



Trag Foundation, Serbia

**Communication on Engagement
to the
UN Global Compact**

**Reporting period:
2016 – 2018**

Belgrade, 31st October 2019



**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, Labor, 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 organization 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. 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.

We continue to cooperate with important stakeholders, such as business sector – companies and business associations, state authorities, media, other relevant civil society organizations.

Part III

REPORT ON TRAG FOUNDATION ACTIVITIES 2016 - 2018 (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 ED of Trag was chairing the Board of Directors of UNGC Local Network Serbia in 2013-2014, and current ED has been a Board member 2015-2018.

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 UNGC Local Network and member companies and organizations.

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 annual philanthropy award is the longest-standing award of this kind to be organized in Serbia (since 2006). It is a major national landmark celebrating business community commitment to giving for the public good. Trag continues to award and acknowledge the exemplary companies and those who significantly contributed to the development of philanthropy in their local communities. Decisions are made by consensus among members of independent jury representing economic media group, foreign investors' council, public opinion agency, Ministry of Economy, University of Belgrade – School of Economy, etc.

Each year Trag award **4 major corporate philanthropy awards:**

- ❖ **Main Award for contribution at the national level** (winners respectively):
2018 – Banka Intesa a.d. Beograd,
2017 – Delta Holding,
2016 – Hemofarm a.d. Vršac.

- ❖ **Award for contribution to the local community in which the company operates**
 2018 – CRH (Serbia) LTD Popovac,
 2017 – Rudnik and flotation Rudnik LTD,
 2016 – KPMG LTD Serbia.
- ❖ **Award for small and medium size enterprises**
 2018 – Bosis LTD Valjevo,
 2017 – NAG LTD Beograd,
 2016 – YUMIS LTD Niš.
- ❖ **Award for partnership between profit and non-profit sector**
 2018 – Phillip Morris LTD Serbia,
 2017 – NELT Co LTD,
 2016 – Telekom Serbia.

Special awards also include those for corporate volunteering, innovative practices, etc. Many of awarded companies are also very active members of UNGC Local Network Serbia (KPMG, Delta Holding, Hemofarm a.d, Telekom Serbia, Banka Intesa, ERSTE Bank, etc).



2.b. Development and promotion of social entrepreneurship

Moreover, in mid-2018 Trag Foundation joined the so-called *Coalition for the Giving*, for the implementation of comprehensive initiative *Framework for Giving*, aimed at building philanthropic infrastructure, enabling legal and fiscal environment for giving as well as promoting the concept of public good and giving among companies and wider public. Some of early successes of the Coalition include:

- ❖ Forming the government *Council on Philanthropy* in September 2018, chaired by the Prime Minister of Serbia and bringing together key representatives of national government, business sector and business associations, as well as civil society – 4 Working Groups are active since late 2018,
- ❖ Establishment of the *National Giving Day* (October 9) – the first NGD organized in 2018 brought together many responsible business-oriented companies who took part in campaign to raise funds for the National Science Center for Young Talents Petnica.



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 Economy** (KoRSE, formerly known as the Coalition for Development of Social Entrepreneurship), together with other local partners (European Movement in Serbia, Smart Kolektiv and IDC – Initiative for Development and Cooperation).



In the previous period, the coalition was active in promotion of solidarity economy and social entrepreneurship as well as establishing partnerships with relevant stakeholders in the society - the state and the private sector to accelerate the fulfilment of its mission. For example, during this year's National Forum for Green Ideas, Trag organized a short panel discussion in which, among other topics, key solidarity economy values and practices were discussed.

The Coalition was most active in the advocacy field, with a lot of efforts dedicated to preventing adoption of the Draft Law on Social Entrepreneurship, proposed by the Ministry of Labour, Employment, Veteran and Social Policy. The draft law absolutely neglected best European practices, was out of sync with both national and EU related laws and regulations, did not take into account local practices and, most importantly, envisioned burdening regulations which would put out of business, or at least make it much harder, many of social enterprises established by CSOs. However, the Coalition managed to stop the Draft law before entering the parliamentary procedure, and now works in coordination with the Ministry, Prime Minister's Cabinet and other CSO allies (Civic Initiatives (Građanske), National Coalition for Local Economic Development (NALED), and other stakeholders) to develop a more comprehensive strategy for development of the enabling environment for social entrepreneurship.

2.c. Corporate Partnerships Built

❖ **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 6 countries of the region (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia). 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.



During 2016-2018, Trag continued successful partnership with **Erste Bank a.d. Novi Sad**. In 2018 it was additionally joined by **IKEA** to organize national level Forum for Green Ideas competition for 10-12 best annual entries (average application rate c. 80-100 applicants), provide financial awards to 3 best national candidates of 5,000 USD (individuals, family companies, CSOs) and prepare them through business mentorship program (provided by ERSTE Bank staff) for the regional level competition.

❖ **SUPERSTE Donations Program (youth activism in culture, arts and education)**

The partnership with Erste Bank a.d. Novi Sad on what was the predecessor of [SUPERSTE](#) program (program called Centrifuga („Whirlpool”)) was the first ever corporate partnership of Trag Foundation, back in 2007-2013. Following the restructuring of the program, Trag again joined forces with **Erste Bank a.d.** in 2018, for the period 2018-2020. The program represents a successful model of cooperation and complementarity of non-profit and business sector in supporting vibrant and innovative local initiatives, providing them with mentorship support (Trag ED is one of 8 mentors on the program), as well as financial support and ongoing accompaniment.



❖ **Plantation for the Future program (social entrepreneurship in agriculture)**

Since 2015, Trag Foundation has been a strategic civil society partner to **Delta Holding** and **Delta Foundation** 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.



Throughout the reporting period (2016-2018) 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. Three cycles of program have been organized from 2015-2018, awarding a total of 26 grants for development of agricultural activities, aimed at entrepreneurship development and poverty reduction.



❖ CCHBC Volunteers Club Serbia and Montenegro (corporate volunteering)

Since 2017, Trag has been strategic civil society partner of Coca-Cola Hellenic, based in Serbia, as well as their branch office in Montenegro, in organizing various activities for the volunteering staff – selection and proposals of host CSOs, organization of volunteering events, reporting and follow-up. Each year, on average, Trag organized 5-6 local events, bringing together CCHBC employees to engage in CSR activities and support the work of local CSOs. This successful cooperation is continuing beyond the reporting period.



2.d. Trag Foundation Recognized Leader 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 from 2016-2018 featured interviews with Biljana Dakić Đorđević, Executive Directors of Trag Foundation.

Trag Director and other members of staff are also regular speaker at various national events and conferences dedicated to CSR and sustainable business issues. We are also regularly invited to attend and contribute to discussions organized around launches of annual Sustainable Business Reports of leading companies in the country (Delta Holding, Hemofarm, Coca-Cola, Erste Bank, NIS a.d., etc.), reporting according to highest international standards.





3. PARTICIPATE IN GLOBAL COMPACT GLOBAL, AND LOCAL EVENTS

Trag has actively and regularly participated in preparation of various joint UNGC events in Serbia such as annual thematic conferences, seminars and working group sessions, consultations with the UN relevant bodies on SDGs and Agenda 2030 promotion and implementation.

In 2018, Trag supported UNGC Local Network Serbia to organize Annual Assembly meeting and present annual report for 2018 and working plan for 2019 to its members.

Trag continues to seek opportunities to engage more strongly with the Global Compact 10 principles and the Agenda 2030, at regional, national and local levels.