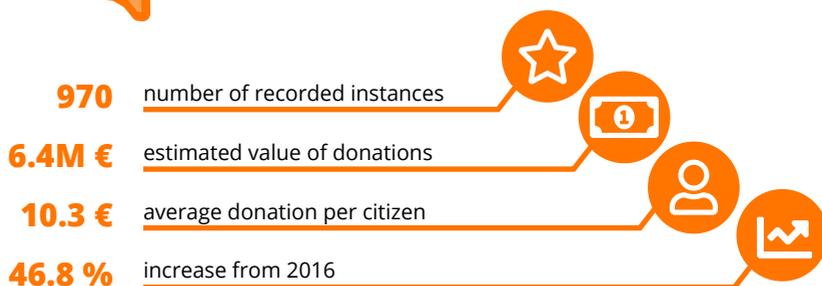
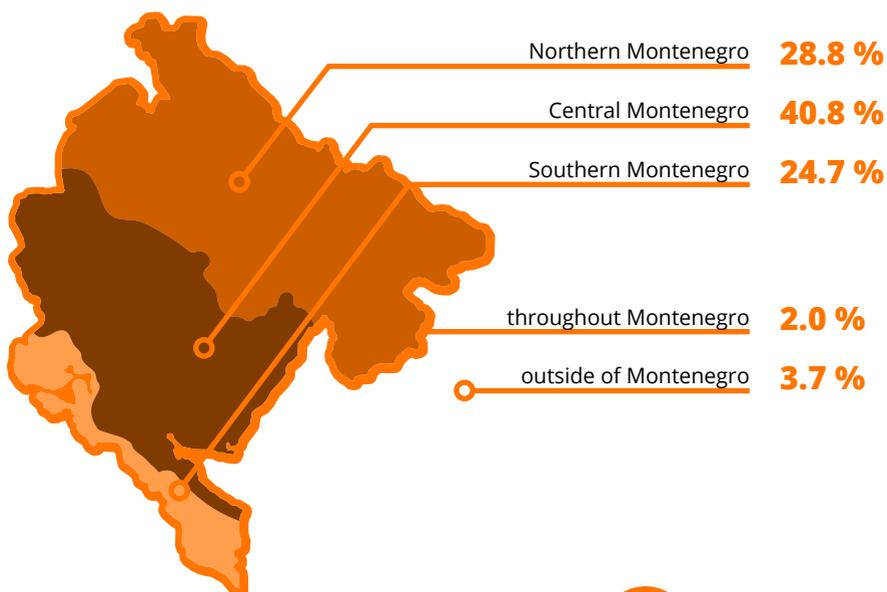




Annual Report on the State of Philanthropy Montenegro

Quick Facts



During 2017, Catalyst Balkans tracked media reports on domestic individual, corporate and diaspora philanthropy in Montenegro. This brochure provides key statistics on the findings of this research.

Several Characteristics of Philanthropy in Montenegro in 2017

- Level of giving** During this year, level of philanthropic activity has increased, as 970 unique instances of charitable giving were recorded. Total estimated value of giving in the country is EUR 6.4 million which is in comparison with 2016 46.7% higher.
- Geographic distribution** The analysis of the geographic distribution of giving shows the raise of the percentage of instances in Central (40.8%) and drop in Southern (24.7%) Montenegro regions, while distribution of giving to Northern Montenegro (28.8%) maintained level from 2016. Percentage of instances that were directed across the several regions also stayed at the last year's level (2%), while interest in support to other countries has been increased (3.7%). Distribution of giving to the capital has increased as this year 33.5% of instances was directed to Podgorica.
- Donors** In 2017, percentage of recorded instances coming from corporate sector has seen quite an increase (38.4%) and this type of donor has taken the leading donor position when it comes to the activity. Citizens were less active this year and with 34.1% of instances dropped to the second place. Being still at the third place, individual donors increased the activity and participated with 10.9% of recorded instances. In terms of the values of donations, it is noteworthy that there has not been recorded any decrease in donated values coming from the main three types of donors. Corporate sector has significantly increased its share in total recorded value of giving (58.3%). Despite dropping to the second place by activity, citizens have also increased percentage of the recorded given amount (22.2%), while individual donors maintained the same level from 2016 with 2.7% of total recorded value. When it comes to diaspora donors, not much changes have occurred and level from last year is maintained in 2017 too, with 6.9% of recorded instances and 7.4% share of total recorded amount.
- Themes** This year the ranking of four key supported themes is somewhat changed in comparison with 2016. With decreased number of instances

(26.2%) healthcare is still at the first place, while support to marginalized groups was slightly reduced (24.9%) but maintained the ranking as second. Very positively, the education has seen significant increase in number of instances (20.6%) and is now at the third place in front of the poverty relief, which saw reduced donor activity with 9% of recorded instances.

