\(2001\)9\\_EN.pdf?L=E](http://www.coe.int/T/E/Cultural_Cooperation/Culture/Policies/MOSAIC/DGIV_CULT_MOSAIC(2001)9_EN.pdf?L=E)

<sup>33</sup> Ibid. p.6

<sup>34</sup> [www.efc.be](http://www.efc.be)

<sup>35</sup> European Foundation Centre (2005), “*Foundations’ Legal and Fiscal Country Profiles*”, [http://www.efc.be/projects/eu/legal/country\\_profiles.asp](http://www.efc.be/projects/eu/legal/country_profiles.asp)

to pursue their strategies in the form of giving sub grants.<sup>36</sup> They don't usually have endowments and in business terms they provide services to larger international donors by identifying the need and distributing grants to address them. After the decline of funding available from the Western charitable donors the majority of these organisations struggled and some have closed, even though the needs continue to exist.<sup>37</sup>

There was a network of re-granting foundations set up to distribute funds before the EU accession in the new EU member states, following the accession, some of these organisations became redistributors for EU funding at the national level - Structural Funds, Swiss and Norwegian funding mechanisms.<sup>38</sup> Another perhaps more sustainable example is the network of community foundations where the funds are sought for both internationally, nationally and locally, strongly involving local businesses, municipalities, NGOs and citizens. Unlike most re-granting organisations, some of these foundations have built an endowment, which serve the long-term local needs. Typical charitable grant making with **endowments** has an advantage in comparison to other types of funding, as the funds distributed are secured long-term. Examples from both "old" Europe and "new" Europe show, that such funding significantly contributes to the sustainability of the sub-sector they are supporting as the reliability of the strategies of these funds as well as ongoing availability of sources makes organisations become more long-term and impact oriented.<sup>39</sup>

*Sinking funds* represent an interesting model of charitable giving. Sinking funds mean that the donor or donors develop a fund to be spent down (distributed in grants) over a longer period of time, usually 10 years. The funds are calculated to be enough to finance the program over the given period of time. Examples from the region include the Trust for Civil Society in Central and Eastern Europe (CEE Trust); the Baltic-American Partnership Fund, the Balkan Trust, the Black Sea Trust. These Trust Funds have been established with pooled funds of several Western charitable donors, sometimes including also bilateral ones (USAID). As can be seen, these are mostly regional constructs, and have been part of the "exit strategy" of donors; meaning that after they discontinued their own program, they could still contribute to the support of their

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<sup>36</sup> Ibid.

<sup>37</sup> Ibid.

<sup>38</sup> Ibid.

<sup>39</sup> Ibid.

former grantees and to the achievement of results in the areas funded. The idea was developed in response to the claim from various NGOs that building democratic societies in the region is not finished when the donors were already planning to leave. Sinking funds are interesting as the impact required is usually clearly defined and the funds are available for a relatively longer period. However, it still motivates all actors to achieve results in the available period of time.

***Project-based donations versus organisational donations:*** For this study it is also very important to make a distinction between project-based donations and organisational donations. Project-based donations are financial support for a project being carried out by a civil society organisation, while organisational donations represent financial contributions to the organisation directly, regardless of its activities. Funding from domestic civil society organisations and foundations, the domestic business sector and international donors is typically project-based, (grants are offered for the projects NGOs carry out).

On the other hand, membership and participation fees, as well as earnings through the selling of products and services, represent funding that is not dedicated to specific activities. Instead, its usage is at the discretion of the organisation. Individual donations are organisational in character as well (individuals donate money to organisations, usually trusting them to put their money to the best effect) and this is regardless of whether organisations fundraise among citizens for a project or the organisation itself. However, in contrast to other sources of organisational funding, individual donations typically do not represent a stable inflow of donations, since most individual financial support is irregular and depending on the organisations' fundraising abilities.

**3.** The relevance of **individual funding** is often underestimated by both governments and cultural NGOs. National legislation determines the tax efficiencies that are open to individuals as donors to cultural organisations or projects. Usually the national tax system in any given country will encourage this form of giving by offering some tax benefit to the individual and/or the recipient. The amount of tax benefit may vary according to the length of time of a commitment to give (one-off, three-year or seven-year covenant, etc.). This might be a substantial single donation (as in a legacy),

or smaller sums over a period of time (as with a ‘covenant’ or ‘payroll giving’).<sup>40</sup> Individual donations to the arts and culture in the USA, where the tax benefits are particularly favourable, constitute the highest proportion of all private giving.

One reason why the government should be concerned with the possibilities of NGOs to raise private funds is *social innovation*. This is especially relevant in countries in transition, where the welfare system has to be transferred into a model that is more efficient, qualitative and also of a personalised character. Such social innovation has a generally high level of risk and is mainly financed by private source. In case the results are positive, the model is easier to adopt by the state welfare system. This happens on many occasions and thus, the government benefits from the private funding of NGOs. Private funding also has a crucial role in financing advocacy and expert groups that are monitoring and reflecting on policymaking and its impact. This is an essential function to any modern state and it can be partly financed from state sources.

In addition, understanding the fact that individual fundraising is a short-term high cost, long term high return investment, may help create a legal and fiscal framework that promotes such giving. In countries with a higher level of individual giving the quality of cultural organisations provided services is higher, as the funds donated by individuals complement public funding. However, on the other side it is important to note that broad individual support of NGOs can result in a higher level of accountability, transparency and service quality than strict government regulation. In order to enable NGOs to invest in fundraising, government should not impose any specific percentage of administrative costs, neither by law, nor by defining in its grants and contracts. Administrative costs are different for every NGO and there is essentially no “industry standard” about them either in Western Europe or the US. In fact, there is research that showed that lowering administrative costs due to donor pressure resulted in weaker performance.<sup>41</sup>

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<sup>40</sup> Gordon, Christopher, <http://www.labforculture.org/en/home/contents/floating-pages/articles/sponsorship-and-alternative-financing-for-culture>

<sup>41</sup> Sator, Balazs, *International Practices on Funding Civil Society Organisations*, OSCE report, 2010 <http://www.osce.org/ukraine/76889>

### 1.1.3 SELF-GENERATED INCOME

One of the most important issues that have an effect on the ability of NGOs to generate their own income is the laws and regulations governing income from economic activities. Critical for many associations and membership organisations is income from membership dues and such income is exempt from taxation in almost all countries in the region. Grant-making foundations may depend to a great extent on investments and the income generated from those investments, in the form of interest, dividends, and capital gains. While a large number of countries in the region do provide full or partial exemptions from taxation of investment income, few countries have created an environment that supports the maintenance and growth of endowments.<sup>42</sup>

There are many different types of **earned income** but most of all they comprise of the fees for services and goods that the NGO charges to its customers. It can range from rent for space leased, income from investments, income from license fees and many others. It is significant to note that this kind of income acts in a somewhat different way than the type where the NGO is asking an outside source (i.e., the government, the international donor, the company or a private individual) for support. In this instance the NGO has a tangible and immediate value to offer regardless of its mission, even when the service or good offered for sale is directly related to the mission. Therefore the “behavior” of this type of source is much closer to the regular market mechanisms and it needs different management skills to make it profitable and sustainable.<sup>43</sup> Also in this category there is a special source known as the **membership fees**, which could be questioned based on the logic above as membership fees are usually not associated with market based for-profit operations. However, from the point of view of managing and raising the income, membership fees are similar to other fees for services.

### 1.1.4 MAIN CHALLENGES OF THE THREE TYPES OF FUNDING SOURCES

From the point of view of NGO sustainability, all three main types of sources have their added value as well as their challenges. *State support* is often seen as a stable large source especially if the

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<sup>42</sup> Moore, David, *Laws and other Mechanisms for Promoting NGO Financial Sustainability*, [http://www.icnl.org/knowledge/pubs/Financial\\_Sustainability.pdf](http://www.icnl.org/knowledge/pubs/Financial_Sustainability.pdf)

<sup>43</sup> Sator, Balazs, *International Practices on Funding Civil Society Organisations*, OSCE report, 2010 <http://www.osce.org/ukraine/76889>

funding model is determined by law or decree. The tendency to bureaucracy is the highest here, as various sets of requirements are applied to ensure a transparency of the use of public funds. The largest difficulties traditionally appear when European funding is redistributed by a national state or quasi-state distribution mechanism where double set of bureaucratic requirements are applied (those of the EU and national level ones). It typically finances mainstream operations rather than innovations and high risk pilots, as the expectations with public funding doesn't allow for such actions.

*Private funding* is usually more flexible and represents the source that might be used for fast response and financially higher risk projects. For instance, less developed or start-up NGOs often receive these donations first. However, raising funds especially from individuals is still difficult for most NGOs due partly to a lack of skills and lack of belief in the effectiveness of asking people for money. The experience from developed countries however shows that the single most reliable source of funding for a NGO that can help ensure long-term sustainability is the support of committed individuals, people who believe in the organisation.<sup>44</sup>

The question of *earned incomes* is a little more complex. Earned income can help a NGO finance administrative or developmental needs and as such plays an extremely significant role in its sustainability. Earned income actually represents the major part of the income of the third sector in most countries. However, in countries where the state controlling mechanisms are not functioning well and there is a high degree of tax avoidance, the NGO enterprise form might be misused for the tax exempt status as hidden businesses, which is a general fear from the side of the legislator.

As mentioned earlier, Klamer and Zuidhof claim that "*it matters how artistic work is financed*": The different nature of monetary exchange characterising the three sectors add different values to the artwork.<sup>45</sup> The market and the government impose their objectives through impersonal forms of support. In the market sphere, a price is paid; the principle of equality prevails and is measured in terms of money. In the public sphere, the government provides a subsidy based on

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<sup>44</sup> Ibid.

<sup>45</sup> Klamer, A., Petrova, L., Mignosa, A, *The relationship between public and private financing of culture in the EU* <http://www.klamer.nl/docs/kmp.pdf>

criteria normally corresponding to a bureaucratic and political evaluation. While the market stresses values such as independence, objectivity, rationality and consumer sovereignty, the government stresses values like equity, solidarity, accessibility and national identity.<sup>46</sup>

The third sector's intervention is based on principles such as trust, honour, love and generosity. In this sphere support depends on voluntary contributions by individuals and corporations. The principles of relationships motivate the participants to donate money, time and effort. The complicity of these participants and their relationships attach a wide range of values to the artworks: commitment, dependence, connectedness, giving, etc. The instrument of financing for the third sphere is the gift; it involves unmeasured values. The values characterising the three spheres may or may not compromise artistic values. *"Artists may appreciate the government sphere as it allows them to avoid the negative values that they connect with the market sphere such as commercialism, rationality, and anonymity."*<sup>47</sup>

When the market supports the cultural sector the worry is that commercial interests will prevail and artistic merits will be crowded out. Government support on the other hand can be considered as an "investment" with specific and measurable, social returns. If the arts became entirely instrumental (for example, only used for educational purposes, or for social cohesion or inclusion), the sector runs the risk of losing its specific content and features. In relation to the disadvantages that can be contributed to the market and government support, it is argued that the third sphere better matches artistic values. However, it also has negative aspects, in the sense that it could bring about dependency, charity, nepotism.

All three sectors have advantages and disadvantages in terms of supporting arts and culture. The lack of impact studies on the quality of the arts funded by various sources makes it complicated to come to strong conclusions regarding the best practices to support arts and culture. However, strong evidence displays that, when supporting the arts and culture sector, the three sectors combine activities and objectives rather than separate them. Therefore, the best possible strategy to adopt

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<sup>46</sup> Ibid.

<sup>47</sup> [http://www.culturalpolicies.net/web/files/134/en/Financing\\_the\\_Arts\\_and\\_Culture\\_in\\_the\\_EU.pdf](http://www.culturalpolicies.net/web/files/134/en/Financing_the_Arts_and_Culture_in_the_EU.pdf)

would be to concentrate on the interaction among the three sectors and develop the best ways to stimulate that collaboration.<sup>48</sup>

## 1.2 FOCUS ON THE THIRD SECTOR

Although different definitions and interpretations are often attached to the third sector, the scope of this paper does not allow a broader elaboration of this term or initiating a theoretical argumentation in favor of a particular opinion nor does it allow an attempt to develop a new definition. The fact is that various agencies, both donors and users, interpret the term in a different manner. Various reports of both international and domestic organisations intended for different donors and the public are filled with statements about '*the importance of civil society development*' and '*strengthening of civil society institutions*', etc. However, no specific explanation of what that means can be found.

There are several terms to describe this sector: the third sector, the non-profit sector, the civil sector, non-profit, non-governmental, independent, charitable, socio-cultural, etc. but none of them fully conveys the sector's complex nature. The third sector has three key functions. It guarantees, protects and ensures the right to free assembling of people around common interests, promotes values and ideas, and introduces new initiatives in the existing cultural system. The third sector also provides a control to ensure public interests are met within institutions of public sector and, a voice to secure public interests are met within institutions of public sector and, a voice to secure fair spending of public resources. In this manner this sector partly guards the trust of the citizens in their society and its institutions.<sup>49</sup>

The third sector is also structured in a complex way, depending on the cultural context, historical development and tradition, but also influenced by contemporary political and legal framework, economic and technological capacities. For the purpose of this paper, it would be beneficial to provide a summary categorisation of civil society organisations. The third sector consists of:

-Civil associations gathered around a common interest (hobby associations, lobbyist associations)

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<sup>48</sup> Klamer, A., Petrova, L., Mignosa, A, *The relationship between public and private financing of culture in the EU* <http://www.klamer.nl/docs/kmp.pdf><http://www.klamer.nl/docs/culture.pdf>

<sup>49</sup> Dragičević, Šešić, Milena and Drgojević Sanjin (2004), *Intercultural Dialogue and Mediation in the Western Balkans*, p.51

- Non-governmental organisations (activist associations and social movements that protect the public interest, such as cultural, minority associations, environment, etc.)
- Professional, class organisations (associations of artists, writers, librarians, etc.)
- Associations that function as cultural and artistic organisations
- Charities, foundations, endowments (funded within the third sector, according to the initiative of citizens)<sup>50</sup>

It is important to note that when discussing issues related to cultural organisations from the region, this paper mainly focuses and refers to the second category, namely, *non-governmental organisations*. In addition, while economical, political and social analyses posing numerous questions and doubts regarding the sector have been widely present within the last few decades, the third sector in the field of culture still lacks relevant studies. The relation between the third sector and cultural production is most often regarded within the context of the political art, while cultural activity is usually seen as a part of wider socio-political project, whether as a tool of democratisation or as an expression of civil society that is considered to be fundamental to every democracy.

For the majority of Western democratic societies the independent “third” sector development is perceived as a common achievement. The independent sector has been nourished and inherited as one of the non-contestable civilisational achievements, as a common value. In the countries such are the Great Britain, France, USA and many others these achievements constitute part of the general political culture. The expression “third sector” referring to the field in between the market and the state has been in use in America and Western Europe since the 1970s, while the interest for this field in the Eastern Europe has been increasing in the last twenty years.

The third sector appeared at the end of the 1960s and beginning of 1970s in America and Western Europe in the situation when the State more and more withdraws from cultural field leaving it to the commercial sector. The third sector emerged as the answer to this tendency, attempting to respond to the civil cultural needs. Its role was viewed as the one of the corrective in between public and the

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<sup>50</sup> Ibid.

private field. However, the third sector discussions today imply a great variety of interpretations, critical reflections and ideological views.

In so-called post-socialist Europe, the third sector in culture began to develop along with the appearance of the civil society, often being a part of it. It is supported by the international community within the different financing schemes, mostly through the programmes of democratisation, human rights protection, civil emancipation, civil society building etc. Since the public opinion in these countries has developed extremely firm attitudes towards the NGO sector, taking positions on the issue cannot be avoided, ranging from extremely positive to extremely negative attitudes. In this research I tried to take the critical position to be able to examine the field from different perspectives.

### **1.3 INTERNATIONAL SUPPORT AND THE THIRD SECTOR: THEORETICAL ISSUES**

In the beginning of the period called democratic transition, all the basic values that are generally attributed to the third sector in the West – freedom of speech, independent media, cultural autonomy, etc. became the main elements by which “the new democracies” of post-socialist Europe were evaluated. They were used as a criterion for assessing the level of democracy in those countries, their adaptation and integration to the Western world of developed, “high democracies”. The situation in the majority of the newly formed countries of the Western Balkan countries particularly in the 1990s, was very unfavourable in relation to investment in the non-profit sector development, especially regarding the values it promotes.

Researches show that the third sector performs significant social, economical and political functions in Western societies.<sup>51</sup> In many European countries the researchers have begun to examine the way non-profits provide social services, contribute to arts and culture, education, research and assist in creating policies at local, national or international level. Other scholars claim that the sector played a significant role in the development of the *Third World* countries.<sup>52</sup>

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<sup>51</sup> Anheier, Helmut and Seibel, Wolfgang, *The Third sector: comparative studies of nonprofit organizations* ; Berlin- New York : de Gruyter 1990

<sup>52</sup> Ibid.

As previously mentioned, the theories on non-profit sector were first introduced in the 1970s in the USA. They either emphasised “market failure” or “government failure” as the reason behind the emergence of non-profit organisations. By the end of the 1970s in Europe, the general tendency that existed was to re-evaluate the divide between the “private” and the “public” and to consider the third sector as a potential cure for the “crises of the welfare state” in the sense of looking for ways of reducing state responsibilities. In numerous European countries, an increased interest in foundations and individual philanthropy was explored against the background of a restrictive tax structure.

At first the ideologically neutral approaches towards the third sector changed with the ideological shift of the mid 1970s that coincided with increasing international economic crises. The public sector and expectations of what it could or should accomplish moved to a central place of the political agenda. American and European scholars had different approaches to the third sector. While American social scientists viewed the third sector as a crucial component of a civil, liberal society, numerous European scholars stressed its historical relevance in conservative political agendas.<sup>53</sup>

There are several criteria that can differentiate the third sector from other sectors. According to some theoreticians, three main sets of criteria can be identified: institutional characteristics of organisations; the different rationales for social and economic action in the three sectors; the institutional functions served by the organisations.<sup>54</sup> Political scientists have conceptualised the third sector as an intermediary zone between market and state. It mediates between special and general interests.

The main characteristics of mediating organisations in this sector are “*their ability to combine aspects of social and political integration with economic objectives.*”<sup>55</sup> There are numerous illustrations of such a link; the researches pointed towards the connections between the emergence of voluntary welfare agencies to the development of social and political movements in Germany or, as some scholars claim, large foundations in the USA served as ideological

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<sup>53</sup> Ibid.

<sup>54</sup> Ibid.

<sup>55</sup> Ibid.

shelters for business interests.<sup>56</sup> Researches display distinct national styles in the third sector development. For example, in Germany there is a long tradition of the relations between the government and the third sector, due to the early emergence of private welfare organisations in the early twentieth century), while in France the third sector was discovered quite recently, in the 1980s, when the term *économie sociale* entered political discourse.<sup>57</sup>

While economical, political and social analyses posing various questions and doubts about the sector have been widely present within the last few decades, the third sector in the field of culture still lacks serious studies. The relation between the third sector and cultural production is usually considered within the context of the political art. Cultural activity is usually regarded as part of wider socio-political project, either as a tool of democratisation or as an expression of civil society that is considered to be inherent to every democracy.

According to Steve Sampson's (2002) analysis of civil society groups and NGO projects in former Yugoslavia, the ideals and interpretations of outside actors frequently conflict with the on-the ground realities. According to Sampson: "*The discursive turn in Balkan studies (Wolff 1994, Todorova 1997), in which societies are purely constructive and therefore artificial, has blinded us to the concrete problems which cause some organizations and projects, despite good intentions and declarations, to falter. Measuring project success is always problematic. Often we tend to compare the ideal of our own society (our myths of efficiency, transparency and cooperation) with the harsh reality of getting things accomplished in the Balkans.*"<sup>58</sup>

## **2. THE CONTEXT OF THE FUNDING LANDSCAPE IN THE WESTERN BALKANS**

### **2.1 INTRODUCTORY REMARKS ON THE WESTERN BALKANS**

The term *Western Balkans*, a relatively new term, was invented by the EU and introduced to usage in 1996. Until the middle of the nineties the former communist Eastern European states merged into the group of Central-European states. The new attribute was not a geographic one, it

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<sup>56</sup> Ibid.

<sup>57</sup> Ibid.

<sup>58</sup> Sampson, Steve, *Weak States, Uncivil Societies and Thousands of NGOs*, 2002  
<http://www.anthrobase.com/Browse/Aut/index.html>

indicated the geo-political change in Europe and the new alliances developed which reflected the inclusion of these new democracies into the EU and NATO. Although in the narrower sense, ex-Eastern block Baltic States and ex-Eastern block Balkan states did not belong to the Central European countries, they were included in the geopolitical concept of these countries. The other grouping at the beginning of the nineties was that of the countries of ex-Yugoslavia, which was undergoing a long and agonising dissolution process. Albania, emerging out of isolation and having a hard transition process, was also excluded from the CEE group. So in the middle of the nineties, after the peace agreements that marked the end of the wars in ex-Yugoslavia, this re-grouping took place. Slovenia joined the geo-political group of Central-European States, therefore definitely breaking up with former Yugoslavia, while Albania was added to the group of the ex-Yugoslav republics.

The Western Balkans today comprise of **Albania, Bosnia and Herzegovina, Croatia, The Former Yugoslav Republic of Macedonia, Montenegro, Serbia** and **Kosovo** (which is under UN administration).<sup>59</sup> This recent tendency to divide the countries in transition in Southeastern Europe into the Eastern (Bulgaria, Romania, Moldova) and Western Balkans (former Yugoslavia post-socialist countries minus Slovenia, plus Albania), indicates an extremely significant objective that the second group of countries is facing. It is evident that wider regional stabilisation and prosperous cooperation is not possible until the successors of the former Yugoslavia establish mutual relations based on constructive, equal, and beneficial cooperation. However, it is important to note that the conceptual differences among *Balkans*, *Southeastern Europe* and *Western Balkans* reflect a long history of inter-relationships among different peoples, cultures, histories, civilizations, religions, and, above all, the foreign hegemonic interests and influences, extending from the Turkish to the present-day EU ones, and reflecting diverse perspectives on the entire region.<sup>60</sup>

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<sup>59</sup> For the purpose of brevity and consistency, the Former Yugoslav Republic of Macedonia (FYROM) is referred to throughout the paper as Macedonia. In addition, wherever all countries are concerned, they are generically referred to as the countries of Western Balkans.

<sup>60</sup> Švob-Đokić Nada "Transitional Cultural Policies in Southeastern Europe: An Effort to Systematize Cultural Change", Iccpr, 2006. p. 2

It can be said that the Balkans have always been perceived as a particular space, situated somewhere in the European periphery and displaying typical features in accordance to their specific nature and cultural identity – an image best portrayed by the words of Maria Todorova: “By being geographically inextricable from Europe, yet culturally constructed as “the other,” the Balkans have served as a repository of negative characteristics against which a positive and self-congratulatory image of the “European” has been constructed.”<sup>61</sup> In addition, the notion of *Balkanness* is mainly employed in the sense of comprehending a supposed essence of the Balkans<sup>62</sup>, mostly constructed through the Western discourse and grounded in binary oppositions that reinforce the *us versus them* paradigm.

### **2.1.1 Historical reflections on the Western Balkans**

Ever since the beginning of the twentieth century in the time of the Balkan wars (1912-1913), following the disintegration of the Ottoman empire, the Balkans have become synonymous with a divided, war-ridden, primitive and corrupt region.<sup>63</sup> The assassination of the crown Prince Franz Ferdinand in Sarajevo initiated the beginning of the First World War. From 1918 onwards, the territory of Yugoslavia stayed roughly the same until 1992. Internal unity was problematic throughout the entire period, but the strict communist, although not Stalinist, rule after the Second World War kept the different ethnic groups on the defensive. Following the Second World War, Yugoslavia distanced itself from the Soviet Union, making it the most liberal state in Eastern Europe during the Cold War. In this respect, Yugoslavs were able to travel freely to Western Europe and it was the most flourishing region economically in the Eastern bloc. However, the situation was completely different in Albania, where the forty years dictatorial rule of Enver Hoxha, regarded even worse than Ceausescu’s rule in Romania, left the country totally isolated and economically devastated.

The history of the region in the 20th century is marked by continuous antagonism among states over territories, which were contested between neighbouring countries. These conflicts took precedence over the desire for reconciliation through regional cooperation. Historically,

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<sup>61</sup> Todorova N. Maria, “*Imagining the Balkans*”, Oxford University Press. 1997

<sup>62</sup> According to Todorova, this fundamental essence consists of three elements, “exotics, ambiguity and thirdworldization”, in: Maria N. Todorova (1997), *Ibid.*

<sup>63</sup> *Ibid.*

instability and violence in one country almost always expanded across much of the region. The Second World War brought an era of fragmentation of the region that was more severe than ever before. The Balkan states joined rival camps during the War and looked to gain advantage at the expense of their neighbours. Sporadic attempts to find a firm basis of cooperation and mutual defence in the time of relative peace and security between the World Wars and during the Cold War were never based on a multilateral regional basis but on a network of bilateral agreements between the regional powers. However, even this rather limited cooperation was very complicated to achieve.

The recent history of the region is especially marked by the 1990-95 wars of the disintegration of Yugoslavia which found the region in a state of extreme crisis and led to the establishment of five new independent states that replaced the ex-federation of six republics. According to Švob-Đokić<sup>64</sup>, these states have been asserting their re-found identities and focusing on cultural and all other differences among themselves in the perspective of major systemic changes, i.e., of transition from socialist to capitalist systems. These processes have been lasting for about twenty years to date.

