



EU TECHNICAL ASSISTANCE
TO CIVIL SOCIETY ORGANISATIONS
IN THE WESTERN BALKANS AND TÜRKIYE



DG NEAR REVISED GUIDELINES
FOR EU SUPPORT TO CIVIL SOCIETY
WESTERN BALKANS AND TURKIYE
2021–2027

Baseline Assessment Report

ANNEX 5

COUNTRY ANALYSIS
NORTH MACEDONIA



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Introduction

This country analysis is an Annex to the DG NEAR Guidelines for EU Support to Civil Society 2021–2027: Baseline Assessment Report 2021.

The Guidelines outline the results towards which EU support to civil society in the enlargement region will aspire in this seven-year period. This assessment provides evidence for the situation against the Guidelines' indicators for 2021 which is the baseline year.

This annex provides a summary of the evidence for assessment of the situation in North Macedonia against each of the 59 indicators in the Guidelines. This annex should be read in conjunction with the main report, which is available on the tacso.eu website.

Methodology

The analysis presented in the main report and country annexes is based on data collected from primary and secondary sources. Primary research included surveys of CSOs and public officials, as well as a legal analysis of relevant laws. Secondary sources such as reports produced by CSOs, national human rights institutions, government, and others were reviewed to provide relevant information and data. The data collection and analysis refer to 2021 which is the baseline year.

The survey of public officials was run between 13 October and 22 November 2022. The aim of the survey was to collect the perspectives on specific relevant indicators of selected public officials who, in their work, engage most closely with CSOs. The survey consisted of mostly closed questions and was anonymous. For North Macedonia, nine responses were received from public institutions. The survey was anonymous.

The CSO survey was run between 26 September and 18 October 2022. The survey was circulated broadly and elicited 92 valid responses for North Macedonia. This constituted 12% of the total responses in all seven IPA beneficiaries.

More than two-thirds of the respondents, 70%, were senior officers within the organisation, mostly executive directors, but also other senior managers, board members or presidents. In terms of tenure within the organisation, 60% of the surveyed respondents have been within the organisation for eight years or more, 23% up to three years and 16% between four and seven years.

In terms of gender distribution, 50% of the respondents are women, 48% men and 2% selected a non-binary identification. An equal proportion of the respondents, 34% belong to the age group between 41 and 50 and above 51 years old. 25% of the respondents are aged from 31 to 40 and 7% are younger than 30 years.

In total 24% of the respondents identified as belonging to a community, minority, or marginalised group. Of those who identified as belonging to such a group, 24% identified themselves as Roma, Egyptian, Ashkali, 14% with disability and more than half (54%) did not check any of the proposed answers (Roma, Egyptian, Ashkali, LGBTQI+, Woman, disability, Rural, Youth, violated women) but checked 'other'.

41% of the respondents are part of CSOs established more than two decades ago (between 2001 and 2010), 36% of the respondents are part of CSOs established between 2011 and 2021 and 14% between 1991 and 2000. Only 10% of participating CSOs were established in 1990 or earlier.

Almost all respondents, 99%, came from officially registered organisations. 76% of participating CSOs come from citizen associations, 7% from foundations, 5% from non-for-profit cooperatives and 3% from non-profit media outlets.

In terms of the geographic area of work, 63% of the surveyed CSOs work on a national level, 39% internationally, 39% regionally within the country and 34% locally.

In terms of area of work, 30% of the CSOs work in environment and climate action, 30% in education, research and innovation, followed by 16% in social inclusion, 14% in rural development and 11% in socio-economic development and 11% in youth mobility.

In terms of the size of the CSOs participating in the survey (number of staff members), most of the surveyed respondents, 66%, are part of small CSOs with 1-10 permanent, full, or part-time staff and volunteers working at the time of the survey. 13% of the respondents are part CSOs with 11 to 20 staff members and 13% are part of CSOs with more than 21 and less than 50 staff members.

Lastly, in terms of the size of the CSOs considering their annual turnover, 23% of the surveyed CSOs have an annual turnover between EUR 5,000 and EUR 25,000, 13% have an annual turnover between EUR 25,000 and EUR 50,000 EUR, 19% have an annual turnover between EUR 50,000 and EUR 100,000 EUR, another 13% have an annual turnover between EUR 100,000 and EUR 500,000 and 8% have turnover more than 500 000 EUR.

