CITIZENS' ASSOCIATIONS IN THE REPUBLIC OF CROATIA

What are associations and how are they founded?

An association is any form of free and voluntary association of several natural or legal entities that are willing to submit to the regulations governing the structure and the actions of such form of association, in order to protect their interests or to advocate the common good, without the intention of making profit. The foundation and operation of associations in the Republic of Croatia are regulated by the Law on Associations (Official Gazette, No. 74/14). An association can be founded by at least three founders, which need to be domestic or foreign natural persons with legal capacity, or domestic/ foreign legal persons. The founders may also be minors aged 14, as well as adults whose legal capacity has been withdrawn in the part of conducting legal deals, but with a formerly attested consent by a legal representative or custodian.

How to register an association?

In order to become legal entities, the associations need to be registered with the Association Register of the Republic of Croatia, which is maintained by the central state administration offices within regional self-government units and the City Office for General Administration of the City of Zagreb. Depending on the location of their headquarters, the request for registration is submitted to the relevant administration office. The association can have its organizational units (subsidiaries, branch offices, clubs, etc.) with or without legal status.

At the end of the year 2014 the Association Register contained 52.450 associations. The registered associations also need to be enlisted in the Register of Non-Profit Organizations, which was established in 2009 and is maintained by the Ministry of Finance.

What do associations do?

The associations, as the most frequent form of CSOs, fulfil multiple roles in each society. They participate equally in building a democratic, open, inclusive, rich and socially equitable, sustainable and environmentally aware society. They are a corrective mechanism for the authorities, as well as a link between the citizens and the public sector. By unifying the principles of non-profit, self-organization and transparency, as well as recognition of volunteer work and entrepreneurship, the associations encourage citizens, the private and public sector (most of all, the state) to collaborate in implementation of public good initiatives.

How do associations reach their objectives?

The associations reach their objectives through various tasks and activities, from advocacy for the rights of the socially disadvantaged and minority groups, to social and public services in the interets of common good in the fields of education, health care and social care, as well as an advisory role in shaping public policy, which is reflected in active participation in adoption and implementation of certain laws, national programs or strategies.

Can associations be partners in the implementation of public policies?

The associations contribute to the more efficient implementation of the Government startegies in areas such as human rights protection, protection of minority rights, environmental protection, actions of the youth and for the youth, health care policy, and work with children. Apart from that, they implement the programs of public need in line with specific laws in sports, culture and technical culture, and provide services of interest to the Republic of Croatia, based on the authority assigned to them by the state (e.g. volunteer fighting societies, Red Cross, Croatian Auto Club and Croatian Mountain Rescue Service).

Who governs an association?

An association is governed by its members, either directly or via elected representatives in their governing bodies as determined by the Statue, i.e. the founding general act adopted by the General Assembly of the association.

The General Assembly is the highest governing body of an association, but the Statue can name other governing bodies. The association is represented by one or more natural persons.

Can associations form umbrella associations?

The associations can form alliances, communities, networks, coordinations or other associating forms, regardless of the area of their work, and they can decide freely on the name of such form of an association. Such form of the association can have a legal status, thus complying to the provisions of the Law on Associations in an appropriate manner.

The associations can become members of international associations and other organizations.

Can foreign associations be active in the Republic of Croatia?

Foreign associations are allowed to work in the Republic of Croatia, provided that they have been founded on the basis of the legal system of a foreign country. At the end of the year 2014 there were 138 foreign associations registered.

How are associations financed?

An association finances its goals determined by the Statue with the income generated from membership fees, voluntary contributions, donations and gifts, commercial acitivites and asset-generated income.

Can associations also be financed from public sources?
Programs and projects in the interest of the public good in the Republic of Croatia, which are implemented by associations, can be financed from the state budget, budget of local and regional self-government units, EU funds and other public sources. The standards for financing have been determined by the Regulation on the criteria, standards and procedures of financing and contracting programs and projects of interest to the public good implemented by associations (The Official Gazette, 26/2015).

Why certain associations need to be financed from public sources?
Because they provide services which the state or local community have not developed, mostly at lower costs for the same quality, and which include volunteers and/or employ experts, as well as contribute to the development of social capital.