Recipients

For the first time since 2014, institutions are the most frequent recipients of giving with increased number of instances (39.9%), while individual and family recipients dropped to the second place with decreased number of instances (34.1%). Nonprofit organizations attracted donors' interest more than last year and percentage of instances directed towards them is higher – 20%. Local and national governments maintained the same level as in 2016. At the same time giving to the state has been increased with 43.8% of recorded instances. When it comes to the recorded donated values invested in support to the top four recipient entities, nonprofits' share of the is significantly higher than last year, as well as share directed towards institutions. Donated value to the individuals and families is smaller, while percentage of the donated value to the local and national governments stayed at the 2016 level.

Nonprofit organizations

In terms of donors' interest, in 2017 nonprofits maintained the status of thirdly ranked recipient entity. As mentioned above, both the number of instances and recorded values directed towards associations and private foundations have increased in 2017. Nonprofits were mainly supported by citizens in mass individual actions, corporate sector as second main donor, but also by individuals and mixed donors. In general, higher level of recorded instances shows that nonprofit organizations prove to be more accountable and that donors' trust in them is slowly growing.

Use of donation

Looking at the use of donation, we can underline some positive changes in 2017. Although one-off support is still predominant, percentage of instances that were given in this form of support is lower than last year, while at the same time strategic investments have seen increase – 39.2% instances was given as long-term support.

Beneficiaries

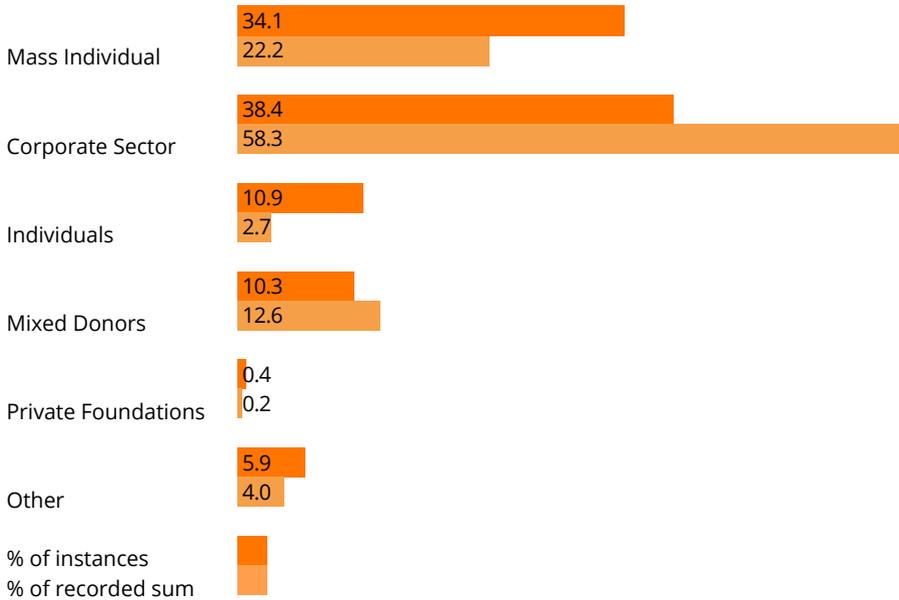
This year, support to the population from the local communities have seen increase in the percentage of instances (33.1%) which makes this beneficiary group the most supported. Percentage of recorded instances directed toward people with disabilities is also higher than last year, while frequency of giving for support people with health issues and people in economic need has been reduced in comparison with last year.

Data Transparency

In this regard, the data shows very positive change in comparison with 2016. In 2017 percentage of media reports where value of donations is indicated (40.4%) is for more than 10% higher than last year.

Donors

Donations by Type of Donors



Key Trends in Types of Donors

% of Instances	2015		2016		2017
Mass Individual	39.4%	↗	48.4%	↘	34.1%
Corporate Sector	23.6%	↗	27.8%	↗	38.4%
Individuals	11.3%	↘	7.0%	↗	10.9%
% of Recorded Sum	2015		2016		2017
Mass Individual	26.3%	↘	15.3%	↗	22.2%
Corporate Sector	50.8%	↘	32.5%	↗	58.3%
Individuals	10.7%	↘	3.7%	≈	2.7%

Donors Key points

Out of 970 donation instances, 40.4% had a monetary value associated with them, which is for more than 10% increase from 2016. Media pays more attention to this topic perceiving it as important and provide complete and more accurate information. The total value of donations reported upon by the media and which could be verified using other sources is somewhat over EUR 3.93 million. Given the increased percentage of the value transparency, we used extrapolation to make a cautious estimate that the value of donations for charitable purposes in Montenegro in 2017 was over EUR 6.4 million.