### **2.1.2 Western Balkans today: Common strategic goals**

The process of globalisation marks a shift in the dynamics of political, economic and social correlations at all territorial levels. The change in the function of nation states and the parallel increasing significance of regional levels, are one of the most influential developments in this context. The existence of common regional issues and joint problems derived from the transition, underdevelopment and the lack of security in the region can be regarded as a key factor stimulating regional cooperation today. Regional cooperation faces various obstacles in its development, ranging from the effect of Kosovo's independence on regional stability and cooperation, the Serbian foreign policy dilemma, the structural state building problems in Bosnia and Herzegovina as well as Macedonia, to the internal cohesion issues in many countries and weak state structures in Albania. However, geography and physical proximity, cultural and social cohesiveness in terms of ethnicity, religion and popular culture and above all the common goal of membership in the European Union, create a firm basis for more advanced forms of regional cooperation.

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<sup>64</sup> Švob-Đokić Nada (2006) "*Transitional Cultural Policies in Southeastern Europe: An Effort to Systematize Cultural Change*", ICCPR, p. 2

So at the beginning of the 21st century, all the countries in the Western Balkans region finally have common strategic goals: to provide security, political stability and common goals of membership in the EU. Regional integration at the multilateral level is for the first time offered to the Balkans as a concept, the basic principles of which have been already tested within the EU itself. Incorporating requests for regional cooperation as a prerequisite and a tool for European integration and a necessary condition in the Stabilisation and Association Agreement (SAA), the EU became the central international facilitator of regional cooperation in the Western Balkans.

## 2.2. CULTURAL POLICY: GENERAL FRAMEWORK

According to Švob-Đokić<sup>65</sup>, contemporary cultural policies' concepts are often developed from notions like *governmentability* (R. Barthes, M. Foucault, P. Bourdieu), or *good governance*, that are combined with Kant's ideas on education and cultivation of human beings. They refer to '*management of populations through suggested behavior*'.<sup>66</sup> Notions on the role of cultural policies in contextualising the present values and in developing understanding of conditions that cultural policy may provide for future cultural development have added other functions to the list of performances expected from cultural policies. The fact that cultural policies belong to a corpus of public policies used by contemporary societies to regulate functioning of specific activities is referred to when a holistic approach to cultures and cultural values is promoted.

All over Europe, regardless of major differences among countries, the main responsibility for the conditions of culture is attributed to the central governments. In general, however, a process of decentralisation and *désétatisation* has taken place (and still is) in accordance with what could be seen as the ideals of society that have developed in Europe over the last ten years. "*The idea is that the state has to hand over much of its responsibility to the second and third sectors (i.e. to the market and civil society), especially in the cultural field*".<sup>67</sup> In fact, another feature common to most countries is the increasing opportunity for private individuals, companies and non-profit organisations to take an active part in cultural policy, not only supporting the cultural sector but

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<sup>65</sup> Švob-Đokić, Nada, *Transitional Cultural Policies in Southeastern Europe: An Effort to Systematize Cultural Change*, iccpr 2006, p.3

<sup>66</sup> Miller, T. and Yudice, G. (2002) *Cultural Policy*, London: SAGE in Švob-Đokić, Nada, *Transitional Cultural Policies in Southeastern Europe: An Effort to Systematize Cultural Change*, iccpr 2006, p.3

<sup>67</sup> Inkei, P. (2001) *Tax Relief for Business Sponsorship and Donations to Culture: Incentives or Rewards*, Paper presented at the conference "Creative Europe – Culture and Business in 21st Century", p.5 Innsbruck, <http://www.budobs.org/tax.htm>

operating within it.<sup>68</sup> This trend, common to other countries, corresponds to the increased awareness of the necessity for new sources of support for the arts and culture. The next section provides a short overview of the cultural policies in the countries of the Western Balkans with special focus on the field of financing arts and culture.

### **2.2.1 Cultural Policy Issues in the Western Balkans**

The 1990s in the countries of the Western Balkans were marked by a “cultural cataclysm”, of which the scope, consequences and gravity are still to be assessed in a proper manner.<sup>69</sup> It is significant to stress that although the region was internationally regarded as an area of extensive crisis, each country in the region went through the crisis in a different way, especially in connection to the preservation or transformation of the cultural system.<sup>70</sup> It is therefore necessary to examine different modes of disintegration of cultural systems mainly from the value system and types of activities in the public sector during the transition period to the present day.

### **2.2.2 Cultural Policy in the Western Balkans during the Transition Period**

During communist times, the cultural sector in the countries of the Western Balkans was privileged as long as it did not interfere with state affairs. A strong system in relation to the media, national museum and theatres was established and classic literature was extremely respected. As the powers of the central communist government needed to be weakened after 1990, a process of *decentralisation* began which had detrimental effects on the financing structure of culture.<sup>71</sup> The existence of old national institutions became threatened and there were no means to finance a new generation. Due to economic and social issues which came first, culture was understandably not a priority issue for national governments.<sup>72</sup>

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<sup>68</sup> Directorate General Internal Policies of the Union, *Financing Arts and Culture in the European Union*, 2006, p.9

<sup>69</sup> Dragičević-šešić Milena, Dragojević Sanjin (2005) *Art Management in Turbulent Times, Adaptable Quality Management*. Amsterdam: European Cultural Foundation, Boekmanstudies, p.30

<sup>70</sup> Ibid.

<sup>71</sup> Weeda, Hanneloes a.o. (ed.), *The Arts, Politics and Change. Participative Cultural Policy-Making in South East Europe*, Amsterdam 2005.

<sup>72</sup> Sutue, Corina, Policy Warning and Forecast Report. *Culture, Overview of Developments in Central and Eastern Europe between 1990/2003*, Bukarest 2005.

Although at the beginning of the transition toward a market economy, the significance of privatisation and democratisation of the cultural infrastructure became prominent, the intentions were more dynamic than the real actions. The process of privatisation and decentralisation remained quite chaotic and ineffective due to frequent governmental turnovers and the lack of continuity in the cultural policy framework. As Suteu remarks: “*the delegation of decision making at regional level or privatization of heavy cultural infrastructures implied legislation and competent leadership management, which was totally lacking in 1991, 1993*”.<sup>73</sup>

*Croatia* underwent transformations in the 1990s which enabled it to preserve the institutional framework, while radically changing its overall ideological system of values and notions. The level of intervention and change was reduced to a great extent and made more difficult by the wartime destruction. *Serbia and Montenegro* froze their institutional system within an authoritarian regime characterised by an overall moral crisis, which then led to a severe cultural differentiation in which parallel (government and opposition) institutional systems were created. *Kosovo and Macedonia* developed parallel ethnic institutions for culture and education, based on the previous institutional models. The presence of the international community guaranteed that conflicts would be avoided, and that the state of latent crisis could be managed without ambitions for ultimate solutions. *Bosnia and Herzegovina* is a country in which the overall institutional cultural system and all values collapsed as a consequence of tremendous wartime destruction. The international community remained present in Bosnia and Herzegovina, preserving a type of international protectorate over a country that is still incapable to move in the direction of a new, unified cultural system.<sup>74</sup>

### **2.2.3 Cultural Priorities in the Region Today**

Focus on cultural heritage protection prevails in most of the Western Balkans countries as a strategic objective of the cultural policies focus on reshaping and strengthening their national identity, mainly understood as the preservation of existing cultural traditions. Support to new art forms as well as to cultural industry remains at the periphery of cultural policy objectives, while

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<sup>73</sup> Ibid. p.30-31

<sup>74</sup> Ibid. p.30-31

Croatia has achieved some positive development in this direction. The drive towards wider European cooperation is also represented as a policy objective but mostly remains more of an objective than a true accomplishment.

Serbia and Montenegro display declarative approaches towards European standards in policy making, but with numerous inherited elements from the previous system (for example, a large dysfunctional network of cultural institutions). Albania, Bosnia and Herzegovina, and Kosovo do not have sufficiently coherent cultural policies and are poorly integrated into European schemes. It appears there is still an invisible wall separating the traditional, state-supported institutions and the independent sector, although there are no legal obstacles anymore for equal treatment and collaboration.

### **2.3 STATE SUPPORT FOR ARTS AND CULTURE IN THE WESTERN BALKANS**

The states have remained the main organisers, supporters and financiers of cultural activities in the countries of the Western Balkans. Central government policy priorities still dominate the newly developed cultural policies and are mostly implemented, administered and financed by the ministries of culture in each country.<sup>75</sup> Although it is true that the majority of these policies have asserted the necessity to decentralise cultural activities and their financing, it appears the local authorities are not really prepared to organise and support different cultural programmes and their implementation or to develop local and city cultural policies, so **decentralisation** remains a clearly proclaimed objective, but both difficult and problematic to realise. Its enforcement is either delayed or extremely slow. The characteristic that central governments have a privileged interventionist role in developing and implementing policy priorities for culture belongs to all Western Balkans countries, be they post-socialist or EU candidates. The dominant role of state in culture cannot thus be designated to a particular political system or to certain characteristics of a society.

After 1989 the governments in the countries of the Western Balkans began to transform their overall cultural policies in order to weaken the state's direct involvement in arts and culture and enhance

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<sup>75</sup> Švob-Đokić, Nada, *Transitional Cultural Policies in Southeastern Europe: An Effort to Systematize Cultural Change*, Iccpr, 2006, <http://bib.irb.hr/datoteka/255309.Svob-Dokic-iccpr2006.pdf>

support by adopting different legislative and other instruments. Governments and parliaments of the countries in the Western Balkans neither sufficiently considered the matters of cultural policy, new legislation on the law, fiscal and tax regulatory rules in the cultural production sector. Exceptions were the efforts made in Croatia to define a new model of cultural policy.<sup>76</sup> In addition, international cultural cooperation was primarily related to the bilateral connecting, mainly with the countries outside the region, while multilateral and regional cooperations were neglected.<sup>77</sup>

The model of the states as the major 'owner' of cultural industries is slowly being replaced by the model of the state as the major regulator through its economic and legislative functions. Indirect support for the arts is provided through numerous legislative initiatives.<sup>78</sup> State subsidies proved to be an effective mechanism in some countries for the distribution of the national budget among artistic organisations on a competitive level. However, as previously mentioned, there still remains *the issue of criteria*, as the cultural policies of every government in the region, in general, support the so-called traditional culture and alternative art forms frequently suffered from the fact that the state hardly ever provides funds for contemporary arts, preferring traditional art forms and cultural heritage instead.<sup>79</sup> In addition, the regionalisation and decentralisation of cultural financing is a significant trend, providing better flexibility and management of cultural institutions and activities. In most Western Balkans countries, financing at national level is much higher than at regional and municipal levels. Funds for culture and other alternative instruments are not well spread at the regional level.<sup>80</sup>

In spite of the move towards decentralisation there is a tendency for public sector policy makers still to control affairs from their centres. Budgetary procedures remain exceptionally complex. Spending money for culture is often regarded as a luxury, hence there is very little funding available in the tight budgets of the administrations. Liberalising the conditions within which the subsidised cultural sector operates has remained inordinately slow and is surrounded by numerous obstacles. A wide range of

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<sup>76</sup> Although legal incentives exist in Croatia to stimulate private support for culture, it can still be considered "marginal" in comparison to the funding that the public sector provides. The same is true for foundations and funds, despite the Law on Foundations and Funds that was passed in 1995.

[http://www.culturalpolicies.net/download/croatia\\_102010.pdf](http://www.culturalpolicies.net/download/croatia_102010.pdf)

<sup>77</sup> Vujadinović Dimitrije, *Mobility of Artists and Cultural Professionals in South Eastern Europe*, p.3

<sup>78</sup> Varbanova L, *Financing Cultural Practices in South East Europe*, p. 1

[http://www.policiesforculture.org/dld/PfC\\_LVarbanova\\_FinancingSEE.pdf](http://www.policiesforculture.org/dld/PfC_LVarbanova_FinancingSEE.pdf)

<sup>79</sup> Ibid.

<sup>80</sup> Ibid.

regulations hinders subsidised cultural organisations working autonomously including the capacity to control their finances. Bureaucratic procedures confine the scope for action.

Civil society development is still a non-priority issue for the governments concerned. For example, the state institutions in *Macedonia* are still underdeveloped and weak but politically they are very strong and centralised, under the protection of the Ministry of Culture. The independent non-governmental institutions are on the other hand professionally profiled in more contemporary ways but have no societal and economical support. It could therefore be said that there is a kind of unfair competition that is occurring between the government-run art and cultural venues and institutions that have large financial and media support for largely right-wing projects that focus on nationalistically over-written projects and the small but socially relevant alternative projects that receive support mostly from abroad. It appears that the government is still unaware of the significance of supporting the non-governmental and independent cultural projects for its own democratisation.

## 2.4 THE ROLE OF THE PRIVATE SECTOR

New business and market structures in culture emerged in the countries of the Western Balkans, most of them as small commercial companies, based on enthusiasm and interest rather than economics. Varbanova claims that cultural tourism is becoming increasingly relevant, but the real importance of culture as a social and economical factor of sustainable development has yet to be mastered.<sup>81</sup> The *private investments* in culture are almost non-existent or limited to the international foundations' donations that have supported cultural activities during the war and the difficult transitional years.<sup>82</sup> However, evaluations of such support are rare. Some organisations (e.g. Dance Center in Zagreb<sup>83</sup>; a network of 'Clubtures'<sup>84</sup> established all over the region with the support of the Soros philanthropic funds<sup>85</sup>, etc.) have been able to develop their activities. The

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<sup>81</sup> Varbanova L., *Financing Cultural Practices in South East Europe*, p. 2  
[http://www.policiesforculture.org/dld/PfC\\_LVarbanova\\_FinancingSEE.pdf](http://www.policiesforculture.org/dld/PfC_LVarbanova_FinancingSEE.pdf)

<sup>82</sup> Dragičević, M. and Suteu, C. (2005). "Challenges of Cultural Cooperation in Southeastern Europe: The Internationalization of Cultural Policies and Practioeces", in *The Emerging Creative Industries in Southeastern Europe*. Švob-Đokić, ed. Zagreb:IMO, p. 83-104.

<sup>83</sup> <http://www.plesnicentar.info/>

<sup>84</sup> <http://www.clubture.org/>

<sup>85</sup> [www.soros.org](http://www.soros.org)

overall cultural scene in all Western Balkan countries remain dominated by the state investment and state interventionism that is hardly ever matched by some insubstantial private initiatives or by foreign donor supported projects.

In addition, private support is usually linked to large events or well-established cultural institutions that have marketing benefits for supporters, most often large companies. Studies display that sponsorship is infrequently part of companies' marketing strategy and the correlations between tax deduction for sponsorship and the amount of support is quite weak. Lack of tax incentives for corporate donors and lack of traditions in charitable giving are considered to be the main reasons for the absence of extensive business support.<sup>86</sup> According to Varbanova, sponsorship still makes up only a small part of the overall cultural funding in the countries of the Western Balkans. This is due to the *“absence of effective tax incentives for sponsors, the fact that the business sector has not been in existence for long, the lack of a traditions of corporate giving, little media coverage and public recognition of the best sponsors, and an unstable economic situation”*<sup>87</sup> Business financial support to arts and culture is usually motivated by social responsibility combined with marketing goals. Companies in the countries of Western Balkans have not established long-term partnerships with cultural actors and institutions, but rather provide support on an ad hoc basis.

In most Western Balkan countries, contributions from the third sector remain small. And, as Ilczuk correctly assumes, it is not simply a matter of legislation, but rather a *“detachment from the past, a change in mentality, the adoption of a new and active attitude, and a departure from bureaucratic habits.”*<sup>88</sup> A change in the perception of the NGO sector activities is a gradual process that will not lead to an immense increase in individual donations in the following several years. However, on the long term, since foreign funding will decrease rather than increase, individual donations will become a source of funding of extreme significance. For individual philanthropy to develop, however, increasing visibility and the achievement of good results are required preconditions.

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<sup>86</sup> Varbanova L., *Financing Cultural Practices in South East Europe*, p. 3  
[http://www.policiesforculture.org/dld/PfC\\_LVarbanova\\_FinancingSEE.pdf](http://www.policiesforculture.org/dld/PfC_LVarbanova_FinancingSEE.pdf)

<sup>87</sup> Ibid, p. 5

<sup>88</sup> Ilczuk, D. (2002), *“Third Sector Cultural Policy: Solutions for New European Democracies?”*  
*Circular*, [http://www.culture.gouv.fr/dep/telechrg/circular13/eureka13\\_ang.pdf](http://www.culture.gouv.fr/dep/telechrg/circular13/eureka13_ang.pdf)

## 2.5 CIVIL SOCIETY DEVELOPMENT AND INTERNATIONAL SUPPORT FOR THE NGO SECTOR IN CULTURE

As the main focus of this paper is the arts and culture sector in the Western Balkans region, a more detailed historical perspective and an overview of previous forms of civil society in former Yugoslavia, as well as an extensive reflection on the emergence of today's civil societies in the immediate post-war period will be provided. These issues are placed in the wider context of the socio-economic and political conditions prevailing in the region.

### 2.5.1 The emergence of the civil society cultural sector in former Yugoslavia

The analysis of the civil society cultural sector is inseparable from the analysis of the context in which it emerges, the socio-political environment the scene reacts to, followed by the crises of cultural institutions within the changed global conditions that opened the way to the creation of new social and cultural formations and structures. Historically, civil society in the Western Balkans, following the Second World War developed in a similar way in the individual countries. Apart from sports and cultural associations, existing civil society organisations were put under the control of the Communist Party. After the disintegration of Yugoslavia and fall of the Communist regime in Albania, transition ushered in numerous civil society organisations based on the necessity to develop a democratic and participatory system and respond to the aftermath of war, economic underdevelopment and poverty.

It is significant to note that civic initiatives in the countries of former Yugoslavia were not imported or imposed by international organisations which supported them in the 1990s, as some might stress. They existed beforehand, including social or citizens associations that were active during socialism. According to Dragičević Šešić, the Law on “temporary and permanent art workers societies” existing from the end of the 1970s, set up on the wave of liberalisation and democratisation of the cultural policy in SFRY. This law enabled certain *artistic entrepreneurship* within the civil society, especially in the area of film.<sup>89</sup> Dea Vidović and Sanjin

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<sup>89</sup> In the article “*In spite of the cultural policy and beside it : practice and strategies of the Third and the Fourth sector in Vienna and Belgrade*” by Martina Böse, Brigitte Busch and Milena Dragičević-Šešić in «

Dragojević also describe the civic initiatives that were active in the 1980s which promoted ecological, feminist, and human rights issues. But only when the foreign foundations entered Croatia in the 1990s, did their development become more manifest.<sup>90</sup>

### **2.5.2 Civil society in the Western Balkans during the 1990s and international funding**

The “NGO scene” developed in the post-Yugoslavian space during the 1990s and formed an oppositional movement to the dominant nationalist leaderships of the ex-Yugoslavian republics. These “civil society initiatives” were supported by numerous foreign funds for actions such as anti-war campaigns, education for democracy programmes, campaigns for human rights, etc. Due to the fact that it was impossible to obtain funding through the national and local level, numerous actors on the cultural and artistic scene also oriented themselves towards international foundations. This point represented a new phase in the development of culture in all post-communist countries.

This phase was particularly linked to the activities of one of the most significant foundations that marked the entire period of the 1990s in the region - the Open Society Institute (so-called Soros foundation)<sup>91</sup>. Between 1989 and 2003 through the philanthropic engagement of the US billionaire George Soros and his network of Open Society foundations and programmes, numerous projects, individual and group mobility, international cooperation and training were supported. Critical, alternative, youth-oriented and cyber culture emerged to a great extent due to this private intervention and was developed not only on the East-West but also on the East-East axis, stimulating cooperation within the region.

In the climate of isolation, xenophobia and strong national impulses, all those who received support from the Open Society Institute were singled out as incompetent and as a threat for the state. Nevertheless, these organisations were able to become well-recognised in the community by offering

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TRANSCULTURAL EUROPE, Cultural Policy in a Changing Europe », edited by Ulrike Hanna Meinhof and Anna Triandafyllidou, CLIO, 2008

<sup>90</sup> Bodrožić, N. *Development of the Independent Cultural Sector in Croatia*, Master Thesis for University of Arts in Belgrade, UNESCO Chair for Culutral Management and Cultural Policy in the Balkans, 2010

<sup>91</sup> [www.soros.org](http://www.soros.org)

the alternative type of cultural and artistic practice and connecting the countries of the Western Balkans with contemporary global trends on the cultural and artistic scene. The independent art and cultural projects were extremely important for balancing the state and non-governmental institutions' cultural policies and practices: as a type of imaginative critique and corrective mechanism that can enable decentralisation and democratisation of culture.

By the mid-1990s, donors finally started to focus on strengthening the civil society, when it became evident that working from the bottom-up is just as significant as the top-down approach in developing transitional societies. The main causes for this change can be found both in the increasing enthusiasm for the notion of civil society as a solution for democracy and in a certain dissatisfaction with the overemphasis on assistance to state institutions. Independent cultural organisations, financed by international fundraising and cooperation, played a significant role for the development of cultural life in Serbia. Organisations such as the Center for Cultural Decontamination (CZKD)<sup>92</sup>, Cinema Rex<sup>93</sup> (an independent cultural center) and Dah Theatre<sup>94</sup> are financed mainly by international donors supporting arts and the democratisation of the society.

As Borka Pavicević, head of the Serbian-based cultural organisation CZKD, points out: *“Little would be done without foreign foundations. Their influence was mainly present in the sense that they provided permanent contact with the world as their presence created the opportunity for connecting, getting insight into various matters, but also encouraging the feeling of equality with the world community out of which Serbia was expelled upon the fall of Yugoslavia. At the same time, foreign foundations provided and even developed certain levels of education: technological and organisational resources were created; civil and cultural organisations were adequately capacitated; a pool for bringing out and implementing programmes and ideas was created”*.<sup>95</sup>

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<sup>92</sup> [www.czkd.org](http://www.czkd.org)

<sup>93</sup> [www.rex.b92.net](http://www.rex.b92.net)

<sup>94</sup> [www.dahteatarcentar.com](http://www.dahteatarcentar.com)

<sup>95</sup> <http://www.bifc-hub.eu/interview/cto-delat-what-is-to-be-done-a-conversation-with-borka-pavicevic>

### 2.5.3 The NGO Cultural Sector in the Countries of Western Balkan Today

For over twenty years now, the international community has been investing large amounts of money in the development of the civil society sector in the entire Western Balkans region. The emergence of the independent contemporary art scenes in Western Balkans was and still is mainly linked to significant funds from various foreign foundations. International donors such as Soros<sup>96</sup>, together with the European Cultural Foundation<sup>97</sup> in Amsterdam, IETM network<sup>98</sup>, British Council<sup>99</sup>, KulturKontakt<sup>100</sup> or independent training courses like the Marcel Hicter certificate<sup>101</sup>, Felix Meritis AMSU<sup>102</sup>, etc. Council of Europe Mozaic Programme<sup>103</sup> devoted numerous events to civil society development in partnership with public bodies, UNESCO assisted in relation to heritage. Self-sustainable significant cultural NGOs slowly appeared on the scene, like Croatian MaMa<sup>104</sup>, Serbian Balkankult<sup>105</sup>, Rex Cultural Centre<sup>106</sup>, Macedonian Debate Center PAC Multimedia<sup>107</sup>, The Centre for Culture and Debate Grad (City)<sup>108</sup> etc.

The NGO cultural sector appeared slowly and the key negative consequences that resulted in this dependency on foreign funding is that no systematic and well-balanced civil sector developed for all cultural categories. The development was rather random, most often driven by the leadership competence and networking capacities, as well by various foreign contacts of NGO founders. In addition, the international community almost exclusively invested in the NGO and civil sector, which left a rather undeveloped public sector in the field of culture. In addition, the influence of civil society on cultural policies and cultural life is still rather weak throughout the region. Some recent studies have promoted “participative cultural policy making” for the Western Balkans countries, but the practical implementation of this approach would necessitate decreasing of the state

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<sup>96</sup> [www.soros.org](http://www.soros.org)

<sup>97</sup> <http://www.eurocult.org/>

<sup>98</sup> [www.ietm.org](http://www.ietm.org)

<sup>99</sup> <http://www.britishcouncil.org/>

<sup>100</sup> <http://www.kulturkontakt.or.at/>

<sup>101</sup> <http://www.fondation-hicter.org/>

<sup>102</sup> <http://www.felix.meritis.nl/en/>

<sup>103</sup> [http://www.coe.int/t/dg4/cultureheritage/culture/completed/mosaic/evali\\_matra\\_EN.asp](http://www.coe.int/t/dg4/cultureheritage/culture/completed/mosaic/evali_matra_EN.asp)

<sup>104</sup> [www.mi2.hr](http://www.mi2.hr)

<sup>105</sup> [www.balkankult.org](http://www.balkankult.org)

<sup>106</sup> [www.b92.rex.org](http://www.b92.rex.org)

<sup>107</sup> [www.multimedia.org.mk](http://www.multimedia.org.mk)

<sup>108</sup> <http://www.gradbeograd.eu/programi.php?lang=sr>

influence.<sup>109</sup> The sector throughout the region is characterised by a low level of participation of the citizens, e.g. highest in Croatia and Serbia, where 35% and 47% of the citizens are members of civil society organisations.<sup>110</sup> The majority of the organisations are located in developed urban regions and some marginalised groups such as ethnic, religious and poor people are underrepresented, especially in the leadership of the organisations. The organisations usually receive their financial resources from donors, while support from the business or public sector is minimal.<sup>111</sup>

The civil society sector is also subject to an increasingly changing environment; from wars and ethnic conflicts to reconstruction and reconciliation towards Euro-Atlantic integration. The funding situation has transformed severely, from a large number of external donors in the post-conflict decade following the mid-1990s to donor withdrawal since 2005. According to Dragičević Šešić and Dragojević, the instability has already been proven by the partial withdrawal of the Soros foundation from the region, following which many non-governmental organisations either closed down or fell into a real existential crisis.<sup>112</sup> While this is viewed as an indicator of positive improvements in the region, local sources of funding, either public or private, are not available and a culture of giving and activism has not been developed for the sector to have widespread support and a positive image in the Western Balkan societies.<sup>113</sup> After five to six years of operation, the majority of the donor organisations have left the Western Balkans region.