How can an association obtain public funding and for what purpose?
An association may obtain public funding by applying to public calls for proposals and tenders for financing of programs and projects in the interest of the public good from state or local budgets or EU funds, by applying to public calls for proposals and tenders for institutional support to associations' activities, as well as by performing activities defined by specific laws as public needs within certain area (e.g. sports, culture, technical culture, humanitarian activities, etc).

Is it obligatory for associations to keep business records?
Associations carry out financial operations in accordance with regulations on accounting of non-profit organizations*, and they are also obliged to submit annual financial reports which are publicly presented within the Register of Non-Profit Organizations. The non-profit organizations which have double-entry accounting are obliged to submit quarterly reports. At the end of the year 2014 there were 25 675 associations in the Register of Non-Profit Organizations.

---

* In addition to associations and their alliances and foreign associations, non-profit legal entites are trusts, foundations, institutions, political parties, chambers, unions and employers' associations, religious communities, tourism associations, artistic organizations and all other legal entities, for which the primary reason for foundation and operations is not that of profit-making, and which are considered as non-profit organizations by certain regulations.

Can associations influence adoption of regulations?

The Republic of Croatia created an enabling normative framework which enables associations, as an important part of the interested public, to participate actively in all forms of consultations with the interested public in procedures of adoption of laws, other regulations and acts. The associations can join public consultations on draft laws and other regulations by submitting their opinions and comments. The public consultations in the Republic of Croatia need to last for at least 30 days, and they are carried out via the central state website (https://savjetovanja.gov.hr). The associations are enabled to participate via their experts in work grups of the competent ministries on the preparation of draft regulations or strategic documents, and they are often partners in creation of legal solutions.

Why do associations actively participate in consultations on regulations?

Whether the issue is related to environment protection or impact on environment, human rights protection, gender equality, consumer protection, or educational, social and other issues, associations have the number, competency and specific expert experience, as well as technical know-how so as to contribute actively to representation of opinions and interests of those who can influence the implementation of certain regulation or public policy, but also of those who are directly influenced by such regulation or policy. It is important for them to be included in earlier phases of consultation procedures, to express their opinions clearly and support their arguments with evidence by stating interests, categories and number of the members they represent.

Why do associations actively participate in consultations on regulations?

The associations actively participate in decision-making processes at the level of the European Union, by contributing to the design of European public policies through cooperation with European institutions.

The interests of associations and other stakeholders of organized civil society at the European level are represented by the European Economic and Social Committee, which is an EU advisory body established in 1957. The associations from Croatia, as well as the representatives of unions and employers, have three representatives in this Committee.

The associations submit their comments on proposals for new European legal initiatives to the European Commission during processes of consultation with the interested public, which last 12 weeks. All the comments submitted by associations, as well as the European Commission reports on the comments that were accepted and those that were not, are available on the portal „Your Voice in Europe“: (http://ec.europa.eu/yourvoice/index_hr.htm).

The associations are an unavoidable partner of the European Union in the implementation of development projects across the world. Every year the European Commission invests more than a billion euros in funding of projects and programs of development cooperation implemented by the associations. The associations from Croatia have been actively included in the implementation of official development cooperation of the Republic of Croatia by having founded the Croatian Platform for International Citizen Solidarity (CROSOL).