Data shows that in terms of donor types, this year was by all means marked by predominance of the corporate sector. The most numerous are donations provided by this donor type (38.4%), which continued the trend of increased activity in this year too and took over the leading position as the most frequent donor. After increase in the activity last year, in 2017 citizens saw drop in number of recorded instances (34.1%). On the other hand, individual donors have seen increase in activity and participated in the total number of recorded instances with 10.9%. Participation by other types of donors combined is 16.6% of instances.

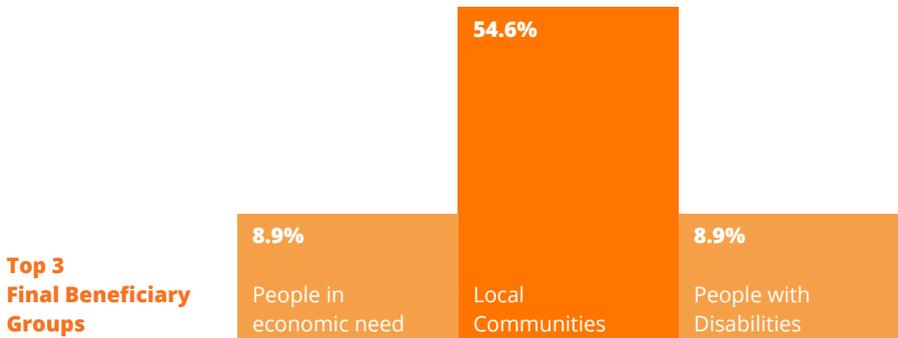
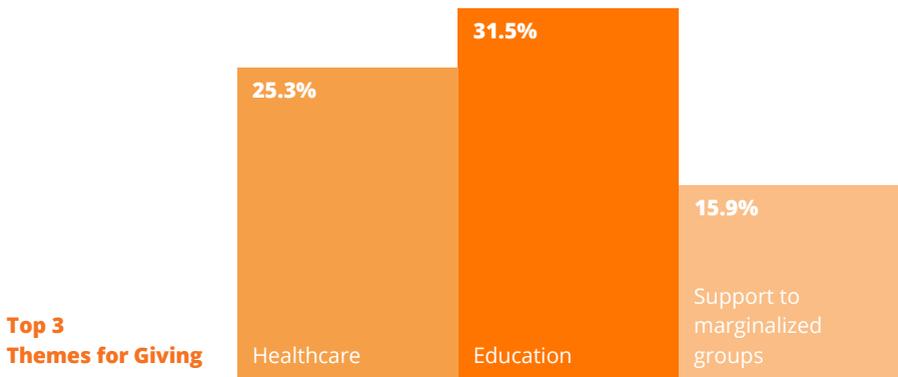
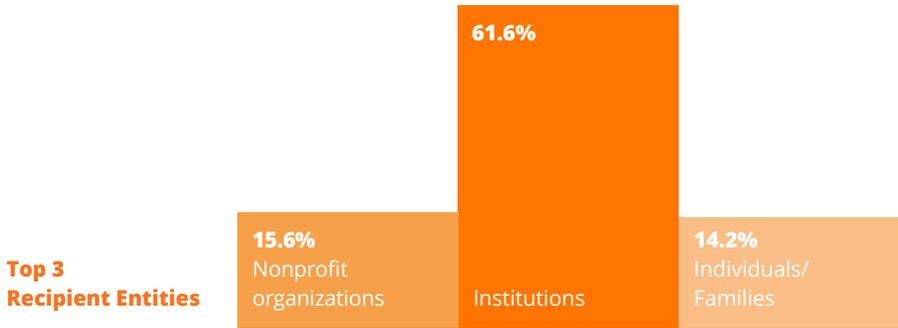
If we look at the value of donations, the ranking of the donors is the same, with corporate sector maintaining the first place and increased recorded amount donated: more than half of the total recorded amount (58.3%) in Montenegro in 2017 was given by the corporate sector. Citizens follow with the raised share of 22.2%, while level of giving of the individual donors is the same as in 2016.