Due to severely reduced funds, the remaining foreign institutes and cultural centres focus on programmes promoting their own culture. (for instance, the British Council stopped its support of local projects; the French Cultural Centre reduced the budget for Serbia by two-thirds). As a result of the economic crisis, financing will probably be further reduced.<sup>114</sup> It appears there is a necessity for an increased pressure for reforms and their effective implementation in the context of Euro-Atlantic integration placing even larger expectations on the sector by *external* actors to contribute to these processes. The lack of a culture of giving and philanthropy together with poverty, current social-economic underdevelopment and the most recent effects of the global economic crisis, which has yet

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<sup>109</sup> Švob-Đokić, Nada, *Transitional Cultural Policies in Southeastern Europe: An Effort to Systematize Cultural Change*, Iccpr, 2006 at <http://bib.irb.hr/datoteka/255309.Svob-Dokic-iccpr2006.pdf>

<sup>110</sup> Balkan Civil Development Network (BCSDN), *The Successes and Failures of EU Pre-accession Policy in the Balkans: Support to Civil Society*, 2009, p. 9

<sup>111</sup> Ibid.

<sup>112</sup> Dragičević-Šešić, Milena and Dragojević, Sanjin. *Intercultural Mediation in the Balkans*, Sarajevo:OKO, 2004, p.26

<sup>113</sup> Ibid.

<sup>114</sup> [http://www.culturalpolicies.net/down/serbia\\_102010.pdf](http://www.culturalpolicies.net/down/serbia_102010.pdf)

to see its culmination in some of the countries in the region, translates into a decreased pool of financial assistance from which cultural organisations can count on to fund their activities.

### **3. INTERNATIONAL SUPPORT TO THE ARTS AND CULTURE IN THE WESTERN BALKANS**

The following chapter examines the main actors and the key activities they undertake in relation to funding cultural organisations in the region. Critical observations for each type of support will be provided. The main areas of international support and the emerging funding trends will also be explored. Key challenges to achieving more effective and sustainable results in funding arts and cultural organisations throughout the region, as well as the extent to which donor strategies have had the desired impact will be reflected upon.

#### **3.1 OVERVIEW OF CURRENT INTERNATIONAL SUPPORT**

The following chapter provides a description of the key institutions and organisations and their programmes of support for the arts and culture in the countries of the Western Balkans. It is important to note that this is not an overall and comprehensive list, but rather an attempt to examine the approach and activities of the most significant sources and key actors. The main international actors in funding culture in the Western Balkans can be classified according to the nature of the funding institutions and into the following four categories: *European Union support, intergovernmental organisations and initiatives, public agencies and initiatives, and foundations*. A more consistent description of European Union support, providing specific examples of relevant funding schemes or cultural projects that have benefited from EU support, has also been included.

Finally, it is important to point out that the paper also covers numerous funders whose programmes are not intended specifically for the arts and culture field, or do not include culture as a priority, but as long as cultural projects are eligible for support within such programmes. Therefore, programmes that support objectives such as conflict prevention, economic development, democratisation, social inclusion, EU information, good governance, etc., but that also have a record of supporting projects in the field of arts and culture were included. The inclusion of such

programmes should draw attention to the numerous funding opportunities that could provide resources for cultural projects although they are not exclusively dedicated to arts and culture.

### **3.1.1 European Union Support for the Western Balkans**

The general framework of the European Union's relations with and policies towards the countries of the Western Balkans and the current mechanisms of support that are related to the arts and cultural sector for these countries will be examined in this section. It is significant to note that very few of the current programmes of financial assistance target specifically arts and culture, however cultural projects are eligible for receiving support within the existing instruments of assistance to the countries of the Western Balkans.

#### ***3.1.1.1 Background: EU integration and the Western Balkans***

The EU's objective in relation to the countries of the Western Balkans is to bring peace, stability and economic development to the region and to offer the prospect of EU membership to all the countries in the region once all relevant conditions have been met. This policy is known as the **Stabilisation and Association process (SAP)** which is a long-term process that accompanies and supports the process of domestic reform within these countries as they gradually advance on the path towards EU membership. It is based on aid, trade, dialogue, technical advice and contractual relations. SAP provides a framework for the development of privileged political and economic relations between these countries and the EU. It also combines the preparation for and conclusion of contractual relations with these countries in the form of **Stabilisation and Association Agreements (SAA)**.

These agreements represent a key step in the Stabilisation and Association process. They are concluded once a country displays the ability to implement an agreement on trade and cooperation and once it meets certain political standards. They represent a new kind of contractual relationship between the EU and each of the countries of the region, which offers for the first time a clear prospect of integration into the EU's structures in return for cooperation with established criteria. SAP is both bilateral and regional at the same time. Not only does it seek strong relations

between each country and the EU, but it also highly encourages regional cooperation among the countries themselves and among the countries and their regional neighbours.

The completion of Stabilisation and Association Agreements represents the signatories' commitment to conclude, over a transitional period, a formal association with the EU, based on the gradual implementation of a free trade area and reforms designed to achieve the adoption of EU standards. The specific priorities and advancement of the Western Balkans countries in this process varies. The regional integration of the Balkans is regarded by most EU officials as the first logical and necessary step towards full European integration.<sup>115</sup> The notion of bringing this problematic area into Europe by first applying a regional framework to the whole process is not a new idea, but nevertheless, it increasingly proves to be the most consenting line of action. The issues that are generally seen as significant to be resolved when it comes to the Western Balkan EU perspective, are those in relation to national and ethnic identity, economic development, tolerance, as well as equal socio-political participation of the citizens and the establishment of precise legal frameworks regarding the statuses of the state entities in the region.<sup>116</sup>

On March 5, 2008 the European Commission launched a Communication entitled "*Western Balkans: Enhancing the European perspective*".<sup>117</sup> This Communication reiterated the EU's commitment to the European perspective of the Western Balkans, and proposed a way forward for enhanced progress of the region on its way towards EU accession. It also sets out new initiatives for promoting people to people contacts, covering areas such as visa liberalisation and scholarships, for developing civil society and for enhancing the region's economic and social development.<sup>118</sup> To that purpose a new facility to promote civil society development and dialogue was established, encompassing sectors such as human rights, social inclusion, health, gender equality, environment, business advocacy and representation, media, culture and consumer policy. In addition, a multi-beneficiary IPA programme has been developed which can support all parts of the facility with technical assistance: capacity-building, networking, training and the dissemination of project results.

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<sup>115</sup> Gligor, Madalina, *Broadening the Perspectives of Incompatibility: Accounting for Europeanization and Balkanness as Complementary Realities*, 4<sup>th</sup> HEIRS Conference, [youth-partnership-eu.coe.int/.../HEIRS\\_Conference\\_paper\\_-\\_Madalina](http://youth-partnership-eu.coe.int/.../HEIRS_Conference_paper_-_Madalina)

<sup>116</sup> Ibid.

<sup>117</sup> Communication from the Commission to the European Parliament and the Council (Western Balkans: Enhancing the European perspective) [http://ec.europa.eu/enlargement/pdf/balkans\\_communication/western\\_balkans\\_communication\\_050308\\_en.pdf](http://ec.europa.eu/enlargement/pdf/balkans_communication/western_balkans_communication_050308_en.pdf)

<sup>118</sup> Ibid.

### *3.1.1.2 IPA Instruments for Pre-Accession Assistance*

From 2007, financial aid and technical assistance from the EU to the Enlargement policy countries (Western Balkans and Turkey) is administered through the framework of a single instrument, a pre-accession program, called Instrument for Pre-Accession Assistance (IPA).<sup>119</sup> The main purpose of the IPA is to incorporate previous pre-accession and stabilisation assistance within a single framework, in order to enhance the efficiency and coherence of the support provided and to better prepare the countries for actual membership within the EU. These countries are also generally regarded as IPA countries. The IPA replaced a series of European Union programmes and financial instruments for candidate countries or potential candidate countries, namely PHARE, PHARE CBC, ISPA, SAPARD, CARDS and the financial instrument for Turkey.

The IPA consists of five components<sup>120</sup>: Assistance for transition and institution building; Cross-border cooperation (with EU Member States and other countries eligible for IPA); Regional development (transport, environment, regional and economic development); Human resources development (strengthening human capital and combating exclusion; Rural development. The IPA beneficiary countries are divided into two categories: EU candidate countries (Croatia, Turkey and Macedonia) are eligible for all five components of IPA; and potential candidate countries in the Western Balkans (Albania, Bosnia-Herzegovina, Montenegro, Serbia, and Kosovo under UN Security Council Resolution 1244/99) which are eligible only for the first two components.<sup>121</sup> Therefore it has created an overall structure for pre-accession assistance and found a form of differentiation based on the individual capacities of the countries concerned.

**Observations:** IPA provides a general framework for financial support (€11.5 billion between 2007–2013, including support for Turkey) for candidate and potential candidate countries<sup>122</sup>, making the resources for pre-accession clearly less abundant than they were before the

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<sup>119</sup> <http://bcserdon.com/wp-content/uploads/2011/03/eu-funding-for-the-western-balkans-2010-2012.pdf>

<sup>120</sup> [http://ec.europa.eu/regional\\_policy/funds/ipa/index\\_en.htm](http://ec.europa.eu/regional_policy/funds/ipa/index_en.htm)

<sup>121</sup> Ibid.

<sup>122</sup> [http://web.ceu.hu/cens/assets/files/conference/szemler\\_IPA](http://web.ceu.hu/cens/assets/files/conference/szemler_IPA)

enlargements of 2004 and 2007, while the tasks ahead appear to be by far more complex now. In addition to this, the more significant question arises, whether the assistance in its past and present form provides these countries what they really need. According to the European Commission, “*the new instrument takes into account the actual differences between potential candidates and candidates in terms of administrative, programming and management capacity*”.<sup>123</sup> In concrete terms, this means that in the case of potential candidate countries (Albania, Bosnia-Herzegovina, Montenegro, Serbia and Kosovo) the management of IPA is centralised, so in their case, the European Commission is responsible for the management of IPA.

For the candidate countries, as mentioned above, all five components are open; the three components available only for them aim “*at preparing candidate countries for the management of Structural Funds and largely mirror the Structural Funds regulations*”.<sup>124</sup> Similarly to the pre-accession funds available for the countries that joined the EU in 2004 and 2007, these components “*are subject to the same requirements as those applying to Member States in terms of necessitating sound financial management structures and practices. Therefore, they can only be introduced for candidate countries operating under decentralised management and having demonstrated autonomous programming and management capacities*”.<sup>125</sup>

So regarding the usefulness of IPA in assisting the countries of the Western Balkans to reach their objective of progressing towards EU membership, it appears there are two major aspects to be observed. The first is the question whether IPA’s present regulation contains the adequate incentives for progress and is the financial framework provided under IPA in agreement with the needs of the Western Balkan countries’ development needs? As there are different answers from different points of view to these questions, it is not surprising that the European Commission’s stance to IPA is extremely positive. The answers to the questions listed on the IPA webpage<sup>126</sup> on are optimistic, and stresses the flexibility of the structure, the differentiation according to

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<sup>123</sup> Ibid.

<sup>124</sup> Ibid.

<sup>125</sup> Ibid. In relation to potential candidate countries, it continues: “*Nevertheless, it is important to underline that under the regulation potential candidates will have access to funding for infrastructure, regional development, rural development and labour and social measures. Assistance in all of these areas will be available through the Transition Assistance and Institution Building component. The regulation explicitly foresees investments to promote economic and social development*”.

<sup>126</sup> [http://europa.eu/legislation\\_summaries/agriculture/enlargement/e50020\\_en.htm](http://europa.eu/legislation_summaries/agriculture/enlargement/e50020_en.htm)

preparedness, as well as the fact that the support available for the Western Balkans under the IPA surpasses previous amounts of EU support.<sup>127</sup>

An extensive and critical a priori evaluation of IPA<sup>128</sup> examines the same questions, but its answers differ to a large extent from those of the European Commission. It considers the differentiation between candidates and potential candidates an essential obstacle of rapid progress of the potential candidates, as the least developed countries have no direct access to support in the most significant fields of development. In addition to this, as a result of the differences in management, no efficient incentive for enhancing the functioning of the institutions of potential candidates exists.

It is also suggested that the designated amounts are not in accordance with the development needs of these countries; its calculations display stagnating or even decreasing amounts just in the period when important issues in the region (like the long-term functioning of Bosnia and Herzegovina, the status and the long-term viability of Kosovo) should be addressed. The paper concludes that the method selected for and the amounts assigned to IPA reflect the intention of the EU to make the Western Balkan countries' perspective of EU accession (at least of the potential candidates) as distant as possible. In addition, it is the costs of further underdevelopment and potential instability, a consequence of the lack of credible EU prospects, can be much higher than the costs of an efficient, progress-oriented long-term support.<sup>129</sup>

### ***3.1.1.3 EU Community Programmes***

Community programmes of possible relevance to the field of arts and culture and which relate to third countries, including the Western Balkans, or allow for the participation of third countries under different conditions from those that apply to member countries are reviewed below:

***The Culture Programme 2007-2013*** - The main aim of the multi-annual Culture Programme is to encourage and support cultural cooperation within Europe in order to promote European common

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<sup>127</sup> <http://web.ceu.hu/cens/assets/files/IPA.pdf>

<sup>128</sup> Ibid. The report was conducted by the European Stability Initiative, 2005.

<sup>129</sup> <http://web.ceu.hu/cens/assets/files/IPA.pdf>

cultural heritage and it is the only Community programme designed specifically for the field of culture. The Programme proposes funding opportunities to all cultural sections and all categories of cultural operators contributing to the development of cultural cooperation at European level, in order to encourage the emergence of European citizenship.<sup>130</sup> The Culture Programme 2007-2013 was defined in a way to promote a European space for cultural cooperation covering candidate and potential candidate countries. To date, Turkey, Croatia, Macedonia, Serbia, Bosnia and Herzegovina and Montenegro have signed memorandums of understanding and are fully participating in the Culture Programme.

The Culture Programme aims to achieve three main objectives: to promote cross-border mobility of those working in the cultural sector; to encourage transnational circulation of cultural and artistic output; and to foster intercultural dialogue.<sup>131</sup> For the achievement of these objectives, the programme supports three strands of activities: cultural actions, European-level cultural bodies, and analysis and dissemination activities.<sup>132</sup>

The support for cultural actions strand enables a wide range of cultural organisations coming from various countries to cooperate on cultural and artistic projects. This strand includes three sub-categories: multi-annual cooperation projects, running over a period of three to five years; cooperation measures, running over a maximum period of two years; special measures, which relate to high-profile actions of considerable scale and scope. The support to European Capitals of Culture and festivals with a European dimension are also included in this sub-strand. With a total budget of 400 million EUR for 2007 - 2013 the Programme co-finances about 300 different cultural actions per year.<sup>133</sup> The Education, Audiovisual and Culture Agency Executive Agency (EACEA) is responsible for the management of most parts of the EU's Culture Programme 2007-2013 under supervision from its parent Directorate-General for Education and Culture (DG EAC of the European Commission).<sup>134</sup>

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<sup>130</sup> [http://ec.europa.eu/culture/our-programmes-and-actions/doc411\\_en.htm](http://ec.europa.eu/culture/our-programmes-and-actions/doc411_en.htm)

<sup>131</sup> Ibid.

<sup>132</sup> Ibid.

<sup>133</sup> [http://eacea.ec.europa.eu/culture/programme/about\\_culture\\_en.php](http://eacea.ec.europa.eu/culture/programme/about_culture_en.php)

<sup>134</sup> [http://eacea.ec.europa.eu/culture/index\\_en.php](http://eacea.ec.europa.eu/culture/index_en.php)

**Observations:** The EU Culture Programme has been criticised for its noticeably heavy bureaucratic mechanism and the small funding it distributes. Critics argue that the interventions of the EU Culture Programme have been quite marginal if we consider that its €400 million over 7 years for 27 plus 42 countries means an average of around €2 million per year for each country, while the Vienna Opera House, for example, has a budget of €86 million per year.<sup>135</sup> The programme also needs to be dramatically improved along the lines of the ECF/EFAH (European Forum for the Arts and Heritage) proposal of 70 cents per EU citizen for each year.

However, enhanced funding is not the only thing that the programme is lacking. The agents of EU programmes should be more accessible and responsive to artists and cultural organisations. As Isabelle Schwarz of the European Cultural Foundation stressed, “*the existing EU/SEE frameworks in which cultural activities can be supported confront cultural partners in the Balkans with two difficulties: the precondition that they provide 5% of the requested budget, and the cost of international audits.*”<sup>136</sup>

In addition, cultural initiatives that have proven their quality but cannot survive easily in the marketplace should be entitled to funding from multilateral programmes. Such programmes could also help replace outdated national cultural policies with ones that are compatible with changes in cultural practice, and promote capacity building, cross-border cooperation and the mobility of cultural operators in the region.<sup>137</sup> Another weakness concerns cultural organisations in the Western Balkans and the discontinuity of their work due to financial instability and high staff turnover, as staff members emigrate to educate and develop themselves elsewhere. This could be countered by core funding as well as mobility support that would make temporary travel easier.<sup>138</sup>

There is also a necessity for bilateral support from EU countries to concentrate on partnership-building rather than solely promotion. While the presentation of Western arts and artists can be a beneficial additional value to the regional scene, the national agenda is insignificant to the individuals and organisations involved.<sup>139</sup> As much as the new EU Culture programme might bring

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<sup>135</sup> Wagner Gottfried in “*The Art of Difference: From Europe as a cultural project to EU policies for culture*” <http://www.alliancepublishing.org/wp-content/uploads/THE-ART-OF-DIFFERENCE-full-PDF.pdf>

<sup>136</sup> *The Heart of the Matter*, European Cultural Foundation, p. 34-35 <http://www.eurocult.org/uploads/docs/361.pdf>

<sup>137</sup> Ibid.

<sup>138</sup> Ibid.

<sup>139</sup> Ibid.

some modest improvements, the EU administrative rules and practices remain at odds with the *modus operandi*, tempo and cash flow of numerous cultural operators.

To conclude, the programme has considerably improved and truly European projects of extreme quality have been promoted and some changes have been introduced to enhance flexibility and user-friendliness. However, it is important to note that the cultural sector requires less centralised forms of management, distribution and accounting. For the EU, awards of about €30,000 are not a lot in terms of overheads, but for artists these amounts are considerable. Although re-granting is not allowed under the Commission's rules, it could be beneficial to decentralise and delegate. In addition, the Commission should focus much more on core policy issues rather than on running programmes. Although certain steps have been taken in this direction by engaging the Executive Agency, the processes still follow a logic derived from other policy sectors. Significant cultural policies might require different structures in the future. The policy formation process is rather slow and tedious, and does not succeed in promoting the real political interest of national stakeholders.

Although the Culture Programme has very limited budgets, focus on mobility, complicated administration procedures, the lack of matching funds on the Balkans, it still offers a great opportunity to increase international cooperation in the region. It might also be beneficial that member state governments tend to adapt their policies towards the European agenda. With the Lisbon Strategy that was adopted in May 2007, the position of culture was recognised in three aspects: cultural diversity and intercultural dialogue; culture as a catalyst for creativity; and culture as a key component in international relations.<sup>140</sup> This may lead to more inclusion of the Balkans in all these aspects.

The main aim of the *Youth in Action Programme* is to support experiences of European citizenship and solidarity among young people aged 13 to 30. It also aims to develop young's sense of initiative, creativeness and entrepreneurial spirit. The specific objectives of the programme are: to promote young people's active citizenship in general and their European citizenship in particular, to develop solidarity among young people, to foster mutual understanding among people through youth, to

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<sup>140</sup> Näss Hans Erik, “*The Ambiguities of Intercultural Dialogue: Critical Perspectives on the European Union's New Agenda for Culture*” at <http://www.immi.se/intercultural/nr23/nass.htm>

contribute to developing the quality of support systems for youth activities and the capabilities of civil society organisations in the youth field, and to promote European cooperation in youth policies. The Youth in Action budget for the 2007-2013 period is EUR 885 million.<sup>141</sup>

**Media 2007** - This new Community action for the audiovisual industry should contribute to translating European cultural values into a competitive worldwide industry and creating a favourable socio-economic environment for the European audiovisual sector. Its main aims are stimulating private financing for the sector in order to enable companies active in the audiovisual sector to improve their competitiveness. The main objectives of the programme are to: preserve and enhance European cultural diversity and its audiovisual heritage, increase the circulation of European audiovisual works inside and outside of the European Union, strengthen the competitiveness of the audiovisual sector. The budget for the Media 2007 for the period of 2007-2013 is EUR 755 million.<sup>142</sup>

So for the last decade the countries of the Western Balkans region have been regarded as potential candidates for EU membership. Being subject to EU Enlargement policies, rather than EU Neighborhood policies, these countries are subject to structural support and assistance by numerous EU foreign policy instruments, the central purpose being to draw these countries closer to the EU legislation, economy and values and successfully integrating them within the single market of the Union. However, for cultural operators throughout Europe and particularly for the countries of the Western Balkans, the EU remains a complicated, evasive, not at all user-friendly, but inescapable strategic funding source.

### ***3.1.2 Intergovernmental organisations and initiatives***

The chapter below includes the key intergovernmental organisations and initiatives, other than the European Union, that provide financial support relevant to the current study. Other types of international aid (technical cooperation, equipment, fellowships, etc.) are not included as they are beyond the scope of this paper.

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<sup>141</sup> [http://www.2007-2013.eu/by\\_scope\\_youth.php](http://www.2007-2013.eu/by_scope_youth.php)

<sup>142</sup> [http://www.2007-2013.eu/by\\_scope\\_media.php](http://www.2007-2013.eu/by_scope_media.php)

**The Council of Europe** is the oldest political organisation in Europe, founded in 1949, and currently brings together forty-six countries, including all the countries of the Western Balkans. It is not a funding but a political organisation. Its four central areas of focus are: democracy and human rights, social cohesion, the security of citizens, and democratic values and cultural diversity, with special emphasis on providing support for the consolidation and monitoring of Eastern European post-communist democracies.<sup>143</sup> Information Offices or Offices of the Special Representative of the Secretary General of the Council of Europe were established in all Western Balkans countries. Within each of these fields, the Council of Europe conducts various activities, such as information provision, promotion, networking, training, technical assistance, and research. With very few exceptions, one of which is Eurimages<sup>144</sup>, it does not provide direct funding for activities in the cultural field.

**Observations:** The role and importance of the Council of Europe's programmes in the field of cultural production and support for the mobility has permanently weakened since 2001, to the point that today it is regarded practically insignificant.<sup>145</sup> In addition, due to the general social development and to the greater openness of the countries in the region, social conditions of the cultural production are greatly improving, although not at the pace artists and cultural professionals would be satisfied with, and not by the power of creative potentials of the countries in the region. However, potentials for the international cooperation certainly increase.

**The Council of Ministers of Culture of South East Europe** was founded in 2005 with the objective of creating a new forum for dialogue and interaction between the Ministers of Culture and other government and non-governmental structures. Its key objectives are joint cultural strategies, opportunities and projects, and the exchange of information and experience. The Council foresees its involvement in different activities, such as: *"undertaking joint cultural projects; creating joint programmes to facilitate mobility for artists and cultural professionals, as*

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<sup>143</sup> <http://www.coe.int/portal/web/coe-portal>

<sup>144</sup> **Eurimages** is the Council's partial agreement, set up in 1989, for the co-production, distribution and exhibition of European films. It has thirty member states and annual funding of about 20 million euros. To date, Eurimages has supported the co-production of some thousand full-length feature films and documentaries. Two schemes have recently been established: one for films with real circulation potential and one for films reflecting the cultural diversity of European cinema. Support for distribution and cinemas is available to member states which do not have access to the European Union's MEDIA programme. All SEE countries, except for Albania, are members of the agreement and as such have access to funding (Serbia and Montenegro and Bosnia and Herzegovina joined in 2005).

<sup>145</sup> Vujadinović, Dimitrije, *Mobility of Artists and Cultural Professionals in South Eastern Europe*, p.7

[http://www.mobilitymatters.eu/web/files/135/en/Mobility\\_of\\_Artists\\_and\\_Cultural\\_Professionals\\_in\\_South\\_Eastern\\_Europe.pdf](http://www.mobilitymatters.eu/web/files/135/en/Mobility_of_Artists_and_Cultural_Professionals_in_South_Eastern_Europe.pdf)

*well as the exchange of cultural artefacts and art works in the region; employing the potential of the existing programmes of the Council of Europe, UNESCO, EU and other non-governmental and intergovernmental organisations, in order to achieve synergy between the different international initiatives to the advantage of South East Europe."*<sup>146</sup>

**Observation:** Representatives of the Ministries of Culture in the countries within the region, as well as the ministers themselves, held several regional conferences where many declarations and protocols were signed. However, these events predominantly have a political character and although the importance of these meetings cannot be refuted, from a practical side it is necessary to point out that there has been no significant progress.