1. Number and areas of activities of associations

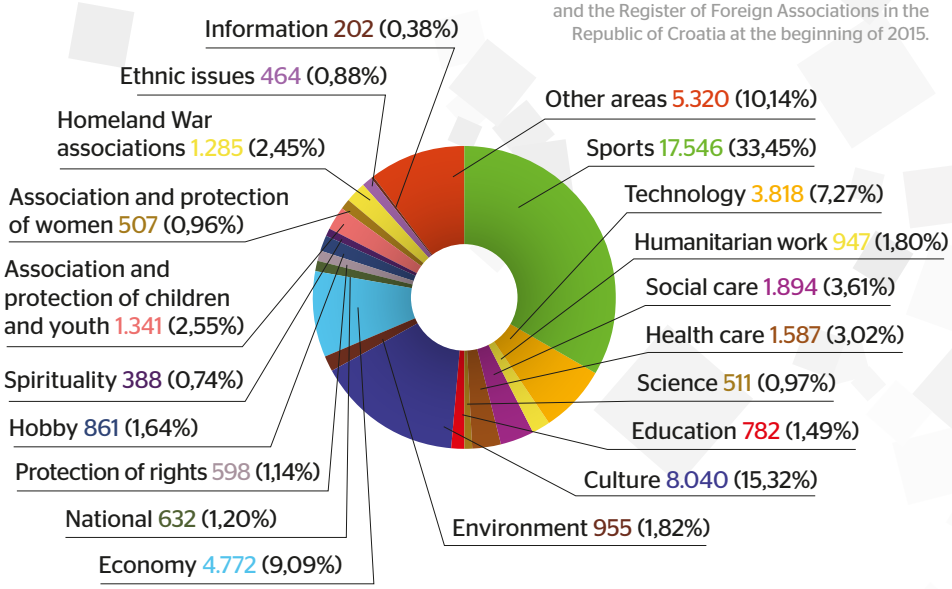
The number of associations in the Republic of Croatia by county in relation to the number of inhabitants

County	Number of inhabitants according to the 2011 population census	Number of registered associations on December 31st 2014	% of associations in the county in relation to the total number of associations	Number of inhabitants per one association	Amount of funding dedicated to association in 2014 (in EUR)
City of Zagreb	792,875	12.378	24%	64	35.291.559,48
Splitsko-dalmatinska	455,242	4.762	9%	96	12.417.927,50
Zagreb County	317,642	3.087	6%	103	10.838.521,06
Osijek-Baranja	304,899	4.028	8%	76	7.216.002,11
Primorsko-goranska	296,123	4.081	8%	73	10.987.353,68
Istria	208,440	2.917	6%	71	11.135.700,10
Vukovar-Srijem	180,117	1.979	4%	91	3.319.370,82
Varaždin	176,046	1.826	3%	96	4.818.640,20
Sisak-Moslavina	172,977	1.898	4%	91	3.436.289,43
Zadar	170,398	1.613	3%	106	5.311.262,96
Brod-Posavina	158,559	1.596	3%	99	2.128.316,68
Krapina-Zagorje	133,064	1.295	2%	103	3.216.766,13
Karlovac	128,749	1.429	3%	90	3.534.895,07
Dubrovnik-Neretva	122,783	1.898	4%	65	4.420.405,94
Bjelovar-Bilogora	119,743	1.389	3%	86	2.967.752,45
Koprivnica-Križevci	115,582	1.317	3%	88	3.727.007,32
Međimurje	114,414	1.209	2%	95	2.144.129,21
Šibenik-Knin	109,320	1.318	3%	83	2.157.378,38
Virovitica-Podravina	84,586	925	2%	91	1.571.896,95
Požega-Slavonia	78,031	882	2%	88	1.376.262,94
Lika-Senj	51,022	623	1%	82	1.449.284,68
Total:	**4.290.612**	**52.450**	**100%**	**82**	**133.466.723,08**

Sources: Ministry of Administration, Registry of Associations of the Republic of Croatia, December 31st 2014 and Government Office for Cooperation with NGOs, *The report on financing of programs and projects of associations from public sources in 2014*

Number of associations by areas of activity*

*The segmentation was made in line with the previous classification of activities, while the new classification was entered into force with the enacted Regulation on the content and means of conducting the Register of Associations and the Register of Foreign Associations in the Republic of Croatia at the beginning of 2015.