Corporate sector participated with high amounts in 2017, and a few investments in the communities from three distinguished Montenegro companies stood out with support to healthcare, public infrastructure and education. Additionally, citizens' intensive participation in a few fundraising campaigns, the first Montenegro Teleton in particular, resulted in both increased percentage of instances and donated value from this donor type.

In 2017 diaspora showed the same level of interest to support causes and beneficiary groups in Montenegro. 6.9% of instances, and 7.4% of total recorded value of giving were donated by diaspora individual donors, but also through giving within fundraising campaigns of one big diaspora private foundation.

Corporate Sector

Profiles of the Most Common Types of Donors



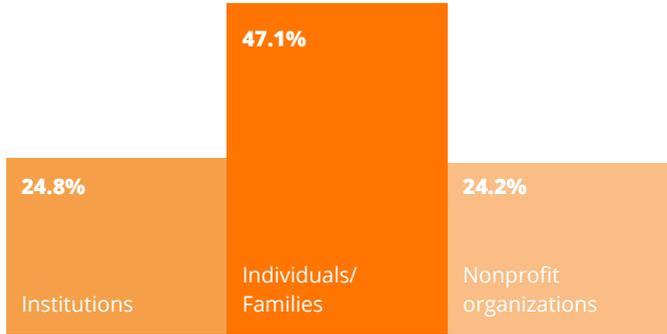
Examples of Corporate Sector Donations

-  Within the cooperation with Municipality Bijelo Polje and Montenegro Directorate for Public Projects (Direkcija za javne radove Crne Gore), corporation Adriatic Properties doo Budva donated amount of 480,000 EUR for the reconstruction of the city square in Bijelo Polje. The reconstruction works were done in the period from March till August 2017.
-  During 24th Podgorica Marathon, in which more than 80 Telenor Crna Gora employees with their families participated, 5 km long “Trka zadovoljstva” (Pleasure Race) took place in order to support socially responsible projects. Telenor Crna Gora and Telenor Foundation donated EUR 5 for each kilometer run by employees and their families, and raised money was used for the purchase of IT and computer equipment donated to several resource centers for children with developmental difficulties who are their beneficiaries.
-  Security company Guard Žižić Security doo based in Nikšić, donated material and provided workforce for refurbishment of Neurosurgery department at the Risan Hospital. The value of donation was EUR 3,000.
-  Small and medium enterprise Capital Fitness Center from Podgorica, which serves as a fitness club and training center, donated valuable gym equipment to the elementary school Božidar Vuković Podgoričanin from Podgorica. This donation is provided in an effort to support children’s healthy development and promote active lifestyle for children. Together with the equipment, the gym staff provided training for children to be able to use the equipment.