The fundamental mission of the **United Nations Educational, Scientific and Cultural Organisation (UNESCO)**<sup>147</sup> is not the funding of projects and fellowships, but its activities focus on the sharing of knowledge, realising prospective studies, preparing and adopting international instruments and statutory recommendations, providing expertise in the form of technical cooperation, etc.<sup>148</sup> However, within its fields of competence (education, sciences, culture and communication, social sciences), UNESCO provides financial support to different pilot projects, for which applications should generally be submitted to the competent national authorities of each Member State (i.e. the National Commission for UNESCO). It also proposes a limited number of funding schemes, mainly funds and fellowships.

Following the changes in 1989 and the break-down of Yugoslavia, UNESCO gave priority to the protection and restoration of cultural heritage. Some relevant funding schemes for the Western Balkan countries for the arts and culture field are: The South-East European Culture Heritage Trust Fund, The South-East European Culture Heritage Trust Fund, International Fund for the Promotion of Culture (IFPC), The UNESCO Fellowships Programme. Today, UNESCO has little significance for the funding of international cultural cooperation in Europe.

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<sup>146</sup> [http://www.ccp-deutschland.de/fileadmin/user\\_upload/3\\_Infos\\_und\\_Service/4\\_Weitere\\_Foerdermoeglichkeiten/funding-opportunities\\_ecumest.pdf](http://www.ccp-deutschland.de/fileadmin/user_upload/3_Infos_und_Service/4_Weitere_Foerdermoeglichkeiten/funding-opportunities_ecumest.pdf)

<sup>147</sup> [www.unesco.org](http://www.unesco.org)

<sup>148</sup> Ibid.

### 3.1.2.1 Regional and other funds relevant for arts and culture

**International Visegrad Fund** is an international organisation based in Bratislava founded by the governments of the Visegrad Group (V4) countries - the Czech Republic, the Republic of Hungary, the Republic of Poland, and the Slovak Republic - in Štířín, Czech Republic, in 2000.<sup>149</sup> The objective of the Fund is to facilitate and promote the development of closer cooperation among V4 countries, and of V4 countries with other countries, particularly but not solely non-EU member states in Eastern Europe, the Western Balkans and the South Caucasus through grant support of common cultural, scientific and educational projects, youth exchanges, cross-border projects and tourism promotion, and through individual mobility programmes - scholarships and residencies. The budget of the Fund (€6 million as of 2010) consists of equal contributions of the Visegrad Group's governments.<sup>150</sup> The Fund runs four grant programmes (Small Grants, Standard Grants, the Visegrad Strategic Programme and the Visegrad+ Programme), four scholarship schemes, an artist-in-residence programme.

**European Fund for the Balkans**<sup>151</sup> was founded in June 2007 as a multi-year joint initiative of European Foundations including the Robert Bosch Stiftung<sup>152</sup>, the King Baudouin Foundation<sup>153</sup>, the Compagnia di San Paolo<sup>154</sup> and the ERSTE Foundation<sup>155</sup>. It is significant that the Fund's seat is in Belgrade, Serbia. The Fund supports initiatives aimed at bringing the Western Balkans closer to the European Union through grant-making and operational programmes and as such is focused on individuals and organisations from the Western Balkans region. As a direct follow-up to the International Commission on the Balkans (2004-2006), the Fund embodies the “*member-state building strategy*” which includes the *development of functioning state administrations* and *constituency-building* as main priorities.

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<sup>149</sup> <http://visegradfund.org/about/>

<sup>150</sup> Ibid.

<sup>151</sup> <http://www.balkanfund.org/>

<sup>152</sup> <http://www.bosch-stiftung.de>

<sup>153</sup> <http://www.kbs-frb.be/index.aspx?LangType=1033>

<sup>154</sup> <http://www.compagniadisanpaolo.it/>

<sup>155</sup> <http://www.erstestiftung.org/>

**Regional Cooperation Council (RCC)**<sup>156</sup> was officially set up at the meeting of the Ministers of Foreign Affairs of the South-East European Cooperation Process (SEECP) in Sofia in 2008, as the successor of the Stability Pact for South Eastern Europe. The RCC has a regionally owned and led framework and mostly focuses on the promotion and improvement of regional cooperation in South East Europe (SEE) and supports European and Euro-Atlantic integration of the aspiring countries. The RCC provides operational capacities to and works under the political guidance of the SEECP. The major tasks of the RCC are to represent the region, assist the SEECP, monitor regional activities, lead in regional cooperation, provide a regional perspective in donor assistance (notably the EU's Instrument for Pre-accession Assistance (IPA) programme) and support enhanced involvement of civil society in regional activities.<sup>157</sup> The RCC functions as a central point for regional cooperation in SEE and its key role is to generate and coordinate developmental projects of a wider, regional character, to the benefit of each individual member, and create a suitable political climate for their implementation.<sup>158</sup>

**Observations:** The transformation of the Stability Pact for South Eastern Europe into a regionally-owned and led framework, the Regional Cooperation Council, is extremely significant for the entire region. On one side, the transition process is a joint process involving the wider Stability Pact community, composed of SEE countries and the key international actors involved in SEE, which is giving new momentum to the South East European Cooperation Process, SEECP, the main framework for political consultation in the region. On the other side, the fact that the EU, fully represented on the RCC Board, has been involved in all phases of the transformation, contributes financially to the budget of the RCC Secretariat and sees the RCC as its main interlocutor on regional cooperation in SEE.

The challenge for the RCC is to facilitate the planning of actions that are based on the real needs of the region and with the state actors fully participating, as well as the full participation of the wider community, particularly of civil society. The capacity to organise such a complex consultation process and wide participation in regional cooperation projects is an additional challenge. This clearly displays the significance the EU attaches to regional cooperation. It means that the RCC, due

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<sup>156</sup> <http://www.rcc.int/>

<sup>157</sup> Ibid.

<sup>158</sup> Ibid.

to its diverse membership made by countries that are already EU members, candidate and potential candidate countries, will be an important training ground for European integration for all the countries involved, and will once again prove that regional cooperation and European integration are two mutually complementary processes. International support, a long way from disappearing, will instead be facilitated and made more concrete by the region which now has more direct responsibility.

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### ***3.1.3 Governmental agencies and initiatives***

**The Goethe Institute**<sup>159</sup> turned its focus on Eastern Europe after 1989 and thirteen new institutes were opened in Central and Eastern Europe during the nineties. The Goethe Institute has in the new millennium increasingly directed its resources to China and other new global actors such as Brazil, not closing any institutes in Europe, but providing them with less money and staff and decreasing project costs. However, the situation has somewhat improved as of 2007, when the Goethe Institute received the first increase in funding from the German Ministry of Foreign Affairs in ten years. Since 2000, the network of Goethe Institutes in South East Europe have been involved in regional projects in the framework of the Stability Pact, holding numerous conferences, arts and heritage projects, workshops as well as conducting information and library work and language courses. The head offices of the Goethe Institute of Belgrade, Bucharest, Sarajevo, Sofia and Thessaloniki meet on a regular basis. The Goethe Institute does not have branches in Macedonia or Albania.

**KulturKontakt Austria**,<sup>160</sup> the independent association active in the field of cultural education, promotion, and cooperation, has been promoting artistic exchanges between Austria and the countries of Central and Eastern Europe since 1990. It is under contract to the State Secretary for the Arts and Media in the Federal Chancellery of the Republic of Austria. The support is mainly for multiregional projects on which it spent 372.000 euros in 2007, other grants for the region amounted to 226.000 euros.<sup>161</sup> Almost 80 percent of projects took place in Austria.<sup>162</sup> The work of

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<sup>159</sup> [www.goethe.de](http://www.goethe.de)

<sup>160</sup> <http://www.kulturkontakt.or.at/>

<sup>161</sup> Kulturkontakt Austria, Jahresbericht Kulturförderung und Sponsoring, Wien 2007, p. 12.

Kulturkontakt Austria is well-respected and much appreciated within the Western Balkan region. However, at times, cultural practitioners claim that cultural clashes exist, in the sense that the highly structured and hierarchical culture of Austria does not always match with the last minute Balkans mentality and morals. The funding and cooperation include the following disciplines: in terms of activities, mainly it is literature projects, visual art is in second place, followed by music projects. Film days, film festivals, and theatre and dance productions, artists and writers in residence are also popular, while generally the most money is spent on visual arts.

### **Ministry of Foreign Affairs & Royal Netherlands Embassies in SEE, The Netherlands<sup>163</sup> -**

Without having specific public agencies or institutes for cultural cooperation, the Netherlands has developed a significant framework of support to the countries of South East Europe, which includes the cultural field also. The Ministry of Foreign Affairs, either directly or through the embassies within each country in the region, is able to provide support for cultural projects in the framework of several programmes. The Netherlands involvement in the cultural realms in South East Europe to date has mostly been with its **Matra programme**.<sup>164</sup> All countries on the Western Balkans are now eligible for subsidies.

**Observations:** Until recently, Albania, Bosnia Herzegovina and Macedonia fell under the Culture and Development schemes from the Dutch Ministry of Foreign Affairs which provided for much larger means. However, these means were not always spent wisely, and due to understaffing on the embassies which administered these schemes, the dealing with it was outsourced. In Macedonia for instance, the entire amount was delegated to eight small municipal governments for the restoration of local heritage museums, incentives for crafts and Roma projects. This helped the tourist industry and some cultural organisations, but the cultural diplomacy effects were insignificant and it completely ignored the dynamic contemporary art scene in Skopje.

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<sup>162</sup> Annual report Kulturkontakt Austria 2007, p. 47.

[http://formulare.kulturkontakt.or.at/upload/medialibrary/KKA\\_AR\\_Culture+Sponsoring07.pdf](http://formulare.kulturkontakt.or.at/upload/medialibrary/KKA_AR_Culture+Sponsoring07.pdf)

<sup>163</sup> [www.minbuza.nl](http://www.minbuza.nl)

<sup>164</sup> [http://www.minbuza.nl/en/Key\\_Topics/Matra\\_Programme](http://www.minbuza.nl/en/Key_Topics/Matra_Programme)

The MATRA programme has three schemes and it granted in 2009 a total of 18 million euros.<sup>165</sup> Culture is only one of twelve priority themes, others including health, environment, human rights etc. The obstacles are that a Dutch partner needs to apply and the administrative burdens are enormous. Nevertheless, some interesting results emerged as a result of the MATRA framework. For example, the setting up of the influential cultural centre, The Red House, in Sofia would not have been possible without MATRA. The Rotterdam based Berlage Institute implemented the Croatian Archipelago New Lighthouses project. However, the problem with the schemes is that they follow a logic of capacity building, which makes them neither really suitable for aims of cultural diplomacy, nor are the artists or cultural practitioners in South East Europe valued for their skills and professionalism, but only for the social or economic changes their projects might bring about. The Netherlands has embassies in all the capitals of South East Europe, but their budget dedicated to culture is small and their interest for the topic varies. The cultural sectoral funds (Mondriaan Foundation for Visual Arts, Netherlands Fund for Performing Arts etc.) can all support cultural projects in the region, but only if there is Dutch involvement.

**Pro Helvetia – the Arts Council of Switzerland & the Swiss Agency for Development and Cooperation**<sup>166</sup> Pro Helvetia is a foundation under public law that supports Swiss cultural practitioners in the creation and dissemination of their works, both in Switzerland and abroad, and enables encounters with artists from other countries. It develops its own programmes and provides significant support for cultural activities outside Switzerland. One of the most relevant programmes for the current study is Swiss Cultural Programme for the Western Balkans, which will be further analysed in the following chapter.

**Observations:** Foreign cultural centers (French Cultural Center, Goethe Institute, Italian Cultural Institute, British Council, Cervantes Institute) have continued their programmes of cultural cooperation and support for particular projects, but the mobility of artists and cultural professionals in the region very rarely gets supported. The scope of this cooperation depends on the financial support coming from home countries, but a general conclusion may be drawn that these funds are gradually decreasing. Most of the international governmental and non-

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<sup>165</sup> [http://www.minbuza.nl/en/Key\\_Topics/Matra\\_Programme](http://www.minbuza.nl/en/Key_Topics/Matra_Programme)

<sup>166</sup> [www.prohelvetia.ch](http://www.prohelvetia.ch)

governmental institutions and foundations that are active in the Western Balkans announce their programmes of support for the cultural production under the same conditions for all the countries in the region, regardless of the differences among each individual country. In addition, when shifting priorities, they are not necessarily acting on their own experience or best judgment, but usually follow instructions from the governments whose funding they distribute. With such funding also comes the power to request loyalty and commitment to a donor's or its government's policies and initiatives, running the risk of making recipient NGOs serve certain donor interests. Due to this, the few organisations that perhaps do not agree to follow a donor's orders can be excluded and regarded as lower priority, or even have their funding taken away.

### ***3.1.4 Independent and Corporate Foundations***

Foundations can be divided into *independent and community foundations*, *corporate foundations* and *government-supported foundations*. The first group of foundations is regarded as 'grant-making or operational foundations, trusts or charities that have their own fund or regular source of income and their own board of trustees or directors' in which they mainly contribute in the form of individual grants, project grants, donations, gifts in-kind and cash contributions.<sup>167</sup>

*Corporate foundations* are set up by companies and depend on their founder's support and can be associated with sponsorship, as they tend to support large ad-hoc events mostly to uphold their image. When they enter a long-term relationship, motives are based on a more ethical valuation. *Government – supported foundations* receive funds from the state but also have to follow the direction as is defined in the national cultural policy. Government-supported foundations for culture may combine mixed public financing (direct and indirect) with private financing, but they are still largely supported by the government – in many cases over 80%.<sup>168</sup> It is significant to note that the focus of this research is on the role of independent foundations as actors in the third sphere, but a brief outline of the most prominent corporate foundations will be provided also.

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<sup>167</sup> Klamer, Petrova and Mignosa, *Financing the arts and culture in the EU*. Journal of Cultural Economics, 2007. p.38

<sup>168</sup> Ibid. p.39

Besides the national and regional support for arts and culture in South East Europe provided by the Soros Foundations<sup>169</sup> since 1993, numerous other foundations have provided and continue to provide assistance in the development of the cultural sector and strengthening cultural cooperation in the Western Balkans region. This was conducted in accordance with the evolvement of the political and economic context and with the foundations' specific policies.<sup>170</sup> The great majority of these foundations are European foundations, while most American donors funding the arts, such as the Rockefeller Foundation<sup>171</sup>, have specified their area of interest outside the region, while others that have remained in the Balkans do not provide funding for cultural projects. However, some of these donors, such as the German Marshall Fund of the US<sup>172</sup>, the Charles Stewart Mott Foundation<sup>173</sup>, and their joint initiative with USAID - the Balkan Trust for Democracy<sup>174</sup>, do not exclude cultural organisations from their funding as long as the issues addressed by the proposed projects fall under their prescribed priorities for the region: regional cooperation, community development, civic participation, improvement of ethnic relations, etc.<sup>175</sup>

Given the large range of existing foundations, the current overview will highlight only those that provide relevant financial support for cultural activities in the Western Balkan region. The foundations presented below are either grant-giving foundations or operational foundations whose programmes target cultural cooperation and have a granting component.

### **3.1.4.1 *Independent foundations***

The **European Cultural Foundation (ECF)**,<sup>176</sup> which will later be examined as a case study, represents a remarkable exception in its understanding of Europe as an integrated cultural space. It developed numerous initiatives, programmes and institutions in its long history and following the end of the Cold War developed new programmes in Central and Eastern Europe. As numerous other

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<sup>169</sup> [www.soros.org](http://www.soros.org)

<sup>170</sup> *Funding Opportunities for International Cultural Cooperation in and with South East Europe*, European Cultural Foundation, 2005, p. 55

<sup>171</sup> [www.rockefellerfoundation.org](http://www.rockefellerfoundation.org)

<sup>172</sup> <http://www.gmfus.org>

<sup>173</sup> [www.mott.org](http://www.mott.org)

<sup>174</sup> <http://www.gmfus.org/balkantrust>

<sup>175</sup> Ibid.

<sup>176</sup> [www.eurocult.org](http://www.eurocult.org)

foundations, ECF also changed from a reactive mode of cooperation (waiting for interesting applications and allocating grants to the best ones) to own programming priorities, creation of partnerships through grant-giving and stimulation of multilateral projects and particularly focusing on individual mobility throughout Europe with its *Apex* and *Step Beyond* programmes. The Foundation also added cultural policy advocacy on the European level to its core activities.

**The King Baudouin Foundation, Brussels, Belgium**<sup>177</sup> is an independent public benefit foundation that works to improve people's living conditions. It operates programmes in different areas, with a Belgian or international focus, and has several specific projects that target the countries of the Western Balkans and which are run with local partners and deal with issues such as ethnic relations, young people at risk, and minority rights. Since 2001, The Foundation has also developed a programme in the field of cultural heritage and has been running it since 2001.

**The Felix Meritis Foundation-A European Centre for Arts and Sciences**<sup>178</sup> is a significant international platform that promotes independent thinking and reflection and the transfer of knowledge and enjoyment of the arts. It is based in Amsterdam, The Netherlands and facilitates meeting points for artists, scientists and other thinkers in the Netherlands and in Europe. It has initiated numerous international projects, and although the Felix Meritis is not a grant-giving foundation, most of its projects include grant schemes for individuals.

**HIVOS (Humanist Institute for Cooperation with Developing Countries), The Hague, The Netherlands**<sup>179</sup> is another non-governmental organisation that provides development support, for the most part by providing financial and political support to local NGOs in its target countries. The HIVOS Culture Fund (HCF), opened in 1995, supports artists and cultural organisations in the South (Africa, Asia, Latin America and the Caribbean, as well as Eastern and South East Europe). The Fund's fields of work include production, exchange, promotion, marketing and distribution, as well as capacity-building.<sup>180</sup>

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<sup>177</sup> <http://www.kbs-frb.be/index.aspx?LangType=1033>

<sup>178</sup> <http://www.felix.meritis.nl/en/>

<sup>179</sup> <http://www.hivos.nl/>

<sup>180</sup> Ibid. p. 58

**The ‘political’ foundations in Germany** - Political foundations are a specific feature of the German system that play a significant role in the promotion of social and political education of individuals in Germany, and strengthening democratic political and societal structures abroad. The countries of Eastern Europe have represented since the 1990s a particular focus of their international cooperation activities. The foundations vary one from another, but funding most often assist projects for civil society development and democratisation, within which cultural projects can also be eligible. The foundations include: Friedrich Ebert Stiftung<sup>181</sup>, Friedrich-Naumann-Stiftung<sup>182</sup>, Heinrich-Boll-Stiftung<sup>183</sup>, Hanns-Seidel-Stiftung<sup>184</sup>, Konrad Adenauer Stiftung<sup>185</sup>, Rosa Luxemburg Stiftung<sup>186</sup>.

**Observation:** These examples should be seen as solely an indication of a wide range of programming priorities, financial arrangements and political circumstances that exist among foundations working in the Western Balkans. According to Klaić, foundations frequently display conservative attitudes, are slow to respond to the changing constellations or are inclined to favor cultural heritage over contemporary creativity, particularly in an international context.<sup>187</sup> However, for some private foundations it is easier to re-arrange programming priorities and engage themselves in the new fields and topics, without complex political pressures and prolonged debates that burden the priority reallocation of public funds.

### **3.1.4.2 Corporate foundations**

It is significant to note that there is a slow but continuous development of corporate support in the Western Balkans region, with immense variations from one country to another. This is even more important in the context of the numerous international funders withdrawing from the region. Extensive economic change in many of these countries has led to an increase in the corporate support for the cultural sector nationally, as well as the emergence of corporate support programmes of regional significance and based on a regional strategy. However, these sources are extremely weak to be regarded as a relevant source of funding, especially as they are

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<sup>181</sup> [www.fes.de](http://www.fes.de)

<sup>182</sup> [www.freiheit.org](http://www.freiheit.org)

<sup>183</sup> [www.boell.de](http://www.boell.de)

<sup>184</sup> [www.hss.de](http://www.hss.de)

<sup>185</sup> [www.kas.de](http://www.kas.de)

<sup>186</sup> [www.rosalux.de](http://www.rosalux.de)

connected to economic investment and tend not to target those countries in which development support and investment in the cultural sector are most required. It is meaningful to recognise this development and, by means of incentive legal frameworks, information exchange etc., to facilitate it. The following are some of the corporate initiatives that target the cultural sector using a regional approach, as well as other corporate foundations relevant to the Western Balkans operators:

**Kontakt. The Arts and Civil Society Programme of Erste Bank Group in Central Europe, Austria (and Central Europe)**<sup>188</sup> - Kontakt is the sponsorship programme of the Erste Bank Group in the fields of Arts and Civil Society. It creates its own initiatives and enters into partnerships with institutions, initiatives and artists who are engaged in producing contemporary art, culture and theory, as well as in conducting educational and social projects in the countries of Central and South East Europe Bank Group operates. Kontakt is engaged in the following areas: Enabling Socially Responsible Transformation; Realising Independent Creative Strategies; Support for Education and Research; and Promotion of Cultural Infrastructure and Cooperation.<sup>189</sup>

**DIE ERSTE österreichische Spar-Casse Privatstiftung, Vienna, Austria**<sup>190</sup> - This Foundation, established in 2003, is the direct successor of the savings bank founded in 1819 and the main shareholder in the Erste Bank. It is not a corporate foundation as such, but a private foundation following the tradition of the savings banks set up as charitable institutions in Central Europe almost two hundred years ago. It is one of the largest foundations in Europe, aiming to devote part of its profits to the common good of the region in which the Erste Bank Group operates. The Foundation focuses on three core areas: Social Responsibility (shaping a socially just future in Central and South East Europe); Culture (promoting the development of cultural processes); and Europe (encouraging people to grow together in forming a common European future).

**Henkel CEE (Central and Eastern Europe) Vienna**<sup>191</sup> - Part of the German multinational company Henkel Group, Henkel Central Eastern Europe launched in 2002 a specific regional arts project: Henkel CEE Art.Award and Henkel Young Artists' Prize for the Central and Eastern

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<sup>188</sup> <http://www.kontakt.erstebankgroup.net/>

<sup>189</sup> Ibid.

<sup>190</sup> <http://www.erstestiftung.org/>

<sup>191</sup> [http://www.henkel-cee.com/cps/rde/xchg/henkel\\_cee/hs.xsl/index.htm](http://www.henkel-cee.com/cps/rde/xchg/henkel_cee/hs.xsl/index.htm)

European region within a specific discipline. This prize confers the sum of EUR 5,000 and an exhibition displaying the winner's work, both in Vienna and his or her home country.<sup>192</sup> It is designed to increase the understanding of the CEE geographical and cultural region, as well as contribute to the process of European integration. In support of young emerging artists, Henkel is also awarding a Young Artists Prize worth EUR 1,500 which will be granted to participants of the 'Artists-in-Residence' programme of KulturKontakt Austria.<sup>193</sup>

**Robert Bosch Foundation, Germany**<sup>194</sup>, established in 1964, is one of the major German foundations associated with a private company. Arts and culture, education and humanities are among its main objectives. Starting three decades ago from initially focusing on developing German-Polish relations, the Foundation currently conducts cooperation programmes with Central and Eastern Europe on a regular basis. These include: Robert Bosch Managers of Cultural Promotion in/from CEE; Cooperation in the Arts, promoting cooperation between young German and CEE artists; Programme for Translators from Germany and CEE; and Literature in an Intercultural Context – the Adelbert von Chamisso Literature Award. This foundation will also be examined in greater detail in the following chapter.

**Observations:** A great number of corporate foundations that support cultural production or international cultural exchange have been active up to today (Bosch Foundation, Siemens Arts Programme, Volkswagen, Telenor Foundation, Erste group etc.). However, on their web presentations it is difficult to find relevant information on the goals and activity priorities these foundations claim to have. There is also no information regarding the support for regional cooperation and the mobility of artists and cultural professionals. International funds that have various political actors behind them, such as the Mott Foundation, Friedrich Ebert Fund, Konrad Adenauer Foundation and others, have not had so far any activities in the field of culture and cultural production.

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<sup>192</sup> Ibid.

<sup>193</sup> Ibid.

<sup>194</sup> [www.bosch-stiftung.de](http://www.bosch-stiftung.de)

### 3.2 MAIN FORMS OF INTERNATIONAL SUPPORT FOR ARTS AND CULTURE IN THE WESTERN BALKANS

Direct support provided for cultural projects and artists, cultural operators and organisations in the countries of the Western Balkans have the following general forms: **Grant-giving schemes:** This basic form of support is usually the most preferred form of support by cultural operators in the region. Such schemes are the simplest to identify since grant-giving is done on the basis of open calls for proposals, making them fairly transparent. This category includes both grants for projects and organisations, as well as fellowships, scholarships and awards to individuals.

**Cooperation programmes which include a granting component:** Numerous organisations develop and carry out programmes of cooperation that include training, technical assistance, provision of equipment or other types of support besides financial resources. Such programmes have been preferred in medium-term developmental projects that provide support for longer-term projects and also assist in the building of the capacity of the recipient organisation. However, they are usually limited in number. Some good examples of such programmes designed specifically for the cultural sector will be detailed in the following section.<sup>195</sup>

**Support that consists exclusively of technical assistance, training or other form of non-financial assistance:** This type of support, which is beyond the scope of this paper, plays a significant role in the capacity development of the region's cultural sector, both in the private and the public spheres.