Source: Ministry of Administration, Registry of Associations of the Republic of Croatia, December 31st 2014

2. Financing of associations from public sources

The amounts granted to associations in the period 2010-2014 according to the financial sources (in EUR)

Financial sources	2011	2012	2013	2014
Share of profit from games of chance	40.247.354,90	36.562.827,29	40.001.726,20	46.238.947,33
State budget	30.999.533,59	30.817.988,55	33.415.638,24	37.666.058,26
National co-financing of EU projects	-	174.895,68	570.870,66	1.090.340,53
Profit from the Croatian Radio and Television fee	-	-	111.020,49	380.305,56
Enivornment Protection fee	45.091,36	147.669,16	99.095,79	221.009,81
Non-financial resources	1.073.757,14	0,00	89.057,46	257.547,22
Total of Ministries/Government Offices/Public institutions	**72.365.736,99**	**67.703.380,67**	**74.287.408,84**	**85.854.208,70**
Budget of the City of Zagreb	38.476.597,97	34.022.025,68	36.335.050,80	35.291.559,48
Budgets of counties	12.855.389,76	12.237.867,57	13.770.016,40	14.336.959,74
Budgets of Towns	66.170.744,03	60.374.715,04	62.823.289,68	61.082.659,03
Budgets of municipalities	27.038.974,63	28.341.660,21	24.311.215,79	22.755.544,83
Total of local and regional self-government units	**144.541.706,39**	**134.976.268,50**	**137.239.572,68**	**133.466.723,08**
TOTAL:	**216.907.443,39**	**202.679.649,17**	**211.526.981,52**	**219.320.931,78**

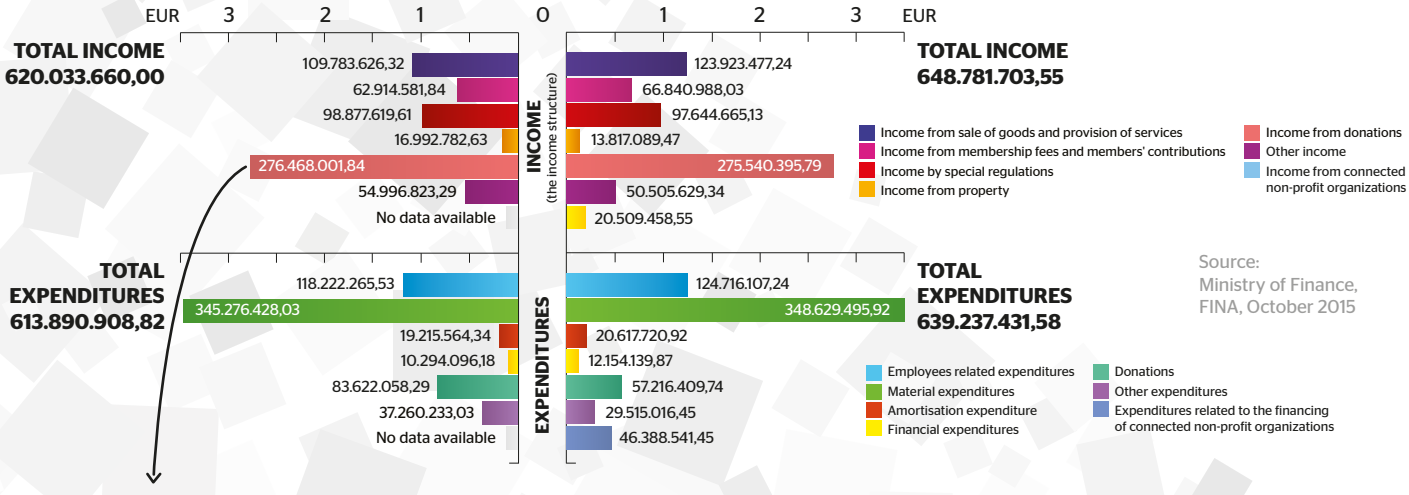
Source: Government Office for Cooperation with NGOs of the Republic of Croatia,
The report on financing of programs and projects of associations from public sources in 2014

Financing of associations from state budget in 2014 by area of activity (in EUR)

Source: Government Office for Cooperation with NGOs of the Republic of Croatia, *The report on financing of programs and projects of associations from public sources in 2014*