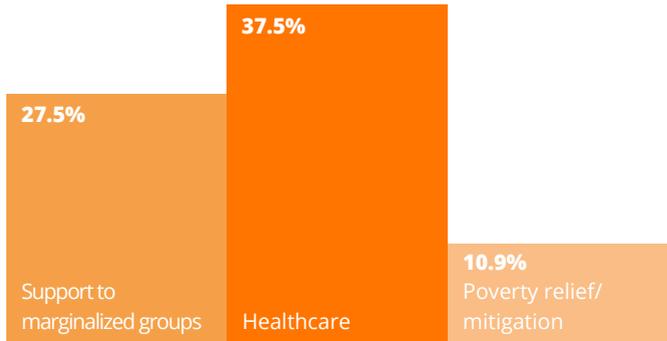
Mass Individual

Profiles of the Most Common Types of Donors

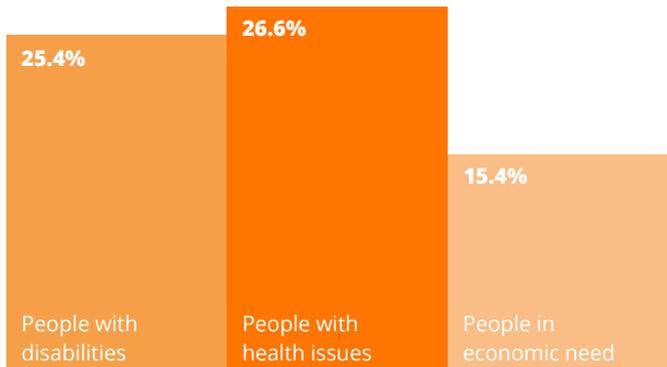
Top 3 Recipient Entities



Top 3 Themes for Giving



Top 3 Final Beneficiary Groups



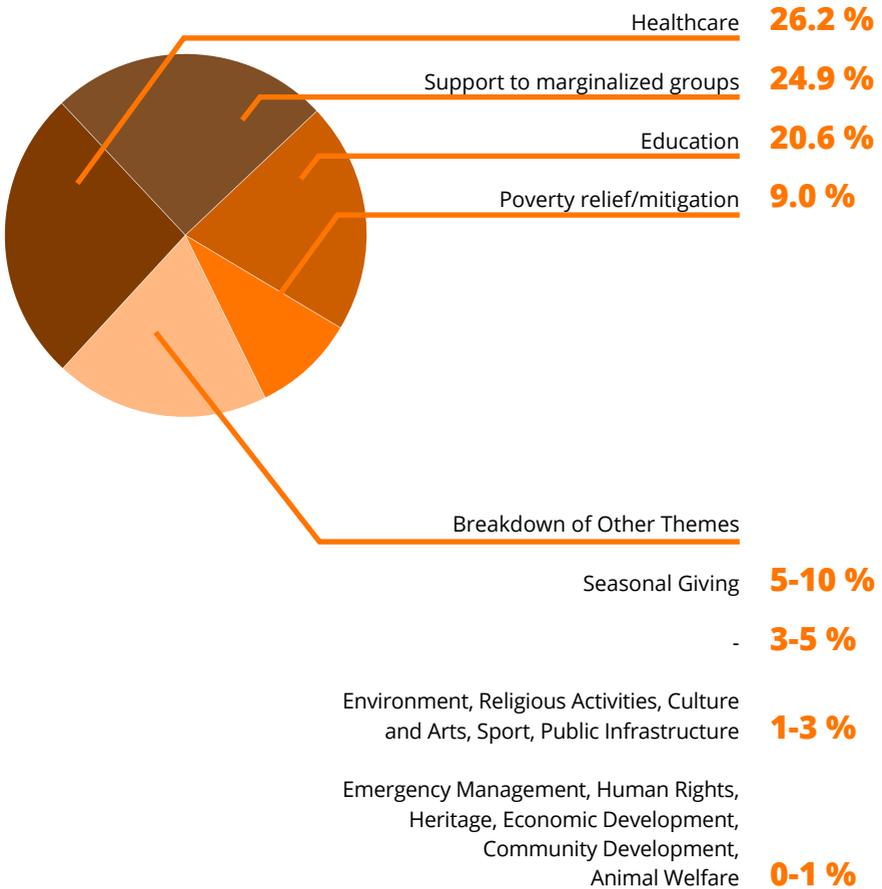
Examples of Mass Individual Giving

-  Within the campaign initiated by the Association Župa u srcu (Župa in the heart) from Nikšić, citizens were invited to donate new or used books for Dušan Bojović Elementary school library in Župa. The fundraising action resulted in 600 new books obtained, as citizens donated approximately EUR 500 in cash donations and 30 various book titles.
-  Association Meštar i furešta started action “Računajte na nas” (You can count on us) in order to collect funds for buying tools to equip carpenters workshop in Kotor’s Special Psychiatric Hospital. Citizens had opportunity to place contributions in donor boxes as well as via payments to CSO’s bank account. EUR 430 in total was collected which was enough funds to purchase needed tools.
-  Employees at hotel Regent Porto Montenegro used the opportunity of gathering at their corporate New Year and Christmas party, and collected money to buy needed musical instruments for Tivat Music School (trombone) and Vida Matjan music school (violoncello) in Kotor.
-  During humanitarian football tournament that took place in the renovated athletic hall of Maritime High School in Dobrota EUR 6,000 was collected from participation fees of competing teams and through contribution of visitors to the donation boxes. These funds were donated to the Kotor Municipality for construction and arranging children’s playground at Zlatne njive neighborhood.

Diaspora Support

-  11th donors evening organized by Gusinje Foundation from Long Island City was held late in 2017 in New York, USA. The purpose of this event was to collect funds for building sports and track fields stadium and supporting premises in the yard of the elementary school Džafer Nikočević in Gusinje, Montenegro. Gusinje Foundation members from diaspora responded to this call and the fundraiser successfully collected more than EUR 85,000 (USD 100,000). This capital investment project was implemented in cooperation with Montenegro Ministry for sports and culture and Ministry for education.