When it comes to the *type* of grants provided to organisations, there are two major kinds of support: **project grants** and **institutional support**. The majority of the financial support provided takes the form of project grants, especially grants for short-term projects, with very few funders providing multi-year support. 'Institutional support' is understood as support which contributes to the strengthening and sustainability of an organisation and only few schemes of institutional support are available to organisations in the region. It can take the form of project grants which are long-term and institutionally developmental, such as the cooperation programmes

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<sup>195</sup> The cooperation projects developed in all the countries of the region in the framework of the *Swiss Cultural Programme for South East Europe* and *Ukraine* can be regarded as good examples.

mentioned above, or of solely institutional grants. Among the very few examples of these are the capacity building grants and regional development grants provided to several major organisations in the region on the closing of the Arts and Culture Network Program of the Open Society Institute.<sup>196</sup>

It is also important to mention here **non-cultural funding**, meaning the potential support for arts and cultural projects provided by programmes which are not strictly cultural, but which support other objectives such as human rights and social inclusion, democratisation, good governance, conflict prevention and reconciliation, economic development, EU information, and so on. Such funding sources have been used by the cultural sector, but with foreign support for cultural projects decreasing, their exploration and use should become more relevant in the future. Cultural operators must be made aware of these funding sources and their potential, and encouraged in targeting and approaching them. However, they have themselves identified the potential dangers of instrumentalisation and of artificially altering the essence of a project in order to match the funders' criteria. In addition to this, one of the key challenges is to advocate the significance of arts and culture in general, especially cultural cooperation, encouraging funders to accept 'arts and culture' as equally eligible for support in cases where the project meets the objectives of the specific funding scheme.

### **3.2.1 BENEFICIARIES OF INTERNATIONAL SUPPORT**

The present section focuses on the *beneficiaries* of international financial support. A significant distinction in this respect must be made between beneficiaries in the countries of the Western Balkans and those outside who develop cooperation projects with partners from the Western Balkans region. The current study places focus on the first category of beneficiaries, although the second category is potentially significant for organisations as funding opportunities which are not provided directly. For example, the Social Transformation Programme (MATRA) of the Dutch Ministry of Foreign Affairs provides Dutch expertise and knowledge transfer in different fields, including culture, for projects that contribute to the social transformation of Western Balkan

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<sup>196</sup> *Funding Opportunities for International Cultural Cooperation in and with South East Europe*, Survey carried out by the ECUMEST Association, 2005, p.12 [http://www.ecumest.ro/pdf/SEE\\_funders\\_survey\\_Oct2005.pdf](http://www.ecumest.ro/pdf/SEE_funders_survey_Oct2005.pdf)

societies. Organisations from the region therefore benefit from both technical and financial assistance through a Dutch partner organisation.<sup>197</sup>

A second essential distinction in the provision of funding for recipients from the Western Balkans is connected to the **status of the beneficiary of support**, as grouped below:

**-Support to individuals (artists, managers, researchers):** Support to individuals mainly includes *travel grants, scholarships, fellowships, training and placement programmes*. Among those available directly to Western Balkan participants are the STEP *beyond* mobility fund of the European Cultural Foundation<sup>198</sup> and the Gulliver Connect Programme<sup>199</sup> of the Felix Meritis Foundation, both in Amsterdam.

**-Support to non-governmental, non-profit organisations:** As previously mentioned, support to NGOs in the Western Balkans was extremely influential in the years following 1990, when the priorities of both public and private foreign funders was the development of civil society and the establishment and strengthening of third sector organisations, including those in the field of culture. However, the decreasing support or in some complete withdrawal of many funders has left behind weak organisations that are hardly able to continue their work, since local funders have not or have not sufficiently taken over the task of supporting their activities as expected. The situation varies greatly from country to country, but this is the general trend in the region.

Some funders have developed long-term programmes that include *capacity-building* with financial support, therefore truly making a contribution to the institutional development of NGOs in the region. In the area of support for *cultural policy development*, the Policies for Culture Programme<sup>200</sup> initiated by the European Cultural Foundation, as well as the programme of the Council of Europe in this field must be highlighted. However these few initiatives are not sufficient and more significant and better-coordinated support is needed.

**Support to public institutions** includes support to national, regional and local authorities or other governmental agencies, as well as to public cultural institutions (e.g. museums, theatres, etc.), while **support to businesses in the cultural field** includes support to profit-making

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<sup>197</sup> Ibid. p.13

<sup>198</sup> <http://www.eurocult.org/grants/step-beyond-travel-grants>

<sup>199</sup> <http://www.gulliverconnect.org/en/>

<sup>200</sup> <http://www.policiesforculture.org/>

organisations engaged in the field of cultural industries. However, as this type of support is not the focus of this paper, it will not be examined in greater detail.

### **3.2.2 FOCUS ON CULTURAL COOPERATION PROJECTS IN THE WESTERN BALKANS**

After the collapse of Yugoslavia, and even during the wars, previous ex-Yugoslav institutional and individual cultural links did not entirely cease to exist. New connections emerged slowly, crossing the borders, and despite the institutional inactivity and conservatism, part of this infrastructure was being utilised for cultural exchange mostly reciprocally and within state bilateral agreements. On the other hand, alternative forms of cultural actions have introduced new cooperation networks, using contemporary media, developing co-production initiatives, and organising joint trainings, particularly in the field of management. However, although these models are extremely creative, such models have minimum visibility and recognition.<sup>201</sup> Cultures of the Balkans still live the dramatic clash of covertness vs. openness; national vs. universal; provincial vs. European; traditional vs. modern; institutional vs. alternative.<sup>202</sup> The collapse of ex-Yugoslavia has to a large extent evoked the question of identity and opened the issue of nationalism, which had the draw-back effect. Traditional culture has bred nationalism therefore generating militant national mythology and ethnic exclusion. However, at the same time, culture was and still is the field out of which resistance against nationalism emerged and has been emerging.<sup>203</sup>

Regardless of good intentions, assistance programmes, platforms of cooperation, and other initiatives, and regardless even of large financial and infrastructural investment, it can be said that only those forms of cooperation will survive that are based on the real and internal wishes and interests of the actors involved, and it can be said that this is particularly true in the field of arts and culture.<sup>204</sup>

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<sup>201</sup> <http://www.eurocult.org/uploads/docs/293.pdf>

<sup>202</sup> Ibid.

<sup>203</sup> Ibid.

<sup>204</sup> Dragičević-šešić, Milena and Dragojević, Sanjin, *Art Management in Turbulent Times*, Belgrade, 2005, p.32

### ***'East-West' cooperation versus regional cooperation***

Support for cultural cooperation is required just as much for developing links and promoting reconciliation *among* the Western Balkans countries as it is for overcoming numerous obstacles and facilitating communication among the countries of the region and other countries, especially in view of the prospects for EU accession. The majority of funding opportunities that are available focus on East-West cooperation, especially for bilateral projects and initiatives. Multilateral projects also do receive support, however more scarcely.

Special focus will be placed on the topic of **cooperation within the Western Balkans (regional cooperation)** as it is one of the interest points of this study. Cultural cooperation in the Balkans represents a unique opportunity for the stimulation of creative potentials in the region and provides a favorable environment for building broken “cultural bridges”. In recent years possibilities of the regional mobility of artists and cultural professionals have enhanced and the major obstacles prevailing in the previous period have been overcome.

However, there are still a lot of political and cultural tensions in the region not approached systematically. Although the large number of festivals inviting theatre groups from the region might offer an idealistic picture of flourishing cooperation, these festivals rather serve representation than real cooperation. NGOs that deal with the processes of reconciliation and re-establishment of trust between different ethnic communities through different programmes of socio-cultural activities are especially significant and they should be a priority for receiving international funding. These projects of regional importance, but politically provocative in nature, are not likely to receive public or private local or national support, therefore international donors ought to be especially active and present in this field.<sup>205</sup>

It is important to note that there are very few funding schemes for cultural cooperation within the Western Balkans available. With the withdrawal of the significant Soros support for regional cultural cooperation, few funders have made an effort to provide specific financial support for cultural cooperation and mobility in the region (exceptions include the European Cultural Foundation, the

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<sup>205</sup> M. Dragicevic Sestic and L. Varbanova, *Expert Talk, Cooperation and Funding Landscapes in Southeastern Europe*, prepared for Robert Bosch Stiftung, 2009, p.5 <http://www.labforculture.org/en/users/site-users/site-members/site-committors/site-moderators/lidia-varbanova/51495/64310>

Goethe Institutes with its many educational programmes and workshops to connect regional actors, and the Swiss Cultural Programme in SEE and Ukraine).

Other traditional supporters of bilateral cooperation, such as the networks of foreign cultural institutes active in the region, have become increasingly open to a more regional approach (for instance, the British Council launched the UK-SEE Forum), however their support is minimal. Those agencies and cultural centers brought new issues on the political agenda but also contributed to the cultural sphere. Their main aim was to develop systematic cultural policies and institutional reforms.<sup>206</sup> One of the most successful examples of the non-governmental sector are the platforms Clubture<sup>207</sup> (Croatia) and Druga scena<sup>208</sup> (Serbia), which extended their national networks regionally and developed numerous regional activities.

Other funding schemes that support regional cooperation also exist (the Balkan Trust for Democracy being one of the most significant examples of recently launched schemes), but culture is not eligible or not a priority for the majority of them. EU financial support, as part of the stability and association process for the countries of the Western Balkans, provides significant resources for cross-border cooperation, including in the cultural field, but the actual use of these resources by cultural operators is very difficult to evaluate. The establishment of the Council of Ministers of Culture of South East Europe also represents a significant step forward in coordinating efforts within the region. For the moment, this cannot be expected to lead to a significant increase in the provision of funding support for regional cooperation. Nevertheless, the Council could have an essential political role in raising awareness of the significance of regional cultural cooperation and advocating the necessity for various funding bodies, including the EU, to provide more consistent support.

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<sup>206</sup> Ibid.

<sup>207</sup> [www.clubture.org](http://www.clubture.org)

<sup>208</sup> <http://drugascena.org/>

#### **4. REFLECTING INTERNATIONAL DONOR POLICIES IN THE WESTERN BALKANS**

At a time, when the international donors are largely withdrawing from the region, when the already problematic economic development is intensified by the global economic and financial crisis, when there is high level of unemployment and apathy among the citizens throughout the entire region, it is strategically significant to examine the past and current state of affairs, to identify challenges and present lessons-learned and recommendations for an effective and sustainable future development of the arts and culture sector.

The closer examination of four different funding organisations operating in the region and their policies, as well as an analysis of their funded projects may be useful illustrative examples of international funding policies in the Western Balkans region. Both good and bad practices will be examined, as well as main challenges and lessons learned. This chapter will also highlight some of the most pressing issues in relation to the previously discussed international funding schemes and the NGO cultural sector in the region.

##### **4.1 CASE STUDIES: DONOR ORGANISATIONS AND FUNDED PROJECTS**

The following international organisations, foundations and agencies operating in the Western Balkans region and their funded projects will be examined as case studies: **Pro Helvetia** (*The Swiss Culture Programme*), **European Cultural Foundation** (*Balkan Incentive Fund for Culture*), **ERSTE Foundation**, and **Robert Bosch Foundation (RBS)**. These organisations and foundations were selected for analysis due to their long-term involvement and relevance in financing the field of arts and culture in the Western Balkans. In addition, in preliminary discussions with cultural operators from the region, these foundations and organisations were cited repeatedly as being some of the dominant international funders in the region for arts and culture.

For the sake of illustration, it was also beneficial to examine the functioning of different *types* of donor organisations – *independent foundations* (European Cultural Foundation, ERSTE Foundation (an independent foundation but following tradition of the savings bank set up as

charitable institutions), *corporate foundation* (Robert Bosch Stiftung), and *government agency/initiative* (Pro Helvetia-The Swiss Cultural Programme). The chosen organisations and foundations and projects were investigated in conformity with the following:

1. Short profile (history, location, mission, budget for culture)
2. Funding priorities
3. Funding guidelines
4. Funded organisations
5. Types of funded projects/activities
6. Analysis of specific funded project / Best practice

The main objectives of the analysis of specific funded multidisciplinary projects are to examine examples of good practice, success factors and main challenges.. Special focus will be placed on what could be done better by any of the parties involved, what policy *changes could be made, and how to improve both co-ordination and communication.*

The chosen projects were investigated in conformity with the following indicators:

- size of grant and by whom it is financed
- sustainability of the project
- targeted results and project impact
- project visibility and public perception

Three projects were selected for the analysis. The choice was led by the following criteria:

- *Projects of regional cooperation between cultural operators in different Western Balkan countries.*
- *Multidisciplinary artistic projects, closely related to performing and visual arts.*
- *Special emphasis will be placed on innovative practices and on interdisciplinary approaches.*
- *Projects with independent ways of thinking: focus was not placed on inter- governmental projects, but rather those initiated by the operators themselves.*
- *Projects conducted recently (in the last five years) as focus was on recent developments of regional cooperation, in the light of the economic, political and social changes occurring in the region.*

A comparative analysis in order to examine what types of projects were supported and what the short-term and long-term effects of these projects will also be conducted. The focus of the comparative analysis will be to examine how on one hand, the funding bodies measure the project's effectiveness and impact, and on another hand, what the opinion of grant-receivers was regarding the impact and effectiveness of the funded projects. Another significant element that will be taken into account will be the project's visibility, as well as its public image in the communities throughout the region. In analysing the selected projects, the author tried as much as possible to have in mind the opinion of both sides - the donors and the project recipients. Always keeping in mind the wide range of operators involved, depending on the project, cultural managers, artists and representatives of funding bodies were also contacted and four interviews were conducted with them.

#### **4.1.1 CASE STUDY: PRO HELVETIA / The Swiss Cultural Programme in the Western Balkans**

***Profile:*** Switzerland has been running a programme for the promotion of culture since the beginning of its cooperation activities in Eastern Europe in the 1990s. The Swiss Agency for Development and Cooperation (SDC) commissioned Pro Helvetia (PH), the Swiss Arts Council, to manage the programme. Since 2002 the mandate has been conducted as "Swiss Cultural Programme South East Europe and Ukraine" (SCP), which was implemented in six countries in the Balkans (Albania, Bosnia and Herzegovina, Bulgaria, Macedonia, Serbia and Romania), the Ukraine, and on a reduced scale in Kosovo.

It was decided to establish a more substantial, complex, longer-term programme of so-called 'cooperation projects' and as of July 1, 2008 a new restructured programme was initiated called the Swiss Cultural Programme in the Western Balkans, run by the Regional Programme Office in Sarajevo with a network of local offices in the region (Belgrade, Prishtina, Skopje and Tirana). The Swiss cultural supporting scheme has therefore entered a new and final phase lasting from 2008 to 2012. In addition to the SCP, Pro Helvetia supports Swiss-Balkan Cultural Exchange Projects which provide support exchange of artists from Switzerland and organisers in the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo, Macedonia and Serbia. Local organisers can apply for funding for projects (music, theatre, dance, visual arts, literature, and culture and

society) involving Swiss participants. The **overall goal** of the Swiss Cultural Programme in the Western Balkans is to contribute to the promotion of democracy and freedom of expression, to conflict resolution, and the respect of minorities. It primarily fosters regional cooperation through capacity development, empowerment and promotion of cultural initiatives and organisations, which offer innovative and diverse cultural services and products.<sup>209</sup>

### **Main funding activities and types of funded projects in the region**

**Small Actions** programme supports short-term projects such as exhibitions, publications, stage productions, concerts, conferences, debates, etc., realized by local organisations (in Albania, Kosovo, Macedonia and Serbia). All projects are under the responsibility of the local offices in their respective countries. These projects are selected by a local board in each country and on the basis of applications.<sup>210</sup>

**Cooperation projects** are the responsibility of the SCP Regional Office in Sarajevo and they support all cultural organisations, initiatives, networks and/or associations from Albania, Bosnia and Herzegovina, Kosovo, Macedonia and Serbia. Cooperation projects are developed as a joint process in partnership with the Swiss Cultural Programme (SCP) and its local partners. This implies a strong component of trust and respect between the donor and the grantee. Cooperation projects are three-year projects with a budget, depending on circumstances, of about 200,000 euros. They should fit in with the respective country concept of SCP, which is a plan of action to address cultural and artistic priorities in every country.<sup>211</sup> Just for the sake of illustration, Pro Helvetia spends 72 percent of its total budget on grants and another 9 percent on its own programming. SDC spent CHF 2'650'910 on Western Balkans from a total amount of CHF 6.078 108 for the year 2009.<sup>212</sup>

According to the funding guidelines projects should *“have a clear and substantial aim and set of objectives that can have a significant impact on the cultural situation and specific context within which they are working; they should seek to affect social development and involve a broad range of people; they should promote discussion about the future of culture where they operate so impacting*

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<sup>209</sup> <http://www.scp-ba.net/>

<sup>210</sup> Ibid.

<sup>211</sup> Ibid.

<sup>212</sup> [www.deza.admin.ch/ressources/resource\\_en\\_202942.pdf](http://www.deza.admin.ch/ressources/resource_en_202942.pdf)

*on politics; they should seek to connect regionally and internationally and clearly focus on leaving a legacy and being sustainable after their funding ends..”<sup>213</sup>*

**The following are possible project themes and disciplines available for grants:** Development of cities and rural regions through cultural instruments, continuous professional development in culture and the arts (cultural management, artistic expression), organisational development of cultural institutions and networks. The list of themes is not exhaustive and the Regional Cooperation Projects might address additional themes that are not mentioned in the guidelines. All art disciplines (visual arts, theatre, literature, music), including cultural policies and cultural management, and/or combination of two or more of the mentioned disciplines/fields are also eligible for funding.

In its funding guidelines, SCP also states that the applying organisations should be experienced in large-size project management and should have proven experience in carrying out related activities. However, such grant regulations lead to a further concentration of financial means among certain organisations and provide an advantage to those large ‘professionalised’ organisations that have already built up the needed capacities.

**PROJECT: Capacity building of the Youth Cultural Centre Abrasevic, Mostar, Bosnia and Herzegovina, funded by SCP Pro Helvetia long-term grant in the period 2004-2008**

OKC Abrasevic, founded in 2003 in Mostar, an open network of NGOs, informal groups and individuals, is a dynamic meeting place with regular ongoing cultural activities. Young people get space and support in realizing ideas and are encouraged to work together in order to enlarge the cultural offer. They discuss social questions of importance for Mostar and its surroundings and develop creative solutions to existing problems. A fund for activities, decided upon by a jury, supports events like concerts, exhibitions, public debates, festivals with regional and international participants, such as the Short Film Festival Mostar. Located initially in a set of containers and covered by a tent, the Centre was able to move into a building provided by the city administration, which has been partially renovated. A significant component of the project is to strengthen the organisation and the abilities of the young people forming the core team in charge of the centre. This occurs through training courses, workshops, exchange and study-visits to similar organisations.

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<sup>213</sup> [http://www.scp-ba.net/files/Guidelines\\_for\\_RCPs\\_Concept\\_Applications.pdf](http://www.scp-ba.net/files/Guidelines_for_RCPs_Concept_Applications.pdf)

*According to an annual overview of cultural engagement of SDC in 2009, best practice for the Swiss Cultural Programme in the Balkans is described in the following matter: “Locally implemented, (the program) empowered the local cultural actors, public authorities and media. It combined democratization, conflict prevention and economic development through the promotion of cross-border regional projects in various fields of innovative arts and culture.”*<sup>214</sup> In another report written by Charles Landry, the Abrasevic project as he points out, “strengthened local talent and resources and developed infrastructures that can be sustained over time. One of the constituent parts of the Abrasevic network in Mostar, is the Intercultural Festival, which through music and the arts seeks to break barriers. Abrasevic after a temporary existence in a cluster of old cargo containers in a dilapidated, deserted sports stadium had relocated to what was the former frontline of the warring factions of the city.”<sup>215</sup>

The Centre coordinator answered that this grant provided them with the opportunity to carry out several programmes in parallel and in that way develop capacities for long-term work and sustainability. One part of the grant was for further training of the staff, study exchanges and developing organisational capacities. The second part of the grant was intended for intensification of socio-cultural activities, within which they also gave away grants for youth projects (about 30 in 4 years). The third part of the grant was intended for the development of socio-political and media projects, as a result of which they have attained their own in-house media project ([www.abrasmedia.info](http://www.abrasmedia.info)). As the project coordinator pointed out: “*This constitutes a best practice example as it enabled us to gain necessary knowledge and develop in own rhythm and according to our own needs, which were very specific having in mind the environment and rationale in which we were founded and operate in.*”

### ***Sustainability issues***

According to Landry’s report the timing issues on SCP’s three-year projects have been examined, and it has been noted that in the end there is only 18 months left for real project work. An additional factor that influences content production and to survive is financial sustainability

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<sup>214</sup> <http://www.sdc.admin.ch/en/Home/Themes/Culture>

*Cultural Engagement in the South and the East, Overview 2009*, Swiss Agency for Development and Cooperation SDC, p. 6

<sup>215</sup> Landry, Charles, *Culture at the Heart of Transformation* - Study Commissioned by the Swiss Agency for Development and Cooperation (SDC) and the Arts Council of Switzerland Pro Helvetia, COMEDIA, London, 2006

and legacy. This means embedding sustainability and catalytic prospects into the conception of the project as a whole and sub-projects within it, which requires issues of long-term financial viability to be thought through already at the beginning of year two and this is not taking place. The SCP system therefore needs to learn that they should think of profit-making activities in the first year, otherwise the danger is that the SCP initiatives could become only time-limited projects, which in this particular project is not the case.

**BEST PRACTICE: Donor - project recipient relations**

Members of OKC Abrasevic were satisfied with their relation with SCP coordinators. The SCP initiative gave them space to explore, to make mistakes, to learn, to slowly find their way to emerging as a new leadership and at the same time to develop solid organisations. At Abrasevic all the key activists are under the age of 30, meaning young and both sides view that the project was a mutual learning experience, with an open approach allowing reflection and common understanding, without the fear of finding fault for the project recipient. Members of OKC Abrasevic mentioned that the SCP approach is flexible, non-judgemental and tolerant. It generates more openness, allows for reflection and mutual understanding, appreciation and therefore much learning on both sides.

***Media visibility***

SCP emphasised that greater focus on visibility can happen in three main ways: Active participation of large numbers of people, a physical presence and good media work. Otherwise it is difficult to know the project exists. Involving the media in long-term relationships is key or producing publications. In the Abrasevic project, media coverage of their activities was average. They stressed that mainstream media are not giving any attention, especially to the so-called “alternative culture”. The coordinator states that the media coverage and visibility in a country such as Bosnia and Herzegovina is particularly a challenge as media as well as public space are divided along ethnic lines. They gain visibility due to independent media outlets, mostly electronic media, various print guides and publications produced by cultural NGOs and foreign media.

To give an illustrative example, they state that if they send out a press release or organise a press conference, the media will only re-publish their statement or make an announcement of their events,

without ever going deeper in the subject or taking additional interest for the topic or the performer.<sup>216</sup> This highlights the need for the development of media and communications strategies within SCP projects. There was not much evidence of this. In this phase of development in the region a public physical base is especially important as an alternative power base. For the majority of SCP projects it seems to gain them a different level of credibility and presence, and the same could be said for Abrasevic and its new centre in Mostar.

### ***Main lessons learned***

According to the project coordinator, the main lessons learned is that OKC Abrasevic became a clearly profiled organisation “*we are an organic, grass roots, site specific organization whose main mission is work in a divided community and whose activities are to large extent affected by external factors*”.<sup>217</sup> However, they were not able to timely fulfill donor requirements that relate to “professionalisation, bureaucracy, punctuality, measurable achievements etc.” As they say, “even though the donor was much flexible to our circumstances, and even though our development would not have been possible without SCP, we came out of this project as a not very successful example for the donor”. They also stressed that “*In terms of achievements, we believe that we have not come through well with the message that the activities on the ground are more important than timely administrative achievements.*”<sup>218</sup>

#### **4.1.2. CASE STUDY: European Cultural Foundation (BALKAN INCENTIVE FUND FOR CULTURE (BIFC))**

**Background:** The European Cultural Foundation (ECF)<sup>219</sup> was founded in 1954 as an independent foundation seeking to promote cultural cooperation in Europe. Based in Amsterdam, the ECF is one of Europe’s leading cultural foundations, which supports different artistic projects throughout Europe. Its primary guiding principles are: support of different communities in Europe, connection of sources of knowledge and collaboration in building an open and united Europe by contributing to cultural policy development at the local, national, regional and European levels. The ECF’s decision-making bodies are its Board and Advisory Council.

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<sup>216</sup> OKC Abrašević questionnaire response

<sup>217</sup> Ibid.

<sup>218</sup> Ibid.

<sup>219</sup> <http://www.eurocult.org/>

The ECF has developed a network of 14 National Committees - in the UK, Austria, Bulgaria, the Czech Republic, Finland, Germany, Hungary, Ireland, the Netherlands, Poland and Sweden - that coordinate, support and communicate its work in the different nations and regions of Europe. Core support for ECF, made possible by the Prince Bernhard Cultural Foundation, comes from De BankGiroLoterij, De Lotto and De Nationale Instant Loterij. Other funding comes from partnerships and sponsorship programmes and from own resources. Its annual budget is approximately 5 million euros.<sup>220</sup>

Its current activities are based on three main pillars: grants, programmes, and cultural policy development. **Collaboration Grants** are awarded to cultural organisations working together across different countries in wider Europe (EU Europe and EU Neighbourhood region) on multidisciplinary artistic projects. **Balkan Incentive Fund for Culture (BIFC) Grants** are awarded to cultural initiatives conceived by organisations in, or cooperating with, the countries of the Western Balkans (Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro and Serbia). **STEP Beyond Travel Grants** are awarded to up-and-coming artists and cultural workers (priority is given to individuals up to 35 years and/or in the first 10 years of their career) travelling between EU and countries directly bordering the EU.<sup>221</sup>

ECF turned to Central and Eastern Europe after the end of the Cold War, and because it runs the Erasmus program of student mobility for the European Commission, it launched the similar Tempus program for the post-communist countries. Rather than to solely provide grants to good project proposals, the Foundation initiated several ambitious cultural and artistic programmes in Central and Eastern Europe and with the EU Enlargement approaching, it made sure the new expanded EU borders do not cut across the established cultural relations of proximity in Eastern and South-Eastern Europe and cause new exclusions and isolation. Since the early 1990s, ECF has given clear priority to Eastern Europe, and subsequently South East Europe, in the support it offers. This support takes the form of grants to artists and organisations in the region, and of programmes such as **Art for Social Change**, **Kultura Nova** (both ended in 2004) and **Policies for Culture** developed in partnership with organisations from the region.

