



**Trag Foundation, Serbia**

**Communication on Engagement to  
UN Global Compact**

**2014 – 2015**

**Belgrade, 31<sup>th</sup> October 2016**

**Part I:**

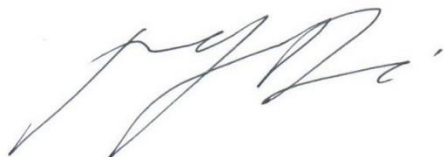
**Statement of Continued Support to UNGC**

**To UN Global Compact Board Members and our stakeholders,**

I am pleased to confirm that Trag Foundation, registered in Serbia, reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for non-business organisation like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Biljana Dakić Đorđević  
Executive director

## Part II

### OVERVIEW OF TRAG KEY PRINCIPLES, POLICIES AND STRATEGIC PRIORITIES

Trag Foundation (hereinafter referred to as Trag), registered and based in Belgrade, Serbia, has been a member of the UN Global Compact Network since 2008, as one of the first civil society organizations committed to supporting its leading 10 principles.

Trag **mission** is to contribute in building active and open local communities by providing assistance to joint initiatives of citizens in these communities. Trag does this by providing financial support, promoting philanthropy and providing other types of support needed.

Trag has a **vision** of Serbia as a just and open society, whose citizens actively and responsibly take initiatives in order to improve their communities. Such a society is based on principles of respecting human rights, tolerance and solidarity.

Our **ethical code** is based on our values. Therefore we try our best to:

- Respect local communities, associations, organizations and the people we work and cooperate with
- Be independent and open-minded in making our decisions, always according to our values and goals,
- Treat donation receivers fairly, responsibly and with respect,
- Respect the rights of our employees and associates,
- Avoid possible conflicts of interest, and react accordingly if they exist,
- Use the funds allocated to us responsibly, effectively and efficiently, according to the standards appropriate for nonprofit sector,
- Be transparent when it comes to financial operations, and regularly publish annual reports of independent auditors.

Trag Foundation is dedicated to **constant development and revision** of its own politics, practices, approach and programs in order to contribute, the best way possible, to the development of Serbia as righteous and open society whose citizens start initiatives for their community improvement in an active and responsible manner.

**Theory of change** – we at Trag believe that righteous and open society which is based on the principles of human right respect, tolerance and solidarity; require engagement and dedication of all segments of society. We believe, although institutions, procedures and rule of law are the most important, that they are not sufficient for the actualization of that kind of society. Involvement of the individual is a key element in development of the righteous and open society. We believe that all people in Serbia have right and obligation to make choices which affect their lives, and that all individuals have responsibility to each other and to their communities. From the experience we know that personal engagement of the individual, essential for the change, doesn't happen spontaneously. We believe that **long term support to the citizens' activism** is the best way to initialize changes in human behavior and to create new habits which will not allow inactivity while society faces serious challenges.

Trag has so far invested more than **7 million USD** in over **1,300 initiatives** improving the lives of citizens in more than **200 local communities**, in Serbia and the region.

Trag **strategic objectives** focus on:

1. *Support to active and organized citizens in local communities in order to **raise the significance and contribution of the of organized citizens' initiatives.***

Work in this strategic field and implementation of the strategic goal includes:

- Development and implementation of different donation programs
- Consultative support to the formal and informal associations and communities and
- Focused education for associations/informal groups supported by donations.

We focus on project funding of the formal and informal groups of citizens. We carry out different programs focused on specific fields or themes (environment protection, social inclusion) or target groups (people with disabilities, minorities, young people, etc.).

2. *Support to the creation and changes of the public politics, in order for the **organized citizens from the local communities to have stronger influence in the creation of the public politics in their local community, in the region and at the national level***

Work in this strategic field and realizations of this strategic goal include:

- Direct advocacy for the more favorable legislative and fiscal frame for local giving
- Support to the organized citizens' initiatives for their influence to the politics which are being directly reflected to the community
- Support to the dialog and cooperation between grantees and the other stakeholders about their influence to the politics which are being directly reflected to the community life
- Support to the networking and creation of the coalitions among grantees for the influence to the politics relevant for the community life.

In this field, we regularly cooperate with other stakeholders, including other foundations, associations, companies, public institutions and experts. When appropriate, we provide necessary consultative, technical and financial support to the networks and coalitions, and we also organize public discussions, researches, and/or joined projects started by the network organizations.