Key Themes for Giving



Key Themes

% of Instances	2015		2016		2017
Poverty relief/mitigation	22.4%	↘	12.8%	↘	9.0%
Healthcare	15.5%	↗	30.9%	↘	26.2%
Support to marginalized groups	27.0%	↻	26.0%	↘	24.9%
Education	14.8%	↘	12.0%	↗	20.6%

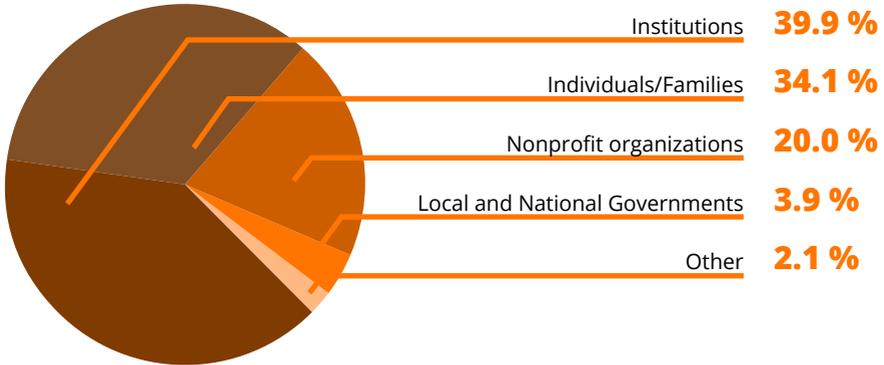
The four key themes supported were: healthcare, support to marginalized groups, education and poverty relief. The instances directed to these themes add up to slightly over 80% recorded instances.

When compared with 2016, data shows that the ranking of themes has changed in a small extent. Despite the decrease in the percentage, healthcare continued to hold the first position. Still second at the list, support to marginalized groups have also seen a slight decrease in percentage. Donors' interest in education was much higher in 2017, which combined with the drop of percentage of instances for the poverty relief pushed this topic to the third place. After last years' decrease in support to education, it is very positive that this theme again attracts higher donor interest, especially because almost 60% of instances that were directed to education was given in form of long-term support, mostly equipment.

The range of other supported themes is remains broad this year, with seasonal giving traditionally at the top of this list with 9% of instances. All other themes supported last year are still present, with addition of economic development which appeared in 2017 again, after lack of donors' interest in 2016.

Recipient Entities

Type of Recipient Entities

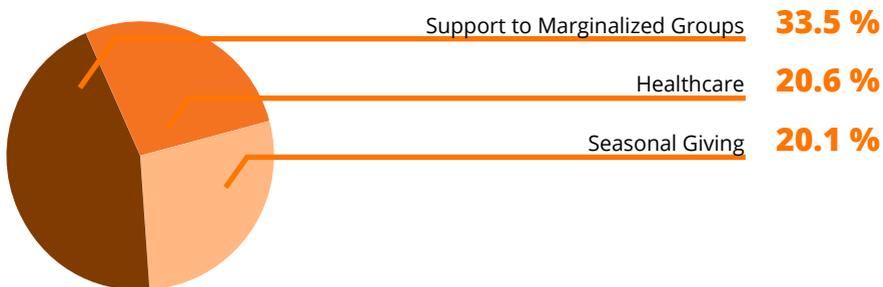


In 2017, institutions have seen significant increase of instances directed towards them and are placed now at the top of the list of the most supported recipient entities. In comparison with 2016, individuals and families saw drop in support to them, and took the second place, while nonprofits maintained third ranked with raised donors' interest. Local and national governments continued to be at the fourth place with same level of support. As for the recorded values, both institutions and nonprofit organizations have seen increase in percentages of the received donation values.

Beneficiary Entities

% of Instances	2015		2016		2017
Nonprofit organizations	14.6%	↗	16.6%	↗	20.0%
Individuals/Families	41.9%	↗	46.4%	↘	34.1%
Institutions	36.6%	↘	31.8%	↗	39.9%
Local/National governments	4.8%	↔	4.0%	↔	3.9%

Nonprofit Organizations in 2017



The category of nonprofit organizations consists of local civil society associations, foreign organizations, such as UNICEF, and private foundations.

Over previous years, nonprofit organizations in Montenegro have been continuously developing their activities to gain trust of donors and partners, so that the percentage of instances of giving to them gradually increased to reach 20% in 2017. In terms of the value of donations the picture is the same, as in 2017 recorded amount donated to the nonprofit organization has significantly increased to 24.1%, which is more than 16% higher than in 2016.

In 2017 majority of the donations for the nonprofit organizations were coming from mass individual donor type, then the corporate sector, while individual donors remained at the third place but with the significantly increased interest.