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<sup>220</sup> <http://www.eurocult.org/grants/collaboration-grants>

<sup>221</sup> Ibid.

ECF's two central programmes nowadays are the **European Neighbourhood** and **Youth and Media** which strive towards the three guiding principles: linking policy and practice, connecting sources of knowledge and instigating change through art and culture.<sup>222</sup> The two programmes, that began in 2010 and will continue through to 2012, focus on facilitating, strengthening and developing new spaces for exchange. They interlink throughout Europe with ECF's advocacy actions and digital platforms, such as LabforCulture<sup>223</sup> and Rhiz.eu<sup>224</sup>. Labforculture is one of the most significant partnership initiative of ECF, an online, multi-lingual networking platform covering European cultural cooperation, case studies and motivating stories of trans-border collaboration to the most recent online news and newsletters.

In the last few years the Foundation has profiled itself as a strong advocate of European cultural policies which would enhance international cooperation and reduce the disproportion between the big and small, rich and poor countries in Europe, between the old, new and future members of the EU. Following an initiative of the European Parliament (Ruffolo Report 2001), the Foundation brokered a complicated private-public partnership to set up and fund a Laboratory for International Cultural Cooperation in 2005, as an information portal, observatory, resource of good practice and analysis. Together with the European Forum for arts and heritage (EFAH)<sup>225</sup>, the Foundation launched in 2004 a campaign '70 cents for culture', trying to convince the EU decision makers that 70 cents for culture programmes and action per EU citizen is a minimum for the EU to consolidate the cultural dimension of its integration process.<sup>226</sup>

### **Profile: BALKAN INCENTIVE FUND FOR CULTURE (BIFC)**

*The Balkan Incentive Fund for Culture (BIFC)*<sup>227</sup> was established in 2006 and supports cross-border cultural collaboration in the Western Balkans. These grants can be seen as part of a larger process of building or restoring long-term partnerships of equal exchange across the region and with the rest of Europe. ECF's partners in the fund are the Open Society Institute, through its Arts and Culture Programme and its National Foundations in Bosnia Herzegovina, Kosovo, Serbia and Montenegro,

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<sup>222</sup> <http://www.eurocult.org/activities>

<sup>223</sup> [www.labforculture.org](http://www.labforculture.org)

<sup>224</sup> [www.rhiz.eu](http://www.rhiz.eu)

<sup>225</sup> [www.efah.org](http://www.efah.org)

<sup>226</sup> <http://v1.eurocult.org/showcases/5/70-cents-for-culture-campaign.html>

<sup>227</sup> <http://www.bifc-hub.eu/about>

HIVOS (the Dutch Humanist Institute for Cooperation with Developing Countries) and the Slovenian Ministry of Foreign Affairs. BIFC promotes the creation of artistic works, media projects, cultural policy development, as well as the capacity building of cultural organisations or international collaboration of arts managers.

The establishing the fund's regional hub in Ljubljana, Slovenia in 2010 was an extremely important development. This was largely initiated by the Slovenian Ministry of Culture, signifying that country's deep interest in the Western Balkans and its desire to develop links between the region and the EU. The hub provides advice about how to apply for support, how to develop and implement projects, find partner organisations, and deal with any difficulties. A tender for running the hub was won by Asociacija<sup>228</sup>, a network of 56 non-governmental organisations (NGOs) and 27 independent artists.

Another significant development in 2010 was the change in the application procedure, meaning that organisations can now apply to the fund all year round, with a guaranteed response within three to four months. One advantage of this change is that prospective but not fully satisfactory project proposals can now be sent back with advice on reworking them, and organisations with similar proposals can be introduced to one another and encouraged to collaborate. In addition, BIFC was separated from the 'Collaboration' line of grants, with the aim of increasing BIFC's visibility and encouraging more successful applications.

***Funding priorities:*** BIFC runs its own programmes and awards grants to **the grassroots cultural and artistic sector**, it supports **cultural policy development in Europe, advocacy actions, intercultural dialogue, research, independent journalism, reflection and capacity building**. Specific programmes include *artistic mobility, media development for young people and professionals, the social dimension of art*, but it also organises *conferences, workshops, events, competition, symposiums and debates*, as well as *physical and virtual platforms* for the exchange of information and ideas.

***Funding guidelines:***

**1. Empowerment of People through Art and Culture** - to support different communities in Europe and encourage the exchange and empowerment of underrepresented groups.

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<sup>228</sup> <http://www.bifc-hub.eu>

- **diversity within societies:** projects that reduce exclusion and conflict by bringing people together; projects that target new audiences and create new places for showcasing culture.

**2. Connecting Sources of Knowledge** – sharing and connecting knowledge is vital in creating an open Europe.

- **cross-sectoral and cross-generational online and offline collaborations:** projects that try out innovative and creative partnerships to develop/produce new work, broaden knowledge-sharing and public participation, as well as experiment with new technologies.

**3. Linking Policy and Practice** – interested in projects that help build this open Europe by contributing to cultural policy development locally, nationally, regionally and at European level.

- **impacting on European cultural policy:** projects that actively contribute to policy and practice, that connect a local perspective to the European level, and also projects that bring cultural and political players together in new ways, and that raise awareness and help prove the value of cultural policy.

**Funded organisations/projects:** The number of awards granted in 2009 was as follows: **Collaboration Grants** (26 awards), **Balkan Incentive Fund for Culture** (16 awards), **Artistic Grants** (13 awards), **Strategic Grants** (9 awards), **STEP beyond mobility fund** (159 awards).<sup>229</sup> In 2009, 16 grants awarded were under ‘Making Collaboration Work’ funded from the Balkan Incentive Fund for Culture, amounting to €295,585. Among these 16 grants was a grant to Youth Cultural Centre Abrasevic from Mostar, Bosnia and Herzegovina for the project “Festival of Arts in Divided Cities”, that was granted 18,500 euros.<sup>230</sup>

**PROJECT: “Festival of Arts in Divided Cities”**

As described in the previous case study, OKC Abrasevic<sup>231</sup> is a youth cultural centre, established in Mostar, Bosnia and Herzegovina as a non-profit association in 2004 by a group of citizens. Its main activities are organising cultural events such as concerts, exhibitions, theatre, and literary evenings. Abrasevic has also established the AbrasMedia centre and AbArt production. Its media centre promotes new media with an Internet radio station, an independent new portal and newly-

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<sup>229</sup> BIFC grants 2009 report, <http://www.bifc-hub.eu/admin/materials/BIFC%20Grants%202009.pdf/view>

<sup>230</sup> Ibid.

<sup>231</sup> <http://www.okcabrasevic.org/>

established video production. AbArt deals with contemporary art and its most significant project is “*Festival of Arts in Divided Cities*”. With partners from Lebanon and Serbia, the project involves a festival of arts that takes place in Mostar with artists from divided cities including Mostar, Beirut, Kosovska Mitrovica and Berlin. This project was selected for analysis as a follow-up initiative of the capacity-building long-term grant provided by Pro Helvetia’s Swiss Cultural Programme in the period 2004-2008. It was awarded 18,500 euros for a six month period.

**Project description:** The project includes multidisciplinary research about the "divided city" phenomena (from October 2009 to April 2010) and a festival of arts that took place in April 2010, and was organised in cooperation with partner organisations from Beirut and a community development centre from Kosovska Mitrovica, as well as a group of artists from Berlin. The project includes a blog and festival of arts in divided cities. The blog is a virtual platform for the research process, which was implemented through cooperation between a group of citizen-activists living and working in divided cities. The Festival was held from April 14 to April 17<sup>th</sup>, 2010 in Mostar and represents the final activity of the project. The festival’s concept is a four-day long, multidisciplinary meeting of artists, curators, architects, and historian of art and sociology from Beirut, Belfast, Berlin, Kosovska Mitrovica and Mostar, who will from different starting positions problematise the topic of the divided City, with a special focus on examining the (im)possibilities of developing and implementing art strategies in the city fabric.<sup>232</sup>

The festival treats the city as its starting point for a multidisciplinary approach to the issue of public space divisions. The festival consists of lectures, discussions, art exhibitions, performances and interventions in public space. Research participants used this platform to present, analyse and discuss various materials, including artworks and concepts, as well as theoretical works on the subject. The material gathered through this process will help them to implement the main goal of the platform: deconstructing the myth of stereotypical divisions. The participants in the research process are citizen-activists from Mostar, Kosovska Mitrovica, Beirut and Berlin, who cooperated for the first time in the virtual realm, as well as in the actual divided public space.

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<sup>232</sup> [http://artindicities.org/news.php?subaction=showfull&id=1270216397&archive=&start\\_from=&ucat=2](http://artindicities.org/news.php?subaction=showfull&id=1270216397&archive=&start_from=&ucat=2)

**Targeted results and project impact:** The main aim of the entire project, as well as the *Festival of Art in Divided Cities*, was to stimulate people to engage in dialogue and through diverse modes of performative acts, artistic actions and reactions to attempt to revive and develop a new space suited to the writing of a new history and the formation of a new socio-cultural and artistic nucleus.

The project resulted in establishing new connections among artists and cultural operators from divided cities (Mitrovica, Beirut, Berlin, Mostar, Belfast, Nicosia) around the common theme of art, places for art, meaning of art and artistic expression in divided and contested environments. The topics were approached from different angles: history, sociology, politics, demography, architecture, arts and culture. As an activist with the Abrasevic Youth Centre said, “*Our goal was to open new and different public spaces through art.*” She adds, “*We want people to rally around a piece of art or artistic action and give a new meaning to public spaces, for people to be connected ‘now’ and ‘here’.*” Project participants stressed that cities and places with same or similar context have more common points and share more similar challenges than two places in the same country and/or region but that do not operate in similar/same circumstances. As they have learned all the lessons from previous experiences with the Swiss Cultural Programme grant, OKC Abrasevic in this project had a very professional approach in the project preparation, implementation and reporting.

**GOOD PRACTICE- Sustainability:** The project “Festival of Arts in Divided Cities” was funded by the European Cultural Foundation, ERSTE Foundation, Center for the Promotion of Civil Society BiH (CPCD, Sarajevo)<sup>233</sup> and Schuller Helfen Leben (SHL, Sarajevo office)<sup>234</sup> (the latter three being small-scale grants). It can be said that OKC Abrasevic represents a good example of organisational sustainability as the Centre has been able to successfully acquire self-earned income during and after this project. When asked about sustainability issues, the coordinator of OKC Abrasevic said that most activities today are mainly financed by their own income by the great majority of their own developed cultural programmes.

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<sup>233</sup> [www.cpcd.ba](http://www.cpcd.ba)

<sup>234</sup> [www.shl.ba](http://www.shl.ba)

### 4.1.3 CASE STUDY: THE ROBERT BOSCH STIFTUNG (RBS)

***Profile:*** The Robert Bosch Foundation (RBS) was established in 1964 and is one of the main German foundations associated with a private company. Arts and culture, education and humanities are some of the objectives described in its charter. Starting three decades ago from an initial focus on developing German-Polish relations, the Foundation now develops cooperation programmes regularly with Central and Eastern Europe.

***Funding priorities:*** Robert Bosch Stiftung is not only an operating foundation that pursues its goals by its own programmes, but also a funding foundation that enables others to develop and implement projects and initiatives that meet social needs in Germany and abroad. Information and awareness work, training and continuing education are key priorities in RBS funding initiatives. The work of the Robert Bosch Foundation aims at long-term effects as an enabling platform that brings about lasting changes. In addition to awarding fellowships, RBS collaborates with knowledge disseminators such as journalists, teachers, educators, social workers, nursing staff etc. who can bring the projects to a wider audiences focus.

As a funding foundation, RBS are always open to new project ideas and funding proposals which must complement their focus areas and existing funding instruments. As a funding foundation, RBS funds projects that supplement their existing programmes, continue them in an innovative way, or contribute to realising their objectives in the programme area concerned. The methods and procedures by which RBS provides funding are not subject to restrictions. They use a range of instruments to achieve their goals, such as competitions, scholarship programmes, prizes, funding of pilot projects, appointment of independent committees and juries, political consulting based on scientific studies, surveys, seminars, and colloquia.<sup>235</sup>

#### ***Main funded activities and types of funded projects in the region:***

Some of the cooperation projects developed by the Rober Bosch Stiftung include: **Robert Bosch Managers of Cultural Promotion in/from CEE; Cooperation in the Arts**, promoting cooperation between young German and CEE artists; **Programme for Translators from Germany and CEE; and Literature in an Intercultural Context – the Adelbert von Chamisso Literature Award.**

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<sup>235</sup> Robert Bosch Stiftung Funding Principles, <http://www.bosch-stiftung.de/content/language2/html/1542.asp>

One of the most significant projects initiated in South East Europe is the establishment of the **International Commission on the Balkans**, which was launched in spring 2004 in cooperation with the King Baudouin Foundation, the German Marshall Fund of the United States and the Charles Stewart Mott Foundation.<sup>236</sup> In recent years, RBS implemented numerous concepts and suggestions that found their way into national and international policy, such as this "International Commission on the Balkans", which developed influential suggestions for the re-organisation of the Balkan countries. Also significant is the previously mentioned The European Fund for the Balkans.<sup>237</sup>

Since 2006 the Robert Bosch Stiftung has been supporting and initiating projects that contribute to the **development of a culture of remembrance** throughout Southeastern Europe (Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Macedonia, Montenegro, Romania, Serbia, and Slovenia). Establishing the truth, coming to an understanding, and developing commemorative cultures in Southeastern Europe all form the basis for promoting both democracy in the region and reconciliation between the region's ethnic groups. In this context, interethnic and transnational dialog is essential. According to RBS, the process will only be a success when all parties involved from the worlds of politics, civil society, media, science, art, and religion cooperate and pursue this goal as one cohesive group.<sup>238</sup>

In 2010 RBS made funds available for projects in Southeastern Europe which are focused on fostering understanding and reconciliation in the Balkans, as well as developing commemorative cultures in the region. Practical examples for successfully promoting understanding and appropriate methods for establishing the truth and coming to terms with the past should encourage others to do the same and turn successful reconciliation into a topic of discussion in Southeastern Europe.

**PROJECT:** Robert Bosch Cultural Managers in and from Central and Eastern Europe Over the past several years, the Robert Bosch Stiftung has placed a special emphasis on cultural exchanges with the Western Balkan countries through its scholarship programmes for cultural

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<sup>236</sup> <http://www.bosch-stiftung.de/content/language2/html/389.asp>

<sup>237</sup> <http://www.balkanfund.org/the-news/envisioning-europe/58-fellowship-programme-for-policy-researchers-2010/163-fellowship-programme-for-policy-researchers-from-the-western-balkans-region-.html>

<sup>238</sup> <http://www.bosch-stiftung.de/content/language2/html/28989.asp>

managers in and from Central and Eastern Europe<sup>239</sup> and focuses on sharing experiences with other funders and supported individuals and organisations in the region.

#### **a) Robert Bosch Cultural Managers in Central and Eastern Europe**

Since August 2002 RBS has been engaged in sending fellows for up to two years as Robert Bosch Cultural Managers at various cultural institutions in Central, Eastern, and Southeastern Europe, where they provide conceptual and organisational support. Their tasks include initiating and implementing projects in various branches of the arts and culture, public relations activities, and assisting their host institution in developing international relationships.<sup>240</sup> Some of the cultural organisations from the Western Balkans that took part in this programme were Center for Balkan Cooperation LOJA from Tetovo, Macedonia, Multimedia Center, Teatri Dodona, from Pristina, Kosovo, and Tirana Art Lab – Center for Contemporary Art, from Albania, to name just a few.

Robert Bosch Stiftung supports different local initiatives outside capitals and in that manner creates structures that will maintain long-term cultural relations between Germany and its neighbouring countries in CEE and Southeast Europe.<sup>241</sup> The programme “Robert Bosch Kulturmanager in Mittel- und Osteuropa” is carried out by the foundation in cooperation with the Goethe-Institut, the German Federal Foreign Office and other partners and is coordinated by the Eastern Europe Center of the University of Hohenheim.<sup>242</sup>

#### **b) Cultural Managers from Central and Eastern Europe in Germany**

Twelve participants from CEE and Southeast Europe are invited to Germany every year to take part in a thirteen-month qualification programme in international cultural management. They receive an assignment in a German cultural institution, perform innovative art and culture projects, and attend seminars to enhance their knowledge regarding project planning, teamwork, press and public relations, and culture marketing.<sup>243</sup> The main aim of this programme is to introduce the German public to the cultural diversity of countries in Central, Eastern and Southeastern Europe, promote contact and networks for productive cooperation between Germany and its eastern neighbours, and at the same time provide training to young executives for international cultural exchange.<sup>244</sup>

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<sup>239</sup> [www.kulturmanager.net](http://www.kulturmanager.net), [www.moe-kulturmanager.de](http://www.moe-kulturmanager.de)

<sup>240</sup> <http://www.bosch-stiftung.de/content/language2/html/28989.asp>

<sup>241</sup> Ibid.

<sup>242</sup> Ibid.

<sup>243</sup> <http://www.bosch-stiftung.de/content/language2/html/24433.asp>

<sup>244</sup> Ibid.

## **BEST PRACTICE: Donor-recipient relationship and Donor communication and coordination**

These two programmes are extremely significant not only for the professional development of young professionals and students with little experience working in the arts and cultural sector, but also for the overall capacity building of their organisations. Robert Bosch Stiftung is one of the few foundations that focus on the experience of **exchange of information and sharing experiences with other funders and organisations and individuals in the region**. One such event was organised by the cultural manager programmes of the Robert Bosch Stiftung and was held at the House of World Culture in Berlin on December 7-8, 2009. The first day was an expert meeting, while the second day panel was open to the general public. The event placed emphasis on the Western Balkans countries and gathered about 50 participants, representatives of the most significant foundations in Europe targeting the Western Balkans: cultural operators, mediators and project managers from the Western Balkans; researchers and academics, cultural policy experts and consultants engaged in the cultural sector. The expert talk was an opportunity for funders, cultural operators and grantees to have an open and honest share of experience and to talk about culture,<sup>245</sup> which is generally lacking among international funding organisations.

### **4.1.4 CASE STUDY: ERSTE FOUNDATION**

***Profile:*** The ERSTE Foundation, established in 2003, is the direct successor of the savings bank founded in 1819 and the main shareholder in the Erste Bank. It is not a corporate foundation as such, but a private foundation following the tradition of the savings banks set up as charitable institutions in Central Europe almost two hundred years ago. It is one of the largest foundations in Europe, aiming to devote part of its profits to the common good of the region in which the Erste Bank Group operates.<sup>246</sup>

***Funding priorities:*** The Foundation has an active donation policy that focuses on three core areas: *Social Responsibility* (shaping a socially just future in Central and South East Europe); *Culture* (promoting the development of cultural processes); and *Europe* (encouraging people to grow together

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<sup>245</sup> Ibid.

<sup>246</sup> <http://www.erstestiftung.org/inside-the-foundation/roots-and-history/>

in creating a common European future). These three programmes are interconnected and make a common platform to promote dialogue and the transfer of knowledge in central and south-eastern Europe.<sup>247</sup> ERSTE Foundation supports legal entities defined under Austrian tax law as non-profit, charitable or church organisations.

***Funding guidelines:*** In addition to carrying out their own projects, ERSTE Foundation offers grants for practical and innovative projects. They welcome proposals that complement ERSTE Foundation's goal of strengthening civil society in one or more countries in Central and Southeastern Europe, including Austria.<sup>248</sup> ERSTE Foundation only funds projects by non-profit organisations and they do not fund individuals, political groups or parties.<sup>249</sup> The purpose and implementation of any subsidised project must serve the public good and for ERSTE Foundation to make a grant for a project, one or more of the following criteria must be met: *Ideas concerning current and future societal challenges in Central and South Eastern Europe; Having content that develops from a local need that has potentially cross-boarder implications; Innovative contributions dealing with current local, national, and trans-national issues; Ideas that foster respectful encounters with and awareness of other cultures; Identifying transformative processes in societies and their effects on different generations; Initiatives supporting sustainable development in the civil society of Central and South Eastern Europe; Projects that support and encourage the future-oriented visions of young talents in local and global contexts.*<sup>250</sup>

***Main funded activities and types of funded projects in the region:*** ERSTE Foundation focuses its work on the cultural region of Central and South Eastern Europe. They support social participation and civil society engagement and aim to bring people together and disseminate knowledge of the recent history of the region. ERSTE Foundation encourages the development of fairer and stronger societies, they believe in culture as a driving force for an open society and in its ability to create links between diverse linguistic and geographical regions, and they promote the process of European integration by providing a platform for exchanging ideas, knowledge and initiatives.<sup>251</sup> The central topics that ERSTE Foundation focuses on are: *contemporary visual arts, cultural studies, education, European debates, financial inclusion, gender, journalism, social entrepreneurship, and social*

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<sup>247</sup> <http://www.erstestiftung.org/inside-the-foundation/the-three-programmes/>

<sup>248</sup> <http://www.erstestiftung.org/inside-the-foundation/grant-giving/>

<sup>249</sup> Ibid.

<sup>250</sup> Ibid.

<sup>251</sup> Ibid.

*integration*.<sup>252</sup> ERSTE Foundation develops and implements projects itself and in collaboration with local partners from Central and South Eastern European countries. In addition, they give grants to non-profit organisations to support local initiatives that fulfill their grant giving criteria.

From 2005 to 2010, a total of 548 individual projects were approved. Out of that, 110 projects were the results of calls for application. ERSTE Foundation's expenditure for project work in the period 2005-2010, amounted to a total of 32 million euros. Regarding the share of ERSTE Foundation's programmes, the foundation spent most on Social Development (42%), next on Europe (24%), then Culture (23%), and the least on General Funding (11%) in total funding and direct project expenses in the period from 2005 to 2010.<sup>253</sup> Focusing on the Culture programme, ERSTE particularly promotes *independent projects* and those engaged in the cultural sector by providing them with resources and cross-border contacts that are not embedded within state institutions.

### **BEST PRACTICE: Donor impact**

One of the most significant programmes is the **PATTERNS Researching and understanding recent cultural history** transnational programme of ERSTE Foundation that has as its main objective to research and better comprehend recent cultural history. PATTERNS initiates, commissions and supports contemporary culture projects in different formats and media, while placing emphasis on the visual arts and culture of the 1960s, as well as the transition period leading to the present.<sup>254</sup> Projects focus on cultural phenomena related to popular, marginal and counter culture with the objective of developing cross-border issues from local contexts. Numerous projects have been developed in close cooperation with their project partners over the last several years. The programme covers the following fields: architecture and public space, art history, collective memory, cultural studies, dissident culture, gender studies, literature and language, migration.<sup>255</sup>

**The “Community of Memory” project** examines the theoretical mechanisms on which historical research is based and its main objective is to develop a type of politics of memory which includes Yugoslavia's emancipatory practices into the country's general image, along the

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<sup>252</sup> <http://www.erstestiftung.org/>

<sup>253</sup> <http://www.erstestiftung.org/inside-the-foundation/facts-figures/>

<sup>254</sup> <http://www.erstestiftung.org/patterns/by-theme/>

<sup>255</sup> Ibid.

predominant images of totalitarianism and terror. The project is based on a series of public discussions and on “*the principal idea that giving meaning to a common future is unthinkable without a self-responsible understanding of the common past*”.<sup>256</sup> The project incorporates an examination of various historical testimonies and past discourses and the conception of a new framework of a culture of remembrance in the Balkan region by initiating a series of public events in former Yugoslavia. It represents an exchange among various researchers, students, media representatives, activists and other interested public. The space is developed in the context of four thematic modules with collaborative partners from the Balkan region and Europe.

The main partner is the **Center for Cultural Decontamination (CZKD)**<sup>257</sup> from Serbia who also produced the performance “Will You Ever Be Happy Again?” which was a central part of this project. It was supported by ERSTE Foundation, the Ministry of Culture of the Republic of Serbia, Belgrade City Council – Department for Culture and the Swiss Embassy in Belgrade. This project, as well as the other projects realised under the ERSTE Cultural programme PATTERNS - Researching and understanding recent history, is a good example of a programme that focuses on the **reconciliation and re-establishment of trust between different ethnic communities** through various socio-cultural activities. This is extremely important as these types of programmes are generally lacking, especially in the public sector and public institutions throughout the entire region, which mostly avoid dealing with such politically sensitive issues. The programme also stimulates **intersectorial cooperation**, and this project is a good example of an **intersectorial project** that links culture, social issues with education, which are significant from the point of view of working towards sustainable communities and sustainable local resources, where culture has an important role as one of the four main pillars of sustainability, with political, economic and social development.