Assessment against indicators

The data collected informed the analysis of the situation in 2021 against each indicator. For the indicators that have a normative assessment, such as compliance with legislation or standards, the following traffic-light system was used to provide a quick visual guide:

5 – fully meets standards

4 – meets most standards

3 – moderately meets standards

2 – minimally meets standards

1 – does not meet standards

The assessment was applied to those indicators where the assessment was deemed meaningful.

The remaining indicators do not have a normative standard, but instead, provide an indication of year-on-year trends. Future assessment reports will provide comparative values against the 2021 baseline.



Specific Objective 1

A conducive environment for civil society to carry out its activities is in place.

SO 1.1. All individuals and legal entities in the Enlargement region can establish, join and participate in non-formal and/or registered organisations, can assemble peacefully and can express themselves freely.

Indicator 1.1.a: Extent to which relevant domestic legislation provides that:

- Associations can be established or registered without discrimination on any grounds;
- No unlawful restrictions are placed on the scope of their activities or pursuit of their objectives;
- Their termination may only occur following a decision by an independent and impartial court;
- No unlawful restrictions are placed on freedom of peaceful assembly;
- Freedom of expression is exercised by all, and no unlawful restrictions imposed.

4 – meets most standards

The legal framework in North Macedonia for establishing CSOs provides guarantees for exercising the right of freedom of association in line with international standards. It is part of the Constitution and is further explained in the Law on Associations and Foundations¹.

The Law provides a clear explanation² when it comes to which kind of Association can register, and how. Still, the service of the Central Registry of Republic of North Macedonia for electronic registration of organizations is not available for CSOs.³ Moreover, undocumented people cannot be founders, because they are neither nationals nor foreigners and cannot be identified. This is a general problem for North Macedonia, but it is worth mentioning here, because they are also deprived of the possibility to found an association that would represent their problems and rights.

Moreover, the financial implications (payment for registration of the Association, necessity to hire an accountant for CSOs with budgets above 2500 EUR, etc.) that are not set out in the Law but are necessary for the Associations to work in harmony with the local legislation in the country, may be seen as an obstacle for people who cannot afford such expenses.

In terms of scope, the Law prohibits registration and founding of a CSO if the name, programme, goals, activities, or actions of the CSO are directed towards violent demolition of the constitutional order, or by which the rights and freedoms of other people are violated. The restrictions are in line with the need to maintain the Associations' non-partisan and non-profit nature and existence.

1 (Official Gazette of Republic of Macedonia nr. 52/10, 135/11 and 55/16)
https://www.icnl.org/wp-content/uploads/Macedonia_maclaw.pdf

2 Articles from the LAF: (1) An association can be established by natural and legal persons;

(2) An association can be established by at least five founders, of whom three of the founders must have a place of residence or residence, that is to say, their headquarters in the territory of the Republic of Macedonia.

(3) A citizen's association may be founded by minors who have reached the age of 15 through a declaration of consent for the establishment of an association by their legal representative, for the purposes for which the association was established in accordance with the law.

3 <https://www.crm.com.mk/mk/uslugi/izvrsham-upis-ili-zavrsham-obvraska/osnovaj-nov-subjekt/registratsija-na-subjekt-preku-registratsionen-agent>

The Law sets out all the grounds which could result in its termination, thus eliminating any possibility for ambiguous interpretation of the provisions. The Law also includes the two ways of terminating any entity – either an insolvency procedure or liquidation – and elaborates on the steps in both cases. This is important for the protection of the rights of others.

The freedom of peaceful assembly is regulated by Article 21 of the Constitution, the Criminal Code, and Law on Public Assemblies (LPA), according to which citizens have the right to spontaneous, simultaneous, and counter assembly, with no prior notice required. The restrictions included referring only to assembling in situations and places which could be a threat to the life of others. The Law still defines a public gathering as a gathering of at least 20 people, which is contrary to international standards and the Constitution. The Law still has some shortcomings, such as a vague definition of the organiser's responsibilities and obligations, high fines imposed in cases of damage, and the obligation incumbent on foreigners to obtain approval to gather, otherwise, severe penalties are foreseen.