The themes that nonprofit organization receive the most frequent support for are support to marginalized groups, healthcare, seasonal giving and poverty relief, but also in smaller extent sport, education, culture and arts and animal welfare. If we look at the final beneficiary groups supported by nonprofits, data shows that the top four are people in economic need, people with disabilities, people with health issues, and finally population from local communities. Besides that, nonprofit organization also support general population, people living in other countries and animals.

Nonprofits have become more active over the years which eventually resulted in stronger donor interest, both in terms of frequency of the support and donated value. Several organizations appeared for the first time (Association Ruke, Association Zdrava-Dona Montenegrina, CSO Green Home, etc), while organizations that received multiple donations this year are Humanitarian organization Rožaje, Food Bank Montenegro, CSO Izvor života, DD Merhamet - Charity Society Merhamet in Montenegro and Budva Rotary Club. Among private foundations newly established Budi Human Foundation Montenegro stood out, as the foundation organized first Montenegro Teleton which successfully gathered numerous donors throughout the country and collected funds for medical treatments of people with health issues.

Sucesfull Campaigns

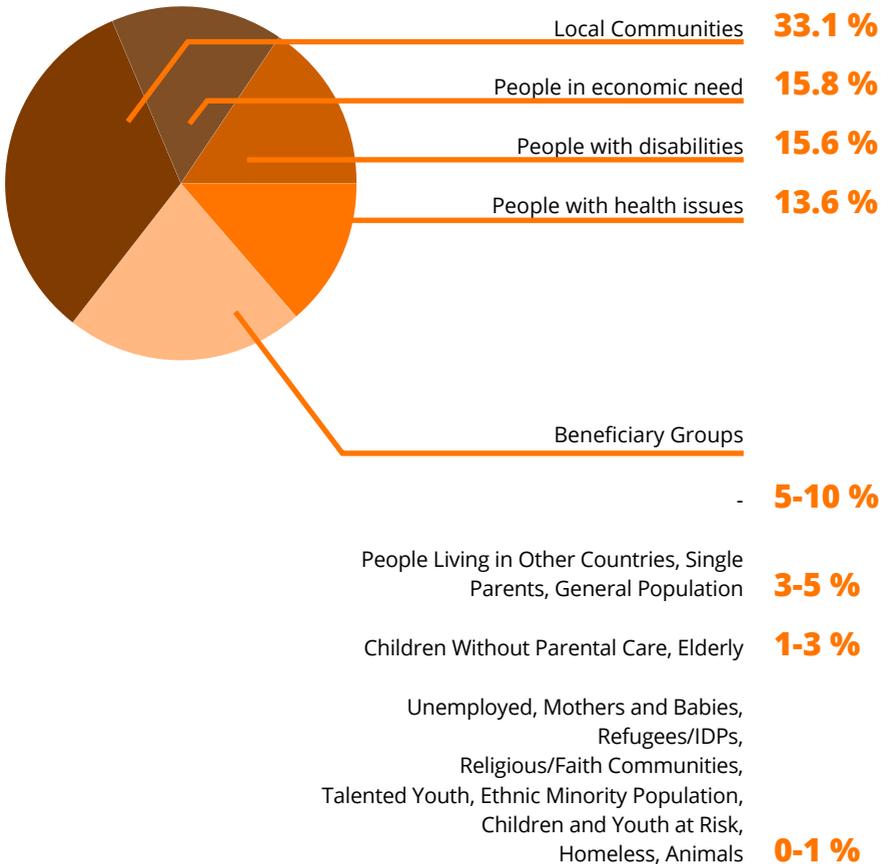


At the end of year 2016, Budi Human Foundation (Be Human Foundation) was established for initiating and organization of the first TELETON in Montenegro "Podrži, pobjedi" (Support, win) which took place in early 2017. During this successful national campaign, which was supported by five TV stations, over EUR 367,000 was generated for medical treatment for children diagnosed with cancer. The foundation launched new online platform (first of the kind in Montenegro) for crowdfunding, providing opportunities for donors to contribute and transparently keeping track of the funds collected for each campaign. Budi Human Foundation also maintained regular media appearances to motivate people to support both Foundation and fundraising campaigns it runs.



CSO Aktivna Zona (Active Zone) and its branch Youth foundation successfully finished fundraising action "Zajedno bez barijera" (Together Without Barriers). where EUR 6,000 was collected and donated for needed modification on building Prijestonica Cetinje (Capital Cetinje) for the purposes of making it accessible to people with disabilities. Prior to this, Youth Foundation has organized several fundraising campaigns and mobilized many citizens to collect funds for the equipment for the delivery room in the Danilo I General Hospital in Cetinje, but also humanitarian support for people in economic need.