3. Financial standing of associations*

Financial reports of associations in 2013 in 2014

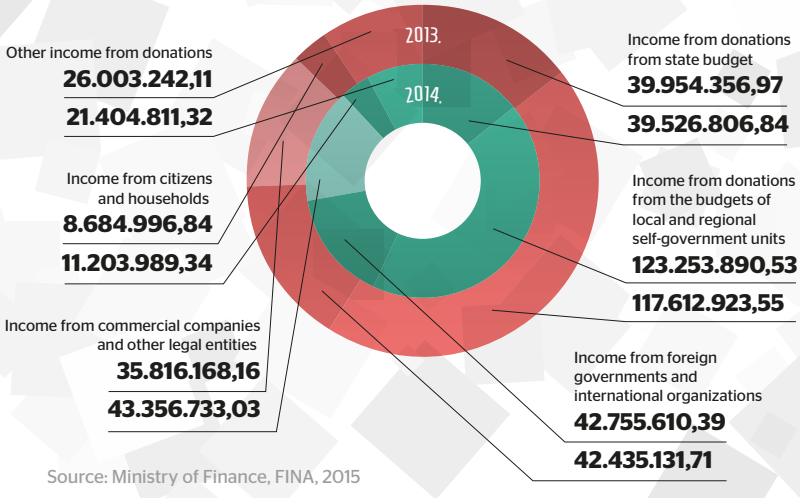


Source: Ministry of Finance, FINA, October 2015

Income of associations from donations in 2013 and 2014

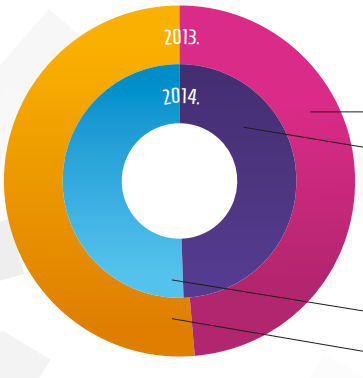
Income of associations from donations in 2013
276.468.001,84

Income of associations from donations in 2014
275.540.395,79



Source: Ministry of Finance, FINA, 2015

Number of employees in associations and non-profit sector in 2013 and 2014



* the data were derived on the basis of the financial reports of the associations obliged to keep double-entry accounting

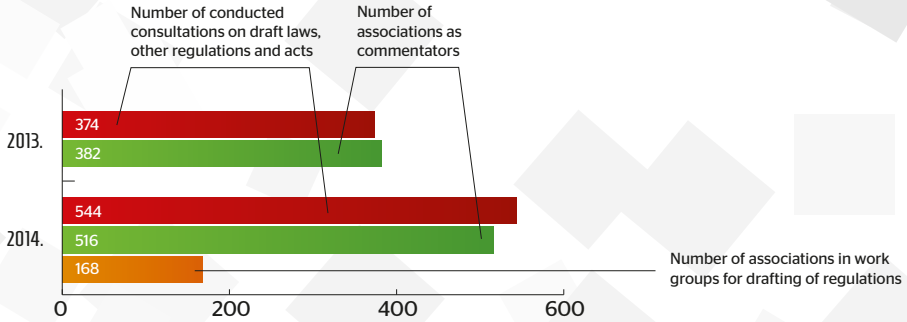
Financial reports of associations - income by scope

Number of associations which submitted their financial reports in 2013 and 2014 – by income amount

Income amount	2013	2014
Up to 15 000 EUR	6.766	7.638
From 15 000 to 65 000 EUR	3.679	3.833
From 65 000 to 130 000 EUR	800	790
From 130 000 to 650 000 EUR	635	670
From 650 000 to 1 300 000 EUR	45	47
From 1 300 000 to 6 600 000 EUR	40	34
From 6 600 000 to 13 150 000 EUR	4	5
From 13 150 000 to 26 300 000 EUR	2	6
Over 26 300 000 EUR	1	0
TOTAL:	**11.972**	**13.023**

4. Participation of associations in consultations

The improvement in the implementation of consultations with the interested public – an increasing participation of associations



Source: Government Office for Cooperation with NGOs of the Republic of Croatia, *Reports on the implemented consultations with the interested public in procedures of enacting laws, other regulations and acts in 2013 and 2014*

Publisher:
Government of the Republic of Croatia
Office for Cooperation with NGOs
Opatička Street 4, Zagreb
http://udruge.vlada.hr

For the publisher:
Igor Vidačak

Design and print:
ACT Printlab, Čakovec
www.printlab.hr

Zagreb, January, 2016