There were several protests in 2021 and one of the most significant was in Tetovo by the end of 2021, provoked by the fire in a modular COVID-19 hospital in Tetovo where 14 patients lost their lives, consequently, protests were organized demanding responsibilities from authorities emphasizing that the investigation has been taking too long. Demonstrators threw eggs and tried to reach the Albanian leading political party headquarters in Tetovo but clashed with the police, five people were detained during the protest and their detention was extended by the Court by 30 days. After the protest, a peaceful march has been organized to pay respect to the fire victims.⁴

The Law guarantees freedom of expression to all and is regulated by a few by-laws and provisions⁵.

Article 16 of the Constitution is a broad-ranging Article that provides guarantees for each aspect of freedom of expression – from personal belief and public speech to the right to place public information, to have access to information, to establish services for public information and even to comment on and require correction by the services for public information. Censorship is prohibited.

The other laws listed include specific provisions that entail limitations on the freedom of expression, in accordance with Article 10 of the ECHR. The Law on Civil Liability even quotes Article 10 as the guiding principle to decide when the limit on freedom of expression has been exceeded and become insult or defamation. This Law has a very strict definition for what actions are treated as insult or defamation, including the element of intention to insult or defame the other party. Facts, personal opinions, transferring information stated during an official meeting or other public gatherings, works of art or scientific research, as well as acts that are not meant to insult or defame, are protected. However, in the case of a lawsuit, the court will examine the actions through the prism of Article 10 of the ECHR.

In 2021, during the local elections in the country, several journalists faced verbal attacks and attempts at their public discreditation, and the Association of Journalists publicly reacted and asked the Ministry of the Interior to assume its responsibilities, since only a small percentage of the perpetrators of physical attacks against journalists have been brought to justice in the past.⁶

4 <https://monitor.civicus.org/updates/2021/10/19/association-suspended-after-alleged-sex-education-scandal-journalists-targeted-local-elections/>

5 Article 16 of the Constitution; Law on Civil Liability for Insult and Defamation (Official Gazette of RM nr. 143/2012); Law on Media (Official Gazette of RM nr. 184/13 and 13/14); Law on Audio and Audiovisual Media Services (Official Gazette of RM nr. 184/13, 13/14, 44/14, 101/14, 132/14, 142/16, 132/17, 168/18, 248/18 and 27/19 and Official Gazette of RNM nr. 42/20 and 77/21); Law on Whistleblowers (Official Gazette of RM nr. 196/15 and 35/18 and Official Gazette of RNM nr. 257/20)

6 <https://monitor.civicus.org/updates/2021/10/19/association-suspended-after-alleged-sex-education-scandal-journalists-targeted-local-elections/>

SO 1.2. Public authorities protect CSOs from interference and attacks and respect their right to privacy.

Indicator 1.2.a: Extent to which CSOs have access to an effective remedy to challenge or seek review of decisions affecting the exercise of their rights.

4 – meets most standards

CSOs registered under the Law on Associations and Foundations are treated as legal entities and possess the legal capacity to enter as a party into a procedure or dispute. All the legal procedures – civil, administrative, and criminal – contain provisions that guarantee that the CSO in question would have the right to provide information to its benefit, and to file an appeal or a lawsuit if dissatisfied with the decision. However, there are no special legal remedies that differentiate the legal remedies available to CSOs from those available to other citizens and legal entities.

In cases of adopting general rules which affect the rights of CSOs (for example, adopting a law or a policy at the national level), the CSOs have the right to challenge the provision in front of the Constitutional Court. In the case of a false interpretation of the provisions or failure to enjoy guaranteed rights, they can also report such violations to the Ombudsman and, in cases of discrimination, to the Commission on Protection and Prevention against Discrimination.

In 2021, 20% of the surveyed CSOs felt that government and authorities had taken decisions that had negatively affected their organizations, but only 25% of them were able to effectively challenge these decisions through legal, judicial, and administrative channels, and 17% are still waiting for the final decision.

In total, 12% of the Macedonian CSOs surveyed felt they were unable to challenge decisions that negatively affected them.