Key Beneficiary Groups



Trends in Key Final Beneficiary Groups

% of Instances	2015		2016		2017
People in economic need	23.7%	↘	22.4%	↘	15.8%
Local communities	25.1%	↗	25.7%	↗	33.1%
People with health issues	11.2%	↗	22.9%	↘	13.6%
People with disabilities	16.7%	↘	12.0%	↗	15.6%

78.1% of all recorded instances of giving in 2017 were directed towards top four final beneficiary groups: population from local communities, people in economic need, people with disabilities and people with health issues.

Population from the local communities have seen quite an increase in number of the received instances mostly through education - almost 59% of the instances directed towards this beneficiary group was given for the theme of education. Therefore, increase in education influenced the raise of percentages of instances received by the local communities. People in economic need and people with disabilities received almost equal number of instances, while people with health issues have seen decrease and are the least supported key beneficiary group.

In comparison with 2016, the range of other supported beneficiary groups remained very broad with unemployed people as new supported group.

Use of Donations



It is noteworthy that in terms of the use of donation this year is marked by positive changes in distribution of the support. Data shows that there has been increase in long-term support, while on the other hand percentage one-of assistance went down. Distribution of instances for which the use could have not been determined stayed at the 2016 level. With on-of support (humanitarian support, supplies, individual housing and medical treatments) still maintaining the first position (45.1%), distribution of long-term investments (support that may produce long-term effects - primarily equipment, capital investments, services and scholarships) has reached 38.6% of total recorded instances. Being the traditionally strongest donor when it comes to the long-term support, in 2017 corporate sector participated with 59.4% of instances given in this form of support, which represents a slight decrease in comparison with 2016.

% of Instances	2015		2016		2017
Long-Term Support	34.5%	↗	35.8%	↗	38.6%
One-Off Support	49.3%	↔	48.4%	↘	45.0%
Unknown	16.2%	↔	15.8%	↔	16.4%

Examples of Long-term Support

-  Podgorica construction company Bemax LLC has signed the contract with the University of Montenegro provided 22 scholarships to students of the 3rd and 4th year of studies at the Faculty of Civil Engineering. Each student received monthly allowance of EUR 200 throughout the year, and total value of scholarships was EUR 52,800.
-  Medical assistance facilitator company Marin Med Montenegro from Kotor, founded in Kotor, has signed a donation agreement with Kotor General Hospital. This valuable donation exceeded EUR 400,000 and was intended for the renovation and refurbishment of the hospital's accommodation units.

Methodology



The methodology for this report was inevitably conditioned by the viable options for collecting data. Research on this topic worldwide shows that the only completely reliable source of information on level of giving for charitable purposes is collected by tax authorities. For many reasons it was not possible to use this source of information in any of Western Balkans countries. As mentioned previously, Catalyst has opted for alternative ways of collecting data, using primarily media data as well as other available data sources. Concretely, the data used as the basis for this report was gathered by monitoring the electronic, printed and on-line media on the local, regional and national levels in the period from January 1 through December 31, 2017.



There are three key limitations to this methodology. First, this method does not provide comprehensive data because the media does not report on all charitable instances and giving. Second, media reports often do not provide all data of importance in following the development of philanthropy (most often the media does not publish the amount donated and/or collected). Third, there is a potential limitation in the credibility of data published by the media. The first limitation cannot be overcome at this time. Where the second and third limitations are concerned, Catalyst seeks to overcome them by cross-analyzing various media, and then conducting additional research, for example by checking the reporting by companies' and nonprofit organizations (if available to the public).



Our figure, although not comprehensive, provides a minimum value of relevant indicators. Hence, this data may be used as indicators of the minimal degree of philanthropy development in a specific country.



Continued observation will show a rise and/or drop in numbers and change in data related to our selected indicators. Therefore, continued monitoring over years will point out trends in philanthropy development as well as trends in media reporting on the subject. To conclude, under current conditions, we are of the opinion that the methodology allows for preliminary insight into philanthropy in Montenegro.

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CHARLES STEWART
MOTT FOUNDATION

Prepared by

Zorka Kovačević
Jelena Bekčić

Edited by

Aleksandra Vesić

FOUNDATION CATALYST

Takovska 38, 11000 Beograd, Serbia

catalystbalkans.org
givingbalkans.org

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