#### 4.2 RESEARCH METHODOLOGY

The research was carried out between June and August 2011. The following international organisations, foundations and agencies operating in the Western Balkans region and their funded

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<sup>256</sup> <http://www.erstestiftung.org/patterns/category/topic/collective-memory/>

<sup>257</sup> [www.czkd.org](http://www.czkd.org)

projects were examined as case studies: *European Cultural Foundation, Pro Helvetia, ERSTE Foundation, and Robert Bosch Foundation.*

**The primary data** was collected by a qualitative questionnaire among the targeted international donors, a qualitative questionnaire among cultural organisations from the Western Balkans region funded by these donors and whose projects were analysed, followed up by four in-depth interviews with cultural operators. These interviews were conducted for a further elaboration of the answers provided in the questionnaires. Data from the interviews and questionnaires was supplemented by donor organisation annual reports, project and programme evaluations, as well as information from various websites.

The main types of funded programmes were analysed, their tools and methods, as well as their mission and goals. The analysis should identify the main strategies and policies of the international funders and whether and in what matter they were met, whether the funded projects reflect the need of the communities and the society where they are implemented and whether the funding mechanisms of these foreign donors contribute to establishing a sustainable cultural scene in these countries.

### *Questionnaire among international donors*

From June to August 2011, a questionnaire<sup>258</sup> was distributed among the following international donors: European Cultural Foundation (Balkan Incentive Fund for Culture), Pro Helvetia (Swiss Programme for the Balkans), ERSTE Foundation and Robert Bosch Stiftung (RBS). These international donors were selected for analysis due to their long-term involvement and relevance in financing the field of arts and culture in the Western Balkans. The questionnaire covered the donors' views on arts and cultural organisations' sustainability in the region, their funding priorities and types of granted projects and main activities (in terms of grants made to cultural organisations from the Western Balkans in the period between 2006 and 2010), the expected development and impact of their grant-making, relation between donors and cultural organisations, donor-donor coordination and communication, project visibility and public image. The questionnaire was sent by e-mail. All four

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<sup>258</sup> Questionnaire for donors can be found in the Appendix section (Appendix 1)

targeted donor organisations answered the questionnaire and were further contacted for additional information.

### ***Questionnaire among targeted cultural organisations***

Questionnaires<sup>259</sup> were sent to the following cultural organisations from the region: Centre for Cultural Decontamination-CZKD (Serbia), Youth Cultural Centre Abrašević (Bosnia and Herzegovina), Kontejner (Croatia), Performing Arts Center Multimedia (Macedonia), Qendra Multimedia (Kosovo), KIOSK (Serbia), Tirana Institute of Contemporary Arts (Albania). These organisations were selected as they are either former or current grant-recipients of the above mentioned international donors that were being analysed as case studies and they all conduct regional cooperation projects.

### ***In-depth interviews***

In order to further develop and identify significant aspects from the questionnaire, four in-depth interviews were conducted with grant-receivers in the period from June to August 2011. They spoke under the condition of anonymity. The interviews were informal, carried out without standardised questions, in order to solicit different perspectives and opinions. The funded projects served as examples, but also as pretexts for a wider discussion on donor policy and cooperation in the region. Some of the answers were stunningly similar and others varied depending on the background of the interviewee, but this will be further described in the following section.

### **Limitations**

Due to specific policy or other strategic limitations, not all foundations were prepared to provide their detailed budget data. When available, it was not always clear how much was allocated to particular programmes or countries. Nevertheless, it was possible to collect a fair amount of information from annual reports, questionnaire responses and secondary sources. There was sufficient data to allow for some analysis and interpretation of information. Considering the complexity of the issue and relationships, a more detailed analysis would require much more time.

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<sup>259</sup> Questionnaire for organisations can be found in the Appendix section (Appendix 2)

#### 4.2.1 COMPARATIVE ANALYSIS AND MAIN RESEARCH FINDINGS

This part of the research begins with an evaluation of the main issues as they have been described by both the donors and cultural organisations in the region. With the following analysis, the most significant aspects of the issues that were mentioned both in the questionnaires and interviews will be highlighted. The key findings are divided into the following categories and explained below:

##### *Main funding activities and types of funded projects in the region*

- Common features and peculiarities have surfaced with respect to the donors' main funding activities. **Network building, capacity building, educational activities and policy advocacy** are the activities that all the donors share. The types of funding that all the targeted donor organisations provide are **regional grants** involving several organisations, as well as **small-scale projects** (3 of the 4 donors). An interesting finding is that none of the targeted donor organisations provide funding for inter-sectorial projects.
- It is important to note that all four donors **focus on supporting regional cooperation projects** that promote *democracy, conflict resolution* and *respect for minorities*, and organisations that deal with the *processes of reconciliation* and *re-establishment of trust* between different ethnic communities through various programmes of socio-cultural activities. This was highlighted as being extremely important by all organisations as these types of programmes are lacking in the public sector, and public institutions do not have the vision fully and on a long-term period to dedicate themselves to these politically sensitive issues.
- Several respondents from cultural organisations mentioned that some donors have been known to issue **only large grants**, which at times simply exceed the capacity of NGOs that otherwise would be a perfect match for a specific project.

##### *The sustainability of cultural organisations in the Western Balkans region*

According to the questionnaire responses and interviews, the sustainability of independent cultural organisations is one of the central issues that concern both donors and the organisations themselves. Most of these organisations must acquire their own funds by either collecting donations and subsidies or entering into partnerships with other organisations.

- The sustainability of the whole cultural sector **depends on the support of international organisations** which leads to a **high level of instability** in the functioning of these organisations. All donor organisations stressed that the arts and cultural organisations that they funded in the Western Balkans region are extremely **dependent on donors**, mostly **lack capacity**, but are **developing and gaining more and more influence**.
- Some **innovative strategies** have been developed in recent years and many cultural NGOs have developed **more entrepreneurial approach** by building on their acquired expertise and international competence. It was also pointed out that these organisations are increasingly matching funds from numerous sources, including self-generated incomes and accessing funds not dedicated solely to the cultural sector, etc. which they consider to be a positive development. However, these practices are minimal and remote to the large majority of organisations.
- Providing **only project-based support** and the donor practice of not covering operating or administrative costs is widespread among donors and **problematic for the long-term capacity and sustainability** of recipient organisations. Cultural organisations from the region claim that their biggest challenge is gaining access to sufficient funds to cover a meaningful programme of continuous activities. This leads to financial dependence and insecurity, as not all projects are funded and survival is only possible from one project to another.<sup>260</sup> Project funding, according to them, is very uncertain and represents an enormous challenge for organisations to operate in a strategic manner.
- It was mentioned that organisations that depend on project-based donations **must continually concentrate on fundraising**, frequently neglecting actual project implementation. As a result, some organisations speak the ‘donors’ language both substantially and formally, meaning that they write their projects in English in the manner desired by the donors, while there are some organisations that lack such capacities (including the lack of knowledge of the English language) and are unable or even reluctant in redefining their objectives according to the ‘modern’ fields of interest of international donors and organisations. They say that this places them in an **unfavorable position** when it comes to funding.

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<sup>260</sup> To illustrate this, a 2009 survey carried out by Civic Initiatives found that 88 percent of organisations in Serbia are mostly funded on a project basis and only 15 percent reported having general or institutional support. (Civic Initiatives, *NVO u Srbiji 2009*. [www.gradjanske.org](http://www.gradjanske.org))

- Respondents stress that the **complicated application process** and **funding requirements** that NGOs must obtain matching funding rules out the participation of smaller NGOs and those that already have established contacts with other donors benefit from this situation. In addition, since donors must demonstrate policy change or other meaningful impact, they are drawn to **large, high-profile, national-level NGOs** that have a proven track record and results. Even organisations working in smaller cities rarely receive directly mid- or large-size grants. They are usually “subcontracted” by larger, urban NGOs for projects that are implemented outside of the large cities.
- According to cultural organisations, many donors apply quite **rigid administrative rules** governing both the writing and presentation of projects, budgets and reports, which frequently prevents numerous organisations from applying and eventually receiving the funds needed for their work. All this adds to **mistrust and competition among cultural organisations** which further complicates their cooperation for the purpose of a true promotion of civil society values. Cultural organisations mentioned the requirement to co-fund projects with typically around 15 percent of the total grant as one of the major obstacles in obtaining international donations. This means that organisations must already have financial means at their disposal in order to apply for international grants. These financial means can only stem from sources of funding that are not project-based, i.e. typically only those obtained through individual donations, membership and participation fees or the selling of products and services.
- The **problem of insufficient funds** to obtain additional project-based funding becomes even more severe if grants are paid out partially retroactively, meaning only after some activities have already been realised. Once again, advantaged are those large ‘professionalised’ organisations that have already built up the needed capacities. To enable a wider and more diverse type of cultural organisations to apply for international funding, cultural workers stressed that funds that would cover the co-funding for international grant applications by state institutions on the national level and/or local self-governments are lacking.

The analysis also revealed that in the *Robert Bosch Stiftung* funding guidelines it is explicitly stated that they support the funding of pilot projects that must complement their focus areas and existing

funding mechanisms, and that they are open to funding newly founded organisations.<sup>261</sup> The same stands for *ERSTE Foundation* which also makes it a priority to fund *practical, innovative projects*.<sup>262</sup> However, both *BIFC* and the *Swiss Cultural Programme* require organisations to have rich experience and a proven track record, and they do not fund projects that rely entirely or only on their funding and co-financing is made obligatory. In the case of the *Swiss Cultural Programme*, the additional fundraising should amount to at least 25% of the overall project budget, while for public organisations involved as partners, their contribution for related project activities is 30% minimum.<sup>263</sup> In addition, proven professional experience and expertise of the implementing partners is also important criteria for assessment as the level of co-funding may positively influence the possibilities to be selected.<sup>264</sup>

Most cultural organisations that were interviewed pointed out that they **expect the majority of international donors to cease their grant-making** in their countries in the near future. However, besides Pro Helvetia whose programme is coming to a close in 2012, there is neither a specific date nor a specific objective to be reached for their operations in the Western Balkan countries to close down, meaning they have not adopted an exit strategy yet.

### *Donor impact*

According to respondents in relation to the donor impact in the region, donor funding has **strengthened the independent arts and cultural sector in the region**, it has **created professional organisations and individual experts but has not managed to develop the whole sector**.

- There is still **a lack of longer-term support** targeted at strengthening cultural NGOs and helping to develop strong independent organisations that can gain sustainability in the local environment, as well as **support for the development and consolidation of more entrepreneurial-oriented approaches**.
- Instead of responding to the needs and requests of the beneficiaries, **the beneficiaries respond to the needs and requests of donors**, all in order to survive and continue with

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<sup>261</sup> The Funding Principles of the Robert Bosch Stiftung, <http://www.boschstiftung.de/content/language2/html/1542.asp>

<sup>262</sup> <http://www.erstestiftung.org/>

<sup>263</sup> Swiss Cultural Programme in the Western Balkans-Guidelines and procedures for submitting of Concepts for Regional Cooperation Projects, [http://www.scpba.net/files/Guidelines\\_for\\_RCPs\\_Concept\\_Applications.pdf](http://www.scpba.net/files/Guidelines_for_RCPs_Concept_Applications.pdf)

<sup>264</sup> Ibid.

their activities. One of the respondents from a cultural organisation stated that an entire NGO bureaucratic apparatus was created following the model of international organisations, necessary for a response to the needs and requests of donors. The necessity to continue to exist is therefore not based solely on ideals, but also on tangible economic reasons. Another grantee mentioned that the NGO sector employs a relevant number of people, which is extremely significant in the country in which the unemployment rate is very high and continually increasing.

Grantees mentioned that some of the **projects that donors fund were an end in themselves**, instead of becoming a part of a long-term vision or a broader picture within which they would have moved gradually towards the achievement of a long-term objective. Instead, **the objectives** of these projects were **restricted, short-term and uncoordinated**. This was to a large extent caused by the donors who made a choice to provide support to short-term projects and modify their own objectives, which, in turn, led to certain modifications to the designated objectives and ‘missions’ of organisations in order to draw in more funds and survive.

- Several respondents mentioned that networking and ‘coordination’ have been for some time now and still are the ‘magic’ terms that keep the door open to international funding. However, several grantees claimed that the sphere of **‘networks’, ‘coordinating groups’ or ‘councils’ exists formally and only on paper**, and that what is largely missing is translating these words from paper into real action.
- Respondents also mentioned that there are *numerous positive examples* and efforts made by international organisations that shed an optimistic light on the entire picture in the region, several of them specifically mentioning the *Swiss Cultural Programme* as a prime example. Although the good intentions of all those who aim to assist are truly undeniable, doubts that emerged in the interviews as to whether those good intentions have been supported by thoroughly selected strategies of action, based on a genuine knowledge of the situation, conditions and circumstances and the overall political, legal, economic and general social environment in the country in which the programmes are being carried out.

### ***Donor and cultural organisation relations***

All donor organisations responded that cultural organisations that they funded display initiative by proposing projects and activities that they later support. The majority responded that the cultural

organisations are still developing partnership skills and learning to deliver expected results, while *ERSTE Foundation* and the *Swiss Cultural Programme* pointed out that their relationship with the organisations they fund is a real partnership and that they cooperate quite effectively.

- Respondents working in various cultural organisations claim that the priorities of **donor activities are either rarely or never considered and defined in cooperation with local actors**. The priorities are mainly defined by those who have the funds, thereby giving them the power to impose those priorities. It is therefore very questionable whether these priorities have been defined in accordance with the real needs of the societies or that which was clearly indicated as a necessity, or rather in accordance with what the international organisations wanted to do in line previous experiences or their own expertise, etc.
- All these characteristics disclose the **genuine lack of partnership** between the international donors and organisations they provide financial support to. As several members of cultural organisations from the region who were questioned and interviewed confirm, when donors carry out needs assessments and design assistance programmes, they are mostly never engaged. **NGO attention is in this manner redirected from local needs and towards donor-identified priorities** because of funding dependency. A notable exception is the *Swiss Cultural Programme* implemented by Pro Helvetia, which was cited by several respondents as having made a genuine effort to consult with local actors when creating its programmes. Cultural organisations expressed the desire to establish an open and trusting relationship with donors, and donors on the other hand want to have confidence that their resources are spent effectively and efficiently. Although both expectations are reasonable, they are rarely communicated and negotiated in practice.
- The research revealed that international donors focus more on **proactive and interventionist strategies**, imposing standardised solutions to organisations in a top-down manner. It is the pressure on donors to display visible results that probably explains this focus and their neglect on more subtle and flexible reactive strategies based on acquiring awareness of the local circumstances and developing real partnerships with cultural organisations from the region. Partnerships among NGOs and donors that involve joint planning of programmes and which can improve downward accountability and long-term effectiveness are lacking in practice.
- Another main concern to cultural organisations is the issue of **complex donor requirements of reporting and evaluation**, which in their opinion can be extremely

demanding. Although opinions and experiences differ, the most frequently mentioned by the interviewees as the most demanding and inflexible in this respect were the European Commission and other donors administering EU funds. The situation is even more difficult if an organisation has multiple donors, as many do, due to the extent of the paperwork required to prepare on a regular basis. However, reporting formats such as logical frameworks, while potentially beneficial for planning purposes, are frequently used as tools to justify continued funding. NGOs are therefore reluctant to share information about major problems or even failures, and to ask for external assistance for overcoming developmental challenges. On the other hand, donors are concerned that NGOs will not monitor their own progress without such reporting requirements.

### ***Donor coordination and communication***

According to donor organisations that were questioned, donor co-ordination has numerous advantages, from harmonisation of activities and exchanges of information, to leveraging of resources and grantee promotion. More significantly, it assists donors to avoid unnecessary funding overlapping and duplication of activities.

- There is a general **lack of coordination and communication among international donors**. The results show that there is no major coordination among international organisations and donors regarding their priorities and activities. There are some practices that foundations identify common interests, pool their resources and coordinate their grant making strategies, but more often they function on their own.

Donors mentioned the recently established *European Fund for the Balkans* (EFB)<sup>265</sup> which has been initiated by four significant private European foundations: the Robert Bosch Foundation (Berlin), the King Baudouin Foundation (Brussels), the Compagnia di San Paolo Foundation (Turin) and the ERSTE Foundation (Vienna). The EFB is designed to engage not only European funders already active in the Balkans, but also public and private donors who have not worked in the region until now, or want to leverage their own funding and increase its impact. This means, that the Fund has a potential to mobilise donors for the region but also to contribute to donor co-ordination in the countries of the Western Balkans. The Fund's focus is not culture, but it does not exclude it from its priorities.

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<sup>265</sup> <http://balkanfund.org/>

Another positive example is the the *Robert Bosch Stiftung*, as displayed in the case study, which places emphasis on exchanging experiences with other funders and supports individuals and organisations in the Western Balkan region.

- **Little has actually been done to improve donor co-ordination in a systematic or sustainable manner.** When coordination does occur, it is most often done on an individual basis or it simply takes place as a formality. Donor coordination requires frequent follow-ups and is both time and resource-consuming. However, considering the amount of resources spent uselessly on overlapping projects, as well as the reduced impact of similar funded activities of different organisations, the majority of the respondents believe that productive donor coordination would nevertheless be a valuable investment.
- **Donor co-ordination among private foundations is generally much more frequent and productive in comparison to other sources of funding.** This is understandable, considering that foundation programmes tend to be managed by one person, who has significantly more discretion and decision-making power than the average staff at bilateral or multilateral donor agencies. This method of operating makes information sharing, funds matching, and grantee networking much easier.

*The European Cultural Foundation* pointed out that it works very closely together with other donors, shares information and consults on strategies and issues, and has a good idea what other donors are working on. The majority of the donor organisations responded that they communicate with other donors from time to time, but not very often. *Robert Bosch Stiftung*, on the other hand, communicates at least once a month with other donor organisations.

- **The lack of regular donor coordination usually results in overlapping and repetition of programmes.** Respondents mentioned that it has often been the case that several international organisations are involved in the same or similar matters, investing significant funds in addressing them all.

### ***Media visibility***

Almost all of the surveyed donor organisations responded that the issue of media visibility varied and depended on the types of projects and types of organisations implementing them, and as a result they say that the situation is very different from each project and project partner.

- Most international donors and cultural organisations from the region agreed that there is **generally low media interest in culture** throughout the entire Western Balkan region. One cultural organisation from Bosnia and Herzegovina commented that the media coverage of their activities is extremely poor, as mainstream media are not giving any attention, especially to the so-called “alternative culture”. Media coverage and visibility in a country such as Bosnia Herzegovina is particularly a challenge as media as well as public space are divided along ethnic lines. They gain visibility due to independent media outlets, mostly electronic media, various print guides and publications produced by cultural NGOs and foreign media.

### ***Main lessons learned***

Although learnings are different in the diverse modes of collaboration and some are location-specific, some of the main lessons learned by the targeted donor organisations are summarised below:

- Arts and culture play a significant role in the overall development of the Western Balkans region, however its powers and influence are not sufficiently recognised
- Any cultural action in cooperation work involving donors needs to be adjusted to the cultural context of implementation
- Partnerships (at different levels, between different organisations, sectors, and fields) are key to implementation of a successful development project, yet adequate time is required in developing genuine and effective partnerships
- Longer term funding provides opportunities to trigger more sustainable changes
- Fragmentation of or between cultural operators equally impedes their positioning as are external factors related to economic or political instability

### ***Major challenges***

Some of the major challenges identified by both donor organisations and cultural organisations from the region are summarised below:

#### **Identified by Donors:**

- To strengthen cultural organisations in their management and in their fundraising strategies to become more independent from short-time foreign donations
- To improve networking and cooperation within the region and with other European countries

#### Identified by Organisations:

- Issue of funding for independent, small professional organisations and individual artistic projects
- Diversification of funding for cultural organisations
- Lack of cultural policies in the region

#### Identified by Donors and Organisations:

- More funding for longer-term projects
- More small-scale funding for new organisations
- Very good cooperation between several cultural organisations within the region, but not between independent cultural sector and government administration and/or state culture organisations
- High fluctuation of staff in the independent cultural sector due to unstable financial conditions

One of the major identified challenges is the **lack of cultural policies in the region**, or if there are policies in certain countries they are not harmonised or complimentary throughout the region. It was highlighted that some countries in the region still need to establish and implement formulated cultural policies, their synergies with other relevant sectors and there is particularly the need to **strengthen the links with both the public and private sector**. Grantees highlighted that it is extremely significant to improve cooperation between the independent cultural sector and decision-makers in state or local government administration and develop common cultural policy strategies.

In relation to the **diversification of funding**, it was mentioned that corporate social responsibility is still in its initial phase throughout the region and that in most instances funding from the business sector comes from **international companies**. However, examples of sporadic support for independent cultural organisations by the **domestic business sector** do exist. With the help of the example of international corporations, cultural organisations hope that domestic companies will increasingly become aware of their social responsibility in the years to come.

Several grantees also stressed that for some time now, the general **role of culture has been devalued** throughout the entire region due to widespread commercialisation, recession policies and devaluation of societal and cultural values. Thus another major identified challenge is returning culture its real place and role in society, particularly the non-institutional culture. Recognising the role of cultural operators, both individuals and organisations, and strengthening their position and influence in societies is another mentioned priority.

### ***Public perception about cultural NGOs in the region***

- The analysis has also highlighted that numerous NGOs, including those working in the cultural field in the Western Balkans face **widespread public skepticism** regarding their work, different methods and activities.

In *Kosovo*, for instance, one respondent explains that the negative perception of NGOs has been attributed to different factors including difficulties following the 1999 crisis, the uncertainties of political transition since its independence, and the privileged status of NGO leaders in Kosovar society. In addition, NGO advocacy can be perceived as an attempt to discredit, oppose, or replace governments. Similar problems exist in *Montenegro*, and in recent research it can be noted that many people still regard non-governmental organisations to be self-serving, with only minor benefits to the general public. However, a lack of effective promotion of NGOs, poor publicity and NGO dependence on state money have all contributed to general public distrust.

In addition, as mentioned before, a large number of coordinating groups and bodies that involve the local NGO sector did not emerge as a result of the necessity that the sector identified, but as **projects set up by international organisations**. The non-governmental organisations which have developed in this manner, gained the characteristic of the **lack of transparency**, as it would be very difficult to obtain the information about their donors, the amounts of money they have received, etc.

## **5. CONCLUDING REMARKS AND RECOMMENDATIONS**

The entire NGO cultural sector in the countries of the Western Balkans region has been exposed to a rapidly changing environment, from wars and ethnic conflict to reconstruction and

reconciliation, and an orientation towards Euro-Atlantic integration.<sup>266</sup> As described in the previous chapters, the funding situation has changed drastically, from a large number of external donors in the post-conflict decade following the mid-1990s to international donor withdrawal since 2005. While this withdrawal may be viewed as a positive signal of an improved situation in the region, local sources of funding, either public or private, have not managed to replace this international funding.

We have seen that much has been accomplished to assist the civil society and NGO sector in culture from the mid-90s and onward. However, as argued throughout this thesis, international support has not been entirely successful in stimulating the arts and culture in a sustainable manner in the region and there is still room and necessity for greater improvement. In the countries of the Western Balkans, both international donors and civil society continue to need each other and must work better together. The challenges identified by local actors throughout the region offer some significant lessons.

This final section of the thesis draws together the main conclusions of the research relating to the topics that emerged as most relevant throughout the research, and were consequently identified by both donor organisations and cultural organisations operating in the region as most prominent for their future work: the issues of **sustainability, donor impact, donor-recipient relationships, donor communication and co-ordination.**

### **SUSTAINABILITY**

Throughout the thesis, we have seen that one of the main challenges when donor policies are concerned is the development and sustainability of arts and cultural organisations in the region, as well as the issue of aid dependency. Sustainability is a delicate topic and the manner in which donors approach it can differ meaningfully. For the majority of donors, sustainability means financial viability, mostly achieved by diversifying the funding base so that the loss of one or more donors does not have serious negative effects for the organisation. Other donors are increasingly

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<sup>266</sup> <http://www.humanitarianforum.org/data/files/resources/774/en/The-successes-and-failures-of-EU-pre-accession-policy-in-the-Balkans-Support-to-Civil-Society-ENG.pdf>

*The Successes and Failures of EU Pre-accession Policy in the Balkans: Support to Civil Society*, 2009

requiring matching funds to be secured prior to approving their own funding and placing such requirements into grant agreements.

We have seen that by predominantly providing **project-based support**, donor policies cause **dependency** and do not sufficiently succeed in enabling cultural NGOs to develop long-term strategies and create identities that surpass project duration and donor priorities. Donors in this way at times force cultural NGOs to modify their missions and priorities according to donors' requirements in order to survive. Such practices obviously have severe implications on the long-term sustainability of cultural NGOs and the entire arts and cultural sector in the countries of the Western Balkans. Overall, the hypotheses that were presented in the beginning of the thesis that *the funding mechanisms of foreign donors do not contribute effectively to establishing a sustainable cultural and art scene in the countries of the Western Balkans and that there is a genuine need for the development of new mechanisms to assure that projects remain sustainable when funding comes to a close* can now be confirmed.

As also argued throughout the thesis, the majority of funding for arts and culture in the Western Balkans derives from project-based donations from international donors, the state, and increasingly from the domestic business sector. By all predictions, this is most likely to remain the same in the future as the NGO cultural sector in the countries of the Western Balkans cannot be financed through only one central mechanism. However, cultural NGOs in the Western Balkans still remain predominantly dependent on foreign funds, as neither government donations nor private philanthropy has been able to fill this large gap. In the light of donor fatigue and the shift of interest elsewhere, the **lack of permanent local income sources** remains a difficult problem.

In order to increase the involvement and enlarge the circles of actors in the world of arts and culture, **alternative ways of financing** must be developed. While certain income sources are less significant in terms of the total revenues of the sector, their absence or presence can exceptionally change the conditions for the sustainability of cultural NGOs. In contrast to project-based donations, **organisational funding** from **membership and participation fees** as well as the **selling of products and services** (income generating activities) are more reliable

sources of funding. They represent a steady source of income with which cultural organisations can plan at least in the medium term.