Indicator 1.2.b: Extent to which CSOs are protected by law from threats, attacks, judicial harassment and discriminatory treatment, in particular:

- threats including intimidation, harassment, defamation, as well as hate speech online and offline;
- attacks including acts of violence, physical abuse, searches and damage to property;
- judicial harassment including arbitrary arrest and detention, unlawful interference with communications, and abuse of criminal, civil and administrative proceedings or threats thereof;
- discriminatory treatment including disproportionate reporting requirements for CSOs.

4 – meets most standards

There are laws in place that protect everyone, including CSOs, from threats, attacks, judicial harassment, and discriminatory treatment⁷. However, these are general provisions referring to natural persons and legal entities, and therefore CSOs are not recognized as specific legal entities but are subjected to the same provisions as other legal entities, except for the Law on Prevention and Protection against Discrimination, where CSOs can file an *actio popularis*.

⁷ Criminal code (Official Gazette of Republic of Macedonia nr. 37/96, 80/99, 4/02, 43/03, 19/04, 81/05, 60/06, 73/06, 7/08, 139/08, 114/09, 51/11, 135/11, 185/11, 142/12, 166/12, 55/13, 82/13, 14/14, 27/14, 28/14, 41/14, 115/14, 132/14, 160/14, 199/14, 196/15, 226/15, 97/17 and 248/18)
Law on Litigation Procedure (Official Gazette of RM nr. 79/05, 110/08, 83/09, 116/10 and 124/15)
Law on Administrative Procedure (Official Gazette of RM nr. 124/2015 and 65/2018)
Law on Administrative Disputes (Official Gazette of RM nr. 96/2019)
Law on Prevention and Protection against Discrimination (Official Gazette of RNM nr. 258/2020)
Law on civil responsibility for insult or defamation (Official Gazette of RM nr. 143/2012)

What is more, there is no legal provision specifically protecting CSO members from arbitrary arrest and detention. There is, however, a general provision in the Criminal Code, by which, for arbitrary arrest and detention conducted by an official in abuse of service, the official might receive a sentence of six months to five years of imprisonment.

Nevertheless, a novelty is the new draft Law on Civil Liability and Defamation of 2021, which introduces significant reductions in the maximum amounts that a court can award as compensation for non-pecuniary damages. Regrettably, this draft Law was not published on ENER (Unique Electronic Registry of Regulations of the Republic of North Macedonia)⁸ and was adopted without consultations.

Indicator 1.2.c: Proportion of CSOs that operate effectively without threats, attacks, judicial harassment and discriminatory treatment, in terms of:

- number of complaints concerning lack of protection of CSOs;
- number of attacks on CSOs and their members;
- number of instances of damage to property;
- number of instances of discriminatory treatment in reporting;
- number of instances when CSO offices were unlawfully searched, subjected to inspections;
- number of instances of interference with the communications of CSOs.

The proportion of surveyed CSOs in North Macedonia that reported that their organisation, members, or both were subjected to threats, attacks, judicial harassment, or discriminatory treatment in 2021, was considerable. 13% of participating CSOs reported being subjected to threats or physical attacks, 12% reported property damage, 7% reported interference with communications, and 5% reported being subjected to unlawful searches.

On the other hand, according to the Safety Journalists platform, there were no cases of attacks, detention, harassment, or intimidation of journalists in North Macedonia in 2021⁹. What is more, the Association of Journalists stated that lawsuits against journalists are dropping, and in 2021 there were only 20 lawsuits filed to the courts. This number has been decreasing, as compared to 2016, when there were 40.

In 2021, there were new cases of defamation, after several years of a falling number of defamations against journalists. The first one was by “Levica” (the left-wing political party) and its president, that the judiciary had harassed three journalists from the media outlet A1 on charges of unauthorized “publication of personal records” according to Article 148 of the Criminal Code, when in fact it was a question of the publication of a response to an SMS message from a Member of Parliament. Second, and more worrisome, was the case of criminal charges for disclosure of state secrets by the journalists Goran Momiroski and Dragan Milosavljević, who discussed alleged corruption and abuses in the National Intelligence Agency in a late-night talk show on the pro-opposition TV Station Alpha.¹⁰

8 <https://mcms.mk/images/docs/2022/Monitoring-Matrix-Brieokff-North-Macedonia.pdf>

9 <https://fom.coe.int/en/pays/detail/11709590>

10 https://www.irex.org/VIBE_2022_North_Macedonia

SO 1.3. Measures used to fight extremism, terrorism, money laundering or corruption are targeted and proportionate, in line with the risk-based approach, and respect human rights standards on freedom of association, assembly and expression.