3. *Development/ Promotion of the Philanthropy, in order for philanthropic giving **in Serbia to grow and to become significant and transparent financial source for the citizens' initiatives.***

Development of the philanthropy is a precondition of the permanent stimulation of citizens' activism. It is important to us for giving to be strategic and transparent, in order to use local resources as efficiently as possible (state, corporate sector and individuals).

Work in this strategic field and accomplishment of this strategic goal implies:

- Capacity building of the civil society organizations for fundraising in local community,
- Work on the promotion of the philanthropy among companies and individuals, in order to stimulate giving from their part.

Work on the promotion of the philanthropy among corporate sector and individuals includes several significant fields: promotion and setting different mechanisms for giving; promotion of the good practice as well as setting the standards for transparent and responsible receiving and spending of the donations; work on favorable legislative frame for giving. We cooperate with important stakeholders, such as media, other relevant civil society organizations (especially foundations), representatives of business and public sector, as well as intersector networks which in their work have development of the philanthropy.

Transparency stands out as one of the most important principles and Trag serve as a model and a trigger of the creation of the frame for transparent acting and reporting.

### **Part III**

## **REPORT ON TRAG FOUNDATION ACTIVITIES**

**2013-2015 (3 year report)**

### **1. ENGAGEMENT WITH GLOBAL COMPACT LOCAL NETWORKS**

Trag (formerly known as BCIF – Balkan Community Initiatives Fund) joined UNGC Network in May 2008, as one of its first civil society members in Serbia.

Former Executive Director of Trag chaired Board of Directors of UNGC Serbia Local Network in 2013-2014.

Current Executive Director is an active member of the local network's Board of Directors, given that Trag is recognized as one of leading civil society organizations working with businesses and government institutions to promote human rights protection, labor opportunities, transparency of its activities and environmental protection. Trag staff also take active participation in activities of different working groups, such as WG on Education, WG on Social Inclusion, as well as most recently established WG on Sustainable Development Goals (formed at the end of 2015).

### **2. ENGAGE COMPANIES IN GLOBAL COMPACT RELATED ISSUES**

Trag is one of pioneer civil society organizations in Serbia to engage with companies on their CSR activities, particularly in the field of corporate philanthropy, engagement in local communities and social entrepreneurship development.

#### **2.a. Development and promotion of corporate philanthropy**



VIRTUS is the longest-standing award of this kind to be organized in Serbia (since 2006). It has become a traditional annual event and a major landmark related to giving for the public good. Based on previous great accomplishments, we continue to award and acknowledge the exemplary companies and those who significantly contributed to the development of philanthropy in their local communities. Decision is being made by the independent jury representing economic media group, foreign investors' council, public opinion agency, National Bank of Serbia and the government Office for Cooperation with Civil Society.



In 2015, Trag presented **4 major awards to corporate philanthropists** (contribution at the national level; contribution to the local community where company operates; best small and medium-size enterprise; long-term partnership between business and non-profit organization) as well as **1 special mention** to most distinguished small enterprise.



In 2014, Trag presented **4 major awards** (categories listed above), as well as **3 special mentions** to most distinguished company excelling in corporate volunteering, one who engaged most to help floods relief in May 2014 and after, as well as small company engaged in supporting CSO fighting human trafficking.

In 2013, Trag presented **4 major awards** (categories listed above) as well as **4 special mentions** to most innovative project of the year, most engaged company in corporate volunteering, contribution to social inclusion, as well as most distinguished media contribution.

Year 2016 will mark the tenth anniversary of the VIRTUS award, to be intensively promoted among relevant business stakeholders and highlighting positive examples of previous 55 business laureates, most of whom are leading businesses in their respective fields (banking, pharmaceuticals, agricultural production, retail, IT industry, food and beverages, oil industry, etc.).

## 2.b. Development and promotion of social entrepreneurship

Trag has also engaged in activities to engage companies in promoting social entrepreneurship, through its active work in civil-society led **Coalition for Development of Social Entrepreneurship** (CoSED / KorSP), together with other local partners (European Movement in Serbia, Group 484, Smart Kolektiv, IDC, SeCons Group). The main aim of CoSED is active involvement in creating a functional framework for social entrepreneurship. One of the priorities of the Coalition is to establish partnerships with relevant stakeholders in the society - the state and the private sector to accelerate the fulfilment of its mission.