### **DONOR IMPACT**

Much criticism throughout the research concerning donor policy in the Western Balkans revolved around the fact that they have often **failed to take account the local context** in which they operate and that international funding is often **contingent on foreign perceptions of local needs**. Assistance work needs to ensure that content matches context. If donors are seeking to generate substantial change by engaging with cultural organisations at a deeper level, then it means that comprehending the complexities of local situations becomes even more significant. It is necessary that priorities and the most efficient methods of support to the development and strengthening of the NGO cultural sector are driven by the **demands and needs of the recipients** from the Western Balkans region and **defined in close cooperation with the representatives of cultural NGOs from the region**.

Now as the international support is further decreasing, donors seem to be **imposing unrealistic expectations and policies in relation to sustainability** that are forcing more and more cultural NGOs to fight for their survival in which most of them end up in a situation where they must make compromises on values and principles. This practice was initiated by the donors themselves, who are often confident in their own policies but at the same time not willing to take risks, administering tight control through strict procedures from application through project implementation and reporting. These **rigid requirements** further discriminate against smaller organisations throughout the region.

There is a need for **donors to improve the way their programmes are implemented, reported on, and evaluated**. Numerous recommendations related to these aspects of assistance that have resulted from different programme assessments, would lead to effective improvements, if they were actually implemented. International donors must be more open and flexible to change and to their own reform as there is a low level of risk-taking decisions in the funding policies.

The research has also concluded the hypothesis that that *the majority of funders prefer cooperating with well-recognised institutions and organisations that have a long history of existence in the region and a good achievement record.*

### **DONOR - RECIPIENT RELATIONSHIPS**

The research has revealed that international donor activities rarely or never considered and defined in cooperation with local actors and that there is a **genuine lack of partnership** between the international donors and organisations they provide financial support to. **Donors must learn to communicate better** with their beneficiaries in order to understand the local context. For the reasons earlier elaborated, local actors must be genuinely listened to and programmes must be developed in response to the needs they themselves identify. It must be stressed that communicating does not, however, only mean listening but there is a need for donors also to actively discuss what they are doing and why.

Examples of innovative partnerships between donors and NGOs, or among NGOs, that are oriented towards *organisational learning* rather than simply reporting, should be shared. Without meaningful discussion between donors and recipients on these issues, NGOs and civil society development remain rituals of capacity-building according to the donor's definition, with projects and reports substituting for the mobilisation of social self-initiative. Only through increased reflection on different models can the arts and cultural sector in the region become more than a grant category or a project.

Partnerships among NGOs and donors that involve joint planning of programmes and which can **improve downward accountability** and **long-term effectiveness** are lacking in practice. In addition, the conventional approach to accountability, in which reports and evaluations are produced at the end of a project, builds miscommunication and distress rather than trust.

### **DONOR COMMUNICATION AND CO-ORDINATION**

Dedicated to protecting their own interests, donors do not work closely with other donor organisations, nor do they share information or connect grantees. The research has confirmed that there is a general **lack of co-ordination among international donors.**

The chronic inability to coordinate donor activities continues to develop project duplication and overlapping funding and inefficiency. As displayed throughout this paper, a lack of communication and co-ordination with other donors and even grantees can result in an enormous waste of resources and complicate achieving progress. *The hypotheses that there is a lack of a cooperative approach and a synergizing effect among funding organisations as a means for enhancing support for the arts and culture in the countries of the Western Balkans and that the regular exchange of information and shared experience among different funding organisations operating in the countries of the Western Balkans are underdeveloped, have both been confirmed.*

## 5.1 RECOMMENDATIONS

So how can international donors alter some of these ineffective practices and modify their strategies to make their assistance for the arts and culture in the countries of the Western Balkans more effective? How can the issues of aid dependency and lack of sustainability of cultural organisations in the Western Balkans be resolved? What is to be done in order for donor-recipient relations to be better developed?

Bearing in mind all that has been displayed throughout the thesis and in the concluding remarks, some recommendations toward improving international policies of providing assistance to arts and cultural organisations can be formulated. Without any intention to disregard the benefit undoubtedly resulting from international engagement and funding in the Western Balkans region, the idea is to draw attention to several facts and relations that could be improved to the satisfaction of both the donors and beneficiaries from the region.

The following proposals are **recommendations** based on the best practice examples that were identified in analysed case studies and derived from the general research conclusions. The list of recommendations has not been exhausted, but those that have proven to be a definite priority are as follows:

## **1. Towards a greater sustainability of cultural organisations in the Western Balkans region**

### ***a) Diversification of funding***

- To enable a wider and more diverse range of cultural organisations to apply for international funding, state institutions on the national level and/or local self-governments should set up *funds to cover the co-funding for international grant applications*. However, it is important that the purpose of these policies is not to interfere with public support but to expand its value in the sector of the arts and culture.
- A greater sustainability of the sector could be realised through *systematic legislative support to non-governmental organisations* such as the right to tax reductions but also the right for non-governmental organisations to develop and create their own commercial activities.
- Cultural organisations from the region should develop a more *intersectorial approach* in order to access international funds that are not solely dedicated to the cultural sector.
- Cultural organisations from the region should *focus on the increase in private support* from individual contributions, donations, to sponsorship. There should be greater awareness that arts and culture are significant and that there are good reasons to support the sector. It is necessary for cultural organisations to attract more individual donations, focusing mostly on better marketing and attracting more funding from domestic business companies.
- *Partnerships are needed between the independent cultural sector and the existing state-funded public institutions*, both locally and nationally. Without entering into party politics, cultural workers must find a way to include the traditional public institutions and politicians in a dialogue about developing a strategically planned, open-minded cultural policy.

### ***b) Reliability of funding***

- Cultural organisations throughout the region need *increased organisational funding* in the form of individual donations, membership and participation fees or through the selling of products and services in order to be sustainable. There should be a different funding strategy for larger service providing and for small community based cultural organisations. Both direct and indirect means of support can be effective.
- More funding should come from *long-term sustainable resources*, both public and private so that cultural organisations from the region can predict the levels of funding and can be able to make more long-term plans.
- Cultural organisations from the region need to form *more strategic partnerships* and it is necessary to improve overall networking and cooperation within the region in order to get

better access to international funding. Cultural organisations in the region with comparatively smaller capacities should *form local networks* in order to apply for larger grants by international donors.

- Cultural organisations in the region must address challenges through ***regional cooperation*** as it contributes to a mutual understanding and development of a single approach to common issues. It increases efficiency through reduction of expenses and the use of common assets and facilitates exchange of data, expert knowledge and technologies. Regional cooperation also helps the deepening of knowledge and taking up a joint research which leads to integrated planning in various fields of regional cooperation. As a whole it brings more stability to the entire region.

## **2. Enhancing donor impact**

- International donors operating in the region need to dedicate more time and energy on ***detailed needs' assessments*** of the countries in which they operate in, the problems they seek to address and the context in which they will work. Some of the interventions may be on a small-scale, but they should still attempt to contribute to broader objectives of support in that country or region.
- International donor assistance policies should be redefined in ***close cooperation with cultural organisations from the region***. Plans and programme development should be carried out jointly from an early stage and from the very beginning to provide as much self-sustainability as possible and to reduce a dependence syndrome. The recipients should have as much interest in the project's success as the donors. Too frequently in the past this crucial element has been lacking and therefore it is necessary to produce a precise strategy for providing support which should be translated into programmes and projects, taking care, once again, that donors respond to the needs of the host country rather than vice versa.
- In order to produce a more efficient result, international donors should ***revise their modes and procedures for the allocation of funds*** and reduce their bureaucratic apparatus, methods and at times extremely inflexible rules to the best possible minimum.
- In order to ***guarantee full transparency*** of the mode of implementation and spending of international funds, ***all reports should be made available to the public*** in both the countries which provide support and the receiving countries.

- The programmes and funds for arts and cultural organisations in the region must be part of an **entire strategy** for providing international assistance, *coordinated, well-structures and planned jointly with other programmes* in order to produce effective results.
- Donors designing and implementing programmes for arts and cultural organisations in the Western Balkans *must be more flexible* and willing to move away from a fixed approach. A lack of any sensitivity to the context is bound to result in formal instead of substantial assistance and reform. The same approach would create systemic shortcomings in programme development and implementation, leading to the common practice of top-down planning, top-down funding, and upward accountability, which must be avoided.
- International donors should *expand their support for regional cooperation and integration* as a part of an explicit regional strategy to assist the countries of the Western Balkans and civil society. It is necessary to increasingly promote regional physical and social infrastructure, policy reform that allows better integration and regional communication.

### **3. Improving donor-recipient relationships**

- *New mechanisms for building trust and confidence* that are regarded by both international donors and recipients as being effective must be developed. Existing proactive and interventionist strategies should be replaced by *reactive strategies* which will achieve better results in terms of sustainability and relevance because, rather than imposing imported solutions in a top-down manner, such strategies are better suited to solicit proposals and ideas from the recipient society.
- In order to establish a genuine dialogue *between the internationals and the locals* it is necessary to involve more donors and cultural NGOs in discussions about a **common learning platform**. Foundations must remain constantly open and self-critical, and foster a bottom-up approach and build true partnerships.
- *Reporting and evaluations should be used as a real tool for organisational learning*. The design of those reports might also be modified so as to be more useful to cultural organisations.
- *International donors must take more risks* if they are going to create a genuine difference in the Western Balkans region. Seeking greater accountability through excessively bureaucratic procedures is a troubling practice deriving from risk aversion that should be altered. While

still demanding accountability, *donors should ease their requirements and learn how to be more trusting of their grantee partners.*

#### **4. Improvements in donor co-ordination and communication**

- An *informal donor contact group* on cultural organisation strengthening in the region should be established and *regular formal consultation meetings* for sharing results and good practice principles, and discussing future work should be organised on a more regular basis.
- Organising **more visible events**, donor conferences and other types of public meetings that would attract a larger number of different stakeholders on a regular basis is highly recommendable.
- Developing an *on-line 'knowledge hub'* or an *electronic, Internet-based forum* as a means to involve wider groups of donors operating in the region would be extremely beneficial for improving donor communication.

It is important to note that although the existence of such a group or the organisation of proposed consultation meetings and conferences would not by solve any problems by themselves, they would certainly represent a significant development in donor co-ordination and communication throughout the region. The bigger challenge would definitely be translating all these recommended principles into co-ordinated activities on the ground and in practice. However, despite all the challenges and difficulties involved ahead for the arts and cultural sector in the countries of the Western Balkans, there are grounds for genuine hope and substantial improvement.

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European Parliament: [http://www.europarl.europa.eu/hearings/20030930/cult/note\\_en.pdf](http://www.europarl.europa.eu/hearings/20030930/cult/note_en.pdf)

European Union Portal: <http://europa.eu.int>

Erste Stiftung: [www.erstestiftung.org](http://www.erstestiftung.org)

Felix Meritis: <http://www.felix.meritis.nl/en/>

Friedrich Ebert Stiftung: [www.fes.de](http://www.fes.de)

Goethe Institut: [www.goethe.de](http://www.goethe.de)

Gulliver Connect: <http://www.gulliverconnect.org/en/>

Hans Heidel Stiftung: [www.hds.de](http://www.hds.de)

Heinrich Ball Stiftung: [www.boell.de](http://www.boell.de)

Henkel Central Eastern Europe:  
[http://www.henkelcee.com/cps/rde/xchg/henkel\\_cee/hs.xsl/index.htm](http://www.henkelcee.com/cps/rde/xchg/henkel_cee/hs.xsl/index.htm)

International European Theatre Meeting: [www.ietm.org](http://www.ietm.org)

Central European University: [http://web.ceu.hu/cens/assets/files/conference/szemler\\_IPA](http://web.ceu.hu/cens/assets/files/conference/szemler_IPA)

King Baudouin Foundation: <http://www.kbs-frb.be/index.aspx?LangType=1033>

Konrad Adenauer Stiftung: [www.kas.de](http://www.kas.de)

Kontakt Erste Bank Group: <http://www.kontakt.erstebankgroup.net/>

Kultur Kontakt Austria: <http://www.kulturkontakt.or.at/>

Lab for Culture: [www.labforculture.org](http://www.labforculture.org)

Lab for Culture Funding sub-section: <http://www.labforculture.org/en/funding/contents/glossary>  
(Funding glossary by Christopher Gordon)

Lab for Culture Resources for Resources sub-section:

<http://www.labforculture.org/en/home/contents/floating-pages/articles/sponsorship-and-alternative-financing-for-culture>

MaMa: [www.mi2.hr](http://www.mi2.hr)

Matra Programme: [http://www.minbuza.nl/en/Key\\_Topics/Matra\\_Programme](http://www.minbuza.nl/en/Key_Topics/Matra_Programme)

Mott Foundation: [www.mott.org](http://www.mott.org)

Network of European Foundations for Innovative Cooperation (NEF): [www.nef-web.org](http://www.nef-web.org)

PAC Multimedia: [www.multimedia.org.mk](http://www.multimedia.org.mk)

Zagreb Dance Centre: <http://www.plesnicentar.info/>

Policies for Culture Programme: [www.policiesforculture.org](http://www.policiesforculture.org)

Pro Helvetia: [www.pro-helvetia.ch](http://www.pro-helvetia.ch)

Regional Cooperation Council: <http://www.rcc.int/>

Rex Cultural Centre: <http://www.rex.b92.net>

Rhizeu: [www.rhiz.eu](http://www.rhiz.eu)

Robert Bosch Stiftung: <http://www.bosch-stiftung.de>

Rosa-Luxemburg Stiftung: [www.rosalux.de](http://www.rosalux.de)

Schuler Helfen Leben: <http://www.shl.ba/>

Soros Networks: [www.soros.org](http://www.soros.org)

Swiss Cultural Programme for the Balkans:

[http://www.scpba.net/files/Guidelines\\_for\\_RCPs\\_Concept\\_Applications.pdf](http://www.scpba.net/files/Guidelines_for_RCPs_Concept_Applications.pdf)

The Center for Democracy and Reconciliation in Southeast Europe: <http://www.cdsee.org/>

UNESCO: [www.unesco.org](http://www.unesco.org)

Visegrad Fund: <http://visegradfund.org/about/>

## APPENDICES

### APPENDIX 1: QUESTIONNAIRE FOR DONORS

The following questionnaire is part of a MA research project titled: *International Support for the Arts and Culture in the Western Balkans* carried out for the UNESCO Chair in Cultural Policy and Cultural Management, University of Arts in Belgrade. The research seeks to provide an overview of donor strategies and practices in the arts and culture field in the Western Balkans in order to increase their effectiveness and strengthen communication and cooperation among stakeholders. Your opinion and viewpoints to the following questions will remain confidential and anonymous, and will not be disclosed, but will be SUMMARIZED in the final thesis. In case there is a need to quote a specific answer, your permission will be asked for beforehand.

Thank you in advance for your time and assistance.

#### I ACTIVITIES IN THE WESTERN BALKAN REGION

1. Since when has your donor organisation been active in the Western Balkan region?
2. What are your main funding priorities in the region?
3. What are the main activities that you have funded in the region in the arts and cultural sector?
  - a) Capacity building
  - b) Network building
  - c) Policy advocacy
  - d) Educational activities
  - e) Other (please specify): \_\_\_\_\_
4. What types of funding do you provide? (please mark all that apply)
  - a) Regional grants involving several organisations
  - b) Small-scale projects
  - c) Inter-sectorial projects
  - d) Short-term project grants (up to 24 months)
  - e) Long-term project grants
  - d) Other (please specify): \_\_\_\_\_
5. How much in percentage is the support for the arts and culture sector out of your total funding for each country:
  - a) Albania:
  - b) Bosnia and Herzegovina:
  - c) Croatia:
  - d) Kosovo:
  - e) Macedonia:
  - f) Montenegro:
  - g) Serbia:
6. In your opinion, from the financial and organisational viewpoint arts and culture organisations which you funded in the Western Balkans region are:
  - a) Effective

- b) Mostly require donor support, but are operative and able to perform well
- c) Matching funds from many sources, including self-generated incomes
- d) Still weak but developing and becoming stronger
- e) Unevenly developed and unsustainable
- f) Mostly undeveloped
- g) Other (please specify): \_\_\_\_\_

**7. How would you evaluate arts and culture organisations which you funded in the Western Balkans region?**

- a) They do not operate effectively
- b) They mostly lack capacity
- c) They are dependent on donors
- d) They are developing and gaining influence
- e) They are effective and have developed capacities
- f) Other (please specify): \_\_\_\_\_

**8. In your opinion, what are the major changes and challenges facing the arts and cultural sector in the region in the next 3 years?**

**II RELATIONS WITH THE ORGANISATIONS YOU PROVIDE FINANCIAL SUPPORT IN THE WESTERN BALKANS REGION**

**1. a) Please give an example of a project(s) in the field of arts and culture that you funded in the Western Balkans in the period between 2006-2010 that you regard as an example of best practice and explain why.**

**b) What are the main lessons learned as a result of the implementation of this project(s)?**

**2. How would you describe your relationship with the organisations you support?**

- a) It is a real partnership and we cooperate effectively
- b) They are still developing partnership skills and learning to deliver expected results
- c) They show initiative by proposing projects and activities that we later support
- d) There is still a great need for overall improvement
- e) We do not cooperate effectively at all
- f) Other (please specify): \_\_\_\_\_

**3. How would you describe the overall visibility and media coverage of the projects that you support in the region?**

**4. In your opinion, which statement is valid in relation to the overall impact of donor funding in the region in the arts and culture sector? (please select all that apply)**

- a) Donor funding has strengthened the arts and cultural sector in the region
- b) Donor funding has created professional organisations in the arts and cultural sector
- c) Donor funding has created several leading and professional organisations and has not had an impact on the entire sector
- d) Donor funding has built capacities and helped develop sustainable arts and cultural organisations
- e) These organisations would not exist without donors
- f) Donor funding has not helped to develop organisations working in the arts and culture field in the

region

- g) Donor funding has created professional individuals and experts and not the whole sector
- h) Donors could have used their resources more effectively
- i) Donor funding has been an enormous waste of time and money
- k) Donor funding has weakened the arts and culture sector

### **III RELATIONS WITH OTHER DONORS OPERATING IN THE WESTERN BALKANS REGION**

**1. Which foundation/funder/organisation do you regard as the key donors operating in the region today in the field of arts and culture? Please list in order of significance.**

- 1.
- 2.
- 3.
- 4.
- 5.

**2. Please list the donors with whom you exchange information, synchronize activities and cooperate in relation to the funding in the region.**

- 1.
- 2.
- 3.
- 4.
- 5.

**3. How often do you communicate with other donors operating in the region?**

- a) On a daily/weekly basis
- b) At least once a month
- c) From time to time, but not often
- d) We do not communicate with other donors
- e) Other (please specify): \_\_\_\_\_

**4. How would you describe your relations with other donors?**

- a) We often share information and consult each other on strategies and other relevant issues)
- b) We are well-aware what other donors are working on
- c) We generally know what others are working on and doing in the region
- d) We meet from time to time but do not really know what they are doing
- e) We are not aware at all what other donors are doing
- f) Other (please specify): \_\_\_\_\_

## **APPENDIX 2:**

### **QUESTIONNAIRE FOR ARTS AND CULTURAL ORGANISATIONS FROM THE WESTERN BALKANS REGION**

The following questionnaire is part of a MA research project titled: *International Support for the Arts and Culture in the Western Balkans* carried out for the UNESCO Chair in Cultural Policy and Cultural Management, University of Arts in Belgrade. The research seeks to provide an overview of donor strategies and practices in the arts and culture field in the Western Balkans in order to increase their effectiveness and strengthen communication and cooperation among stakeholders. Your opinion and viewpoints to the following questions will remain confidential and anonymous, and will not be disclosed, but will be SUMMARIZED in the final thesis. In case there is a need to quote a specific answer, your permission will be asked for beforehand.

Thank you in advance for your time and assistance.

#### **I ACTIVITIES IN THE WESTERN BALKAN REGION**

**1. Since when has your organisation been active in the Western Balkan region?**

**2. What are your main priorities in the region?**

**3. What are the main activities that you focus on in your work in the arts and cultural sector in the region?**

- a) Capacity building
- b) Network building
- c) Policy advocacy
- d) Educational activities
- e) Other (please specify): \_\_\_\_\_

**4. What types of projects do you carry out? (please mark all that apply)**

- a) Regional grants involving several organisations
- b) Small-scale projects
- c) Inter-sectorial projects
- d) Short-term project grants (up to 24 months)
- e) Long-term project grants
- d) Other (please specify) \_\_\_\_\_

**5. In your opinion, from the financial and organisational viewpoint arts and culture organisations that you worked with in the Western Balkans region are:**

- a) Effective
- b) Mostly require donor support, but are operative and able to perform well
- c) Matching funds from many sources, including self-generated incomes
- d) Still weak but developing and becoming stronger
- e) Unevenly developed and unsustainable
- f) Mostly undeveloped
- g) Other (please specify): \_\_\_\_\_

**6. How would you evaluate other arts and culture organisations that you worked with in the Western Balkans region?**

- a) They do not operate effectively
- b) They mostly lack capacity
- c) They are dependent on donors
- d) They are developing and gaining influence
- e) They are effective and have developed capacities
- f) Other (please specify): \_\_\_\_\_

**7. In your opinion, what are the major changes and challenges facing the arts and cultural sector in the region in the next 3 years?**

**8. a) Please give an example of a project(s) in the field of arts and culture that you carried out in the Western Balkans in the period between 2006-2010 that you regard as an example of best practice and explain why.**

**b) What are the main lessons learned as a result of the implementation of this project(s)?**

**9. How would you describe the overall visibility and media coverage of the projects that you carry out in the region?**

**II RELATIONS WITH DONORS YOU RECEIVE FINANCIAL SUPPORT FROM OPERATING IN THE WESTERN BALKANS REGION**

**1. How would you describe your relationship with the donor organisations that you receive support from?**

- a) It is a real partnership and we cooperate effectively
- b) We are still developing partnership skills and learning to deliver expected results
- c) We show initiative by proposing projects and activities that they later support
- d) There is still a great need for overall improvement
- e) We do not cooperate effectively at all
- f) Other (please specify): \_\_\_\_\_

**2. In your opinion, which statement is valid in relation to the overall impact of donor funding in the region in the arts and culture sector? (please select all that apply)**

- a) Donor funding has strengthened the arts and cultural sector in the region
- b) Donor funding has created professional organisations in the arts and cultural sector
- c) Donor funding has created several leading and professional organisations and has not had an impact on the entire sector
- d) Donor funding has built capacities and helped develop sustainable arts and cultural organisations
- e) These organisations would not exist without donors
- f) Donor funding has not helped to develop organisations working in the arts and culture field in the region
- g) Donor funding has created professional individuals and experts and not the whole sector
- h) Donors could have used their resources more effectively
- i) Donor funding has been an enormous waste of time and money
- k) Donor funding has weakened the arts and culture sector

**3. Which foundation/funder/organisation do you regard as the key donors operating in the region today in the field of arts and culture? Please list in order of significance.**

- 1.
- 2.
- 3.
- 4.
- 5.

**4. Please give an example of a project(s) in the field of arts and culture that you carried out in the Western Balkans in the period between 2006-2010 that you regard as an example of best practice cooperation with donor(s) and explain why.**

**5. How often do you communicate with donors operating in the region?**

- a) On a daily/weekly basis
- b) At least once a month
- c) From time to time, but not often
- d) We do not communicate with donors
- e) Other (please specify): \_\_\_\_\_

**6. How would you describe your relations with the donors you receive support from?**

- a) We often share information and consult each other on strategies and other relevant issues
- b) We generally know what donors are working on and doing in the region
- c) We meet from time to time but do not really know what donors are doing
- d) We do not share information and are not aware at all what donors are doing
- f) Other (please specify): \_\_\_\_\_

## VITA

Marija Dimitrijević Mišković, born on March 26, 1979 in Kikinda, Serbia, graduated in English Language and Literature from the Faculty of Philology, University of Belgrade in 2005. She received a scholarship for her two-year postgraduate studies in Anthropology of Everyday Life (Media Studies) at the Ljubljana Graduate School of the Humanities (ISH) in Ljubljana, Slovenia, which she completed in 2008. Marija is currently a MA candidate at The University of Arts in Belgrade and The University Lumière Lyon 2 in France / UNESCO Chair for Cultural Management and Cultural Policy in the Balkans.

From 2008 to 2010 she worked at the regional non-governmental organisation Youth Initiative for Human Rights (YIHR), first as a project coordinator and then as a programme coordinator. Throughout her work at the Youth Initiative for Human Rights, she gained immense experience in festival management, event planning and became involved with the regional arts and cultural community. She was one of the main organisers of the Days of Sarajevo Festival in Belgrade in 2009 and 2010, the Belgrade Youth Summit in 2009, and the Vivisect Festival in Preshevo. She was also the main coordinator of the Days of Sarajevo Festival side-programme in 2009 and one of the moderators and organisers of the DocuCorner at the Sarajevo Film Festival (SFF) held in Sarajevo in 2009.

In April 2009 she took part in the Commemorative Cultures study tour in Germany organised by Robert Bosch Stiftung for representatives of civil society organisations from Southeast Europe, where she visited numerous museums, memorial sites, educational institutions and had discussions with prominent cultural professionals regarding Germany's way of remembering the past and development of a culture of remembrance. Marija also conducted a two-month internship at the Belgrade Summer Festival (BELEF) in the period between June and August 2011, where she collaborated as a production assistant.

Marija currently lives and works as a freelancer in Belgrade.  
She is happily married.