Indicator 1.3.a: Extent to which laws to combat extremism, terrorism, money laundering and corruption do not unduly restrict legitimate activities of CSOs.

4 – meets most standards

Even though, as per Article 5 of the Law on Prevention against Money Laundering and Financing Terrorism, CSOs are not listed as subjects of the law, which means that CSOs are not obliged to obey the provisions of the law, challenges remain.

As per Article 12 of the Law, the CSOs, like any other bank client, are subjected to analysis on every transaction over EUR 1,000.00. As per Article 13, the analysis includes identification of the beneficiary, identification of the person who paid the amount, and identification of the beneficial owner, as well as providing information for the purpose of the payment. As per Article 20, the true owner of a CSO (and of any other legal entity that falls under the register of other legal entities in the Central Registry), shall be considered the person who holds the main position in management within the assets of the CSO. All these considerations complicate and burden the work of the CSOs, and in most of cases, banks request documentation and data in violation of the Law on Data Protection.

During 2021, as part of the Technical Assistance Project implemented by the CSO “Konekt” and successful cooperation with the Finance Intelligence Office, the risk assessment of CSOs in the country was improved - before then, CSOs were considered a high terrorist financing risk. With the new assessment, the Government adopted a report on targeted risk assessment, the first of this type also to include CSOs in the methodology used. One of the findings of this report was that most of the CSOs in North Macedonia present a very low risk of financing terrorism.

However, despite this ranking, the provisions of the Law on Prevention of Money-Laundering and Financing of Terrorism still imposed additional administrative burdens on CSOs, including the requirement to provide detailed information on their ownership structure. The request to register a “real owner” or “beneficial owner” in a timely manner resulted in high fines - the financial implications for the CSOs if they did not meet the deadline resulted in charges of up to 1000 Euros and frozen accounts. This was the case for more than 30% of the CSOs and proved to be a real burden on the CSO budgets.

Indicator 1.3.b: Proportion of CSOs whose ability to undertake legitimate activities is not restricted by the implementation of laws to combat extremism, terrorism, money laundering and corruption, and in particular by:

- being judicially harassed for their alleged connections with extremism, terrorism, money laundering and corruption;
- discriminatory restrictions placed on funding;
- authorities or banks preventing them from opening bank accounts, sending or receiving money.

In total, 91.7% of the CSOs stated that neither they nor their organisations had been subject to judicial harassment for alleged connections with extremism, terrorism, money laundering, or corruption in 2021. However, 5% of the CSOs stated that their members and their organisations were subject to judicial harassment for alleged connections with extremism, terrorism, money laundering, or corruption, and 3% were subjected to discriminatory treatment for receiving funds from sources/from certain sources. In total, 8% of the surveyed CSOs stated that they were prevented by the government and banks from opening a bank account and sending or receiving money.

SO 1.4. Public authorities treat all CSOs equally with regards to their operations, and equitably with other entities (such as businesses).

Indicator 1.4.a: Extent to which laws (1) do not require CSOs to submit more reports and information, and (2) do not submit CSOs to more inspections and sanctions, than business entities, all else being equal.

5 – fully meets standards

Both sectors, non-governmental and business, are required to file annual closing financial statements. If the non-profits have generated less than EUR 2.500 turnover, they are not obliged to file their financial statement.

In general, each law that stipulates obligations for CSOs has its own section for supervision and sanctions. For example, if the CSO employs one or more persons, it can be subjected to supervision under the Law on Employment. When it comes to accounting, the Law on Accounting for Non-profit Organisations has a separate chapter (VII) on misdemeanour provisions. It is stated that the misdemeanour procedure and sanctions from it can be issued by a competent court.

By law, CSOs are not subject to more inspections and sanctions than other businesses. Businesses also have more obligations around the division of profit, so, appropriately enough, they have more obligations and sanctions prescribed by law. When it comes to inspections, the law prescribes the same approach.

SO 1.5. Central and/or local public authorities have enabling policies and rules for small community organisations and civic initiatives (grass-roots organisations).

Indicator 1.5.a: Small community/local organisations and civic initiatives are allowed