In 2014-2015, Trag held annual rotating presidency of CoSED/KorSP coalition, initiating and engaging in dialogue with stakeholders from companies as well as state actors. It has also participated in regular consultation meeting with

government representatives to draft new Law on Social Entrepreneurship in Serbia.

By endorsing the [Strasbourg Declaration](#) in January 2014, the European Commission recognized social entrepreneurship as a business model for the 21st century, answering the financial, social, cultural and ecological needs of communities. The Coalition for the Development of Social Entrepreneurship in Serbia initiated the [Belgrade Declaration on the Development of Social Entrepreneurship in the Region of the Western Balkans and Turkey](#) soon after, organizing a regional signing event in March 2014. The declaration has already been signed by almost 500 organisations from the region, which is important step in gathering wider support and giving the whole initiative stronger legitimacy while proposing measures to improve national and regional framework for SE.

## 2.c. Corporate Partnership – *Philanthropy for Green Ideas* (green economy start ups)

Trag is national partner in Serbia working on implementation of regional program [Philanthropy for Green ideas](#), simultaneously held in 5 countries of the region (Albania, Kosovo, Macedonia, Montenegro, Kosovo). Purpose of the program is to stimulate and encourage innovation for green business ideas at the local level to generate green business ideas that utilize local resources and revitalize community-based markets. By supporting innovative, local sustainable economic development initiatives, *Philanthropy for Green Ideas* aims to substantively contribute to building a peaceful, competitive, and prosperous Western Balkans.

Trag has been working in partnership with Erste Bank a.d. Novi Sad and the Rockefeller Brothers Fund since 2012 to organize national level *Forum for Green Ideas* competition for 10-12 best annual entries (average application rate between 100-200 applicants), provide financial awards to 3 best candidates of 5,000-7,000 USD (individuals, family companies, CSOs) and prepare them for the regional level competition. Qualified selection of candidates, rigorous preparation of participants by Erste Bank and Trag for the regional competition resulted in winning **4 consecutive 1st regional prizes in the period 2013-2016**, in the amount of 10,000 USD each.

Winner in 2014 was family enterprise „*Agrointegral*” with prototype of mobile automatic circulating dryer for fruits, vegetables and herbs based on the principles of energetic efficiency. In 2015, the first prize went to *Association for local development Kamenica* from Niš with the idea to revive tourist potential of Kamenica Heights and establishment of international ecological camp for young people "Treehouse camp". The camp plans to offer various cultural and sports activities based on cultural and historical heritage of local community and to employ local people.



## 2.d Corporate Partnership – Centrifuga / SUPERSTE (youth activism in culture and education)

The very first ever donations program to be implemented in cooperation with business partner – **Erste bank a.d. Novi Sad** – was the program called *Centrifuga* („Whirlpool”), as a successful model of cooperation and complementarity of non-profit and business sector in supporting local initiatives. The program was focused on cultural decentralization by means of supporting youth groups in launching creative and innovative cultural initiatives, with active participation of their peers and resource mobilization in local communities, beyond major urban centers. From 2007-2013, “Centrifuga” program awarded **51 local project** in total amount exceeding 200,000 USD.



In 2014, Erste bank a.d. redesigned the program to [SUPERSTE](#) platform, to provide integrated annual cycle of support to local youth groups (Centrifuga/Whirlpool), as well as support to youth leaders in local communities (Club SUPERSTE). Trag continues to provide relevant contribution, by means of mentoring support in the project conceptualization and selection phases, as well as monitoring and counseling groups and individuals during the implementation process.

### **2.e. Corporate Service - *Plantation for the Future* (social entrepreneurship in agriculture)**

In early 2015, **Delta Holding** and **Delta Foundation** invited Trag Foundation to become civil society partner in the newly established program aimed to support agricultural development in Serbia through grants awarded to award social enterprises in this area. Focus of the [Plantation for the Future](#) program is to support employment of vulnerable population that have difficulties finding job, thus contributing to poverty reduction and improving the position of people with disabilities and other socially vulnerable groups.

Trag provided relevant support in program conceptualization, criteria formulation, selection process, participation in information sessions for interested applicants in different parts of Serbia, introductory trainings on program and financial project management, as well as monitoring and evaluation activities during the report process.

In the first cycle of project implementation (early 2015), the best **six projects** from Smederevo, Užice, Priboj, Šabac, Zemun and Surčin have received grants in the total amount of 7.5 million dinars (c. 70,000 USD). Based on highly positive results and feedback from the pilot phase, the budget for the second call in late 2015 was increased to 18 million dinars (c. 164,000 USD), awarding **11 social enterprises** (associations and cooperatives).

