

From the state budget to parties' budgets through phantom citizens' associations

Non-governmental organizations, i.e. organizations of civil society or associations of citizens, are voluntary and non-profit associations, based on the freedom of association of several natural or legal persons, established for the purpose of achieving and promoting a certain common or general goal and interest. Perhaps this legal definition sounds legally rigid, thousands of activists, human stories, small victories, results, but also disappointments, failures, and certainly difficult moments, days, years, pressures, lawsuits, persecution are hidden behind the rigid definition. Almost every word from the definition could be elaborated and illustrated - voluntariness, freedom of association, meaning of the term "non-profit", common goal, general interest. But what if the association was de facto not founded "for the purpose of achieving and promoting a certain common or general goal and interest" but for two other goals: extracting money from the budget or creating the impression in the public that the civil sector supports the government's activities. That is the beginning of the story about "governmental non-governmental organizations", also known by the English acronym GONGO (government-organized non-governmental organization).

The work of associations, known in recent decades as non-governmental organizations or civil society organizations, in the Republic of Serbia, is regulated by the Law on Associations¹. And there is no difference between NGOs and GONGOs. The law stipulates that associations can acquire property from membership fees, voluntary contributions, donations and gifts (in money or in kind), financial subsidies, bequests, interest on stakes, rents, dividends and in other ways permitted by law. The register of associations² is managed by the Business Registers Agency and, according to the situation at the beginning of 2025, it contains more than 37,300 associations.³

The law also regulates, and now we are getting closer to what is important from the point of view of GONGO, the possibility of financing associations from the budget of the Republic of Serbia, in the form of providing funds to encourage programs or the missing part of funds to finance programs that are of public interest.⁴ The government, that is, the ministry responsible for the area in which the main goals of the association, autonomous provinces and local self-government units are realized, allocate funds on the basis of a public tender and conclude contracts on the implementation of approved programs. Programs of public interest are particularly considered to be programs in the areas of: social protection, veterans-disabled protection, protection of persons with disabilities, social care of children, protection of internally displaced persons from Kosovo and Metohija and refugees, encouraging the birth rate, assistance to the elderly, health care, protection and promotion of human and minority rights, education, science,

¹ https://www.paragraf.rs/propisi/zakon_o_udruzenjima.html

² <https://pretraga.apr.gov.rs/search>

³ Page 196, <https://www.transparentnost.org.rs/images/publikacije/NIS-2023-SR.pdf>

⁴ Article 38 https://www.paragraf.rs/propisi/zakon_o_udruzenjima.html

culture, information, environmental protection, sustainable development, animal protection, consumer protection, fight against corruption, as well as humanitarian programs and other programs in which the association exclusively and directly follows public needs. The government regulates more detailed criteria, conditions, scope, method, procedure of allocation, as well as the method and procedure of returning the funds if it is determined that the association does not use the received funds for the implementation of approved programs, and this is most often done by passing regulations. Associations that have received funds from the budget of the Republic, i.e. autonomous provinces, i.e. local self-government units for the implementation of programs of public interest at least once a year make available to the public a report on their work and on the scope and method of acquiring and using funds and deliver that report to the fund provider. The law also stipulates that Associations are obliged to use the received funds exclusively for the implementation of approved programs. It is all written in the Law. And the Law is there to be respected. And maybe not, it depends.

The rulebook on the allocation of funds specifies the conditions under which non-governmental organizations can apply, as well as the basic criteria, which include the sustainability of the project, transparency of the organization's work, previous experience and expertise in the implementation of social programs. Ideally, tenders should be open, competitive and based on clearly defined objectives. Also, it is necessary to ensure public control of the allocation of these funds in order to prevent misuse. Legal provisions related to the allocation of funds regulate the procedures in detail, but their application in practice, as shown, can be problematic.

The allocation of funds to citizens' associations from the state budget should ensure the improvement of civil society and social services. However, as shown by numerous researches, tenders for the allocation of these funds become places of manipulation and malfeasance. Although the task of citizens' associations is to improve certain social spheres, there is serious concern about the failure to implement proper procedures in the allocation of public money. The European Commission's Report on Serbia for 2024 states: "It is necessary to significantly improve the transparency and fairness of public financing of civil society. Some of the key challenges are the lack of transparent criteria for approving support to civil society organizations, the selection of independent experts in evaluation committees, as well as reporting on the funds spent."

When it comes to the realization of the process of allocation of budget funds, the Transparency Serbia - Local Self-Government Transparency Index for 2024⁵, study shows that the publication of information on the allocation of funds for projects of civil society organizations at the level of local self-government units is not sufficiently transparent. Public invitations for the allocation of funds to associations were published on the websites of 126 local self-government units (170 LGUs were investigated as part of this research), and decisions on the allocation of funds were published on 111. The worst situation is regarding the publication of reports on implemented projects, i.e.