## 2.f Corporate Service - *Together for the Community* (support to local citizens engagement)

In 2014 and 2015, Trag Foundation cooperated with Oil Industry of Serbia (NIS), by providing professional service to implement their most comprehensive grantmaking program in support to local communities / cities and towns where NIS operates in Serbia (11 communities). [Together for the Community](#) is the largest-scale public competition corporate program in Serbia to financially invest in local projects.

Only in 2015, 1,300 applications were received and processed by Trag. Following a rigorous selection process with local decision-making committees, NIS finally supported **152 best projects** in the field of sports, culture, environmental protection, science and social protection, whose implementation contributes to the development of local communities, enables easier functioning of numerous institutions and improves the activities of cultural, educational and sports institutions, associations of citizens, sports and vocational associations. Trag conducted monitoring visits to 50% of the projects.

## 2.g. SIGN for Sustainability - advocacy activities to create more enabling fiscal environment for giving and increase transparency and accountability of civil society



Trag is a member of [SIGN network](#) of independent local foundations from six countries in the Balkans. In 2012, SIGN members launched the **SIGN for Sustainability** initiative that is, among other, focused on creating a more favorable environment for philanthropy development and giving for public good and openly working on fund raising in local communities. The purpose is to create policy recommendations leading to the increase of individual and corporate giving,

adoption of **Standards for transparency in fundraising** by a large number of CSOs, promotion of national and regional cooperation in development of local philanthropy and establishment of the first regional **Sustainability Academy**, providing matching grants to organizations that successfully fund raise from local sources for initiatives relevant for their respective communities.

In the first phase until the end of 2014, a [Baseline study](#) has been developed on legislative and tax framework in six countries of the region and conducted [public opinion surveys](#) in all partner countries. Based on this partners created policy recommendations in five countries that underwent a wide consultation process with representatives of CSOs, businesses and state institutions. At the end of this process, in 2015 policy recommendations were submitted to relevant decision makers and majority of these proposals were inserted into appropriate Strategies and draft legislation amendments.

Partners also developed regional [Standards for transparency in fundraising](#) that are based on principles applied in 11 countries of the European Union and consultations with civil society organizations that contributed to adjusting the document to the regional context. The intention of these standards is to set principles of good practice in the process of fundraising, increasing the citizens' trust in activities of the CSOs thus enhancing their legitimacy, sustainability and impact. The final version of the Standards was published in mid-2014 and, thus far, it was signed by over 150 CSOs from all countries of the Western Balkans region.

In October 2014, "SIGN for Sustainability" organized [regional conference](#) that gathered over 100 representatives of CSOs, businesses, state institutions and media from five countries in the region in Belgrade, on October 17<sup>th</sup>, 2014. During the conference, participants discussed the enabling environment and issues of transparency as prerequisites for the development of philanthropy in the Western Balkans region and used the opportunity to form a joint platform for future work on these issues.

## 2.h. Corporate Philanthropy Guide "Good Deeds Will Come Back to You"



In cooperation with the Government of the Republic of Serbia Social Inclusion and Poverty Reduction Unit (SIPRU), in 2013 Trag Foundation created the corporate philanthropy guide *Good Deeds Will Come Back to You* (*Dobro se dobrim vraća*). The Guide aims to facilitate donations of legal entities (primarily companies)

for common well-being in Serbia. The Guide points out to legal solutions and suggests ways to resolve open issues in this field.

## 2.i. Advocacy to Amend Corporate Profit Tax Law - Equal Treatment for CSOs

After two years of advocating (2014-2015) for legislative changes focused on removing unequal treatment of civil society organizations – social care service providers, Trag Foundation has succeeded to ensure equal treatment of these CSOs through adoption of Law on Amendments to the Corporate Profit Tax Law, adopted in December 2015 by the Parliament of Republic of Serbia. Earlier legal solutions anticipated that only donations donated to social care state institutions may be recognized as expenditures in taxpayer's fiscal balance, but not donations to other subjects in social care, including donations to civil society organizations offering the same service. In this way, equal treatment was provided for corporate donations on the basis of social needs identified. Based on this legal solution, new possibilities open for additional funding sources from legal entities (companies) for civil society organizations – social care service providers.

In this effort, Trag was supported by the Government of the Republic of Serbia as well as by representatives of 115 civil society organizations from 36 towns and cities that supported the motion.

## 2.j. Parliamentary Week 2015 - Public Debate on Tax Reliefs

Participants of the debate "*Tax reliefs - incite to development of philanthropy and civic activism in Serbia*", organized by Trag Foundation within the Parliamentary Week, agreed that organizing regular meetings and public hearings with the Committee for finances, state budget and public expenditures of the National Assembly of the Republic of Serbia as well as bigger cooperation through regular meetings between members of parliament, companies and civil society organizations, present needed mechanisms for advancement of tax reliefs for donating for the purpose of general wellbeing in Serbia.



Public debate took place on October 19th 2015 at the premises of the National Bank of Serbia with 40 participants - members of parliament, representatives of companies and civil society organizations. Debate was dedicated to strengthening dialogue and cooperation between citizens and members of parliament through advancement of mechanisms for instigating donations for common good in Serbia.

## 2.k. Trag Foundation Among Leaders of Social Responsibility

Since 2010, Business Info Group publishes edition of "Leaders of Social Responsibility" where companies, organizations and individuals present good deeds they have contributed to the community we share.

Editions in 2014 and 2015 featured interviews with Mia Vukojević and Biljana Dakić Đorđević, former and current Executive Directors of Trag Foundation.

In May 2015, Trag Director was one of the speakers at the national conference #CSRSerbia2015, where she joined the panel on presenting best practices in the work of foundations and their cooperation with companies and public.



### 3. JOIN AND/OR SUPPORT SPECIAL INITIATIVES AND WORK STREAMS

#### 3.a. Flood Relief in Serbia 2014 – Trag Collected Funds to Support Flooded Communities



During May 2014 floods befell Serbia and many local communities were in danger. Trag Foundation reacted promptly and supported civil society organizations that actively helped in recovery of flood affects. Also, Trag has redirected the purpose of its account for "general support" and donations collected through this account were used to support local organizations involved in cleaning and recovery of endangered communities.

Thanks to Trag's commitment, 66 individuals and civil society organizations, companies and institutional donors have donated funds for support to affected communities in the amount of c. 55,000 USD. This support was directed to 14 civil society organizations engaged in helping in recovery of flood affects.

#### 3.b. Info Park – Support to Refugee and Migrant population on the Balkan route

Following unprecedented inflow of refugees to Balkans and Serbia in the summer of 2015, Trag Foundation and Fund B92 established a grassroots initiative called **Info Park** in September 2016 (named after the park near the bus and train stations in Belgrade that become informal refugee camp).



Info Park provides aid, information, communication, support, logistics, orientation and connectivity for people in need. We try to be as efficient as possible and to liaise only with organisations and groups committed to the same values as us: honest, ethical and human treatment of the people in need in transit. During the first six months, the staff of Info Park helped over 100.000 refugees from Syria, Afghanistan, Iraq and also refugees from Pakistan, Iran, Morocco and Somalia coming from Macedonia and Bulgaria. In addition to provision of information and logistical support, Info Park has partnered with other institutions and organizations in order to ensure humanitarian, medical and legal assistance, and thanks to donations of local and international citizens and activists, it has also provided practical support in securing free transportation and temporary lodging for the most vulnerable refugees.

### **3.c. Issues Affecting Women Program – Towards fulfilment of SDG5**

In 2015, Trag initiated long-term cooperation with Oak Foundation (Switzerland), with the aim of supporting women organizations and movements in Serbia, Bosnia and Herzegovina and Montenegro, based on principles of human rights protection. The comprehensive program focuses on women organizations active in combating gender based violence and trafficking and exploitation. Trag provides institutional support grants, opportunities for organizational capacity building and networking. Some elements of the program also target capacities for developing social entrepreneurship. Currently, there are 25 women organizations benefiting from the program.



## **4. PARTICIPATE IN GLOBAL COMPACT GLOBAL, AND LOCAL EVENTS**

Trag has actively participated in preparation of several joint UNGC events in Serbia such as:

- Conference "Responsible, indeed – CSR during and after the floods", September 2014;
- Panel Discussion of the Global Compact in Serbia "Response to climate changes and support to companies in emergency situations", first Multi-congress in Serbia – Serbian Visions, May 2015;
- "Refugee crisis and response from the public, business and civil sector", October 2015.

Trag's representative also took part in other panels and discussions, presenting UNGC principles and activities of the local network.