⁵ <https://www.transparentnost.org.rs/sr/istraivanja-o-korupciji/Iti>

evaluations, how the allocated money was spent and what the results of the activities were - only 11 LGU units had this data published. That trend has been present for several years, so this indicator has not changed significantly. One of the few examples of good practice is the behavior of the city of Kragujevac, which has a special section on its website dedicated to the publication of all information related to the allocation of city funds⁶, while in most other LGUs it is more complicated to find this information since it is published in different sections: news, documents, etc.

Like local self-governments, the allocation of funds at the republic level is equally non-transparent. BIRN's research reveals serious irregularities in the work of the Ministry of Family Care when allocating funds to non-governmental organizations. In the competitions they conducted, it was discovered that the funds were awarded to organizations that did not meet the legal requirements or that did not implement the projects for which they received money. This was made possible through manipulations and non-transparent procedures, and everything pointed to systemic problems in the allocation of state subsidies. The research showed that in some cases organizations with political connections received funding, while others that met the conditions were neglected. Also, part of the organizations that received funds had no experience in the implementation of similar projects, which additionally indicated serious irregularities in the selection process. In this way, money that should have been invested in community development often ended up in the hands of organizations that did not meet the basic criteria. In addition, it was discovered that the tenders were not transparent enough, as not all information about the allocated funds was disclosed, and the control over the use of those funds was insufficient. These irregularities not only undermine citizens' trust in institutions, but also threaten the effectiveness of programs that were supposed to help vulnerable groups.⁷

The law stipulates that associations financed from the budget must publish a report on their work and the manner and extent of using these funds and submit it to the donor. The law also stipulates that the work of the association must be public. Generally, there are transparency provisions in the main regulations governing NGOs, including fines for violations of the provisions.

A false image of the non-governmental sector through fabricated associations

Slandering and branding non-governmental organizations is not the only way to undermine the results and credibility of their work. About a decade ago, the process of creating the GONGO association began in Serbia. The contradiction in the name "Governmental non-governmental organization" means that persons close to the

⁶ <https://kragujevac.ls.gov.rs/tekst/2218/javnikonkursi-stipendije-pozivi.php>

⁷ [BIRN - Prevare u Ministarstvu za brigu o porodici](#)

authorities establish non-governmental organizations in order to either represent a copy of an existing non-governmental organization in terms of name and logo, and under the guise of legitimacy that the existing organization has among citizens, place narratives that favor the authorities or narratives that aim to destroy the existing legitimacy of the original organization. In such a situation, the organization Transparency Serbia with its GONGO counterpart, which is politically aligned and engaged, has long been in such a situation, and from the long eclectic name, the regime's media often echo only "TRansparency" and create the wrong image that TS stands behind the statement or announcement. GONGOs are also established to extract money from the budget and return it to the public officials who made the allocation possible or to the political parties behind them. In this way, the same actors, who are in power, participate in the allocation of state funds and, through intermediaries, in the receipt of those funds.

According to research by the Citizens' Initiative organization, the GONGO organizations most active in the field of corruption are the Council for Monitoring, Human Rights and the Fight against Corruption - "Transparency" and the Institute for the Fight against Corruption. According to the public prosecutor from the Appellate Public Prosecutor's Office Lidija Komlen Nikolić, from the Association of Public Prosecutors and Deputy Public Prosecutors of Serbia, there are also GONGO associations in the judiciary. A typical example, as she states, is the Association of Judges and Prosecutors.⁸

Several researches conducted by the Umbrella Organization of the Youth of Serbia, CINS and BIRN shed light on the mechanisms of abuse of public funds. So, for example, it was discovered that money for work in the call center of the Serbian Progressive Party, during the campaign for the parliamentary elections in December 2023, was paid by the non-governmental organization Center for Education and Development of Youth in Belgrade (CEROB). That organization received almost 24 million dinars from the state, i.e. about 200,000 euros, of which 17.7 million for four projects for employment and development of youth entrepreneurship.⁹ CEROB was founded in October 2018 and its logo strongly resembles the logo of the Transparency Serbia organization, which was founded in Serbia in 2002 and operates under the umbrella of the international network - Transparency International, which was founded in 1993 and whose logo it uses.

The phenomenon of GONGO organizations seriously threatens the integrity and independence of the civil sector, undermining citizens' trust in authentic non-governmental organizations and their work. Through abuse of public resources, manipulation of narratives and impersonation of legitimate actors, the authorities create a parallel system that serves their interests, while at the same time hindering the work of organizations dedicated to the fight against corruption and the protection of human rights. This practice not only undermines democracy and transparency, but also further

⁸ Page 197 NIS <https://www.transparentnost.org.rs/images/publikacije/NIS-2023-SR.pdf>

⁹ <https://nova.rs/vesti/politika/steze-se-obruc-oko-organizacije-u-kojoj-je-deljen-novac-za-sns-kol-centar/>

deepens the problem of systemic corruption, making the struggle for responsible government and the rule of law even more challenging.

Miša Bojović

The text was created within the project "EU for the Rule of Law: Engaging Citizens for Public Integrity in the Western Balkans and Turkey", which is implemented by Transparency International with the support of the European Union.



Transparency Serbia is solely responsible for the content of the publication. The views expressed cannot be considered in any way to reflect the views of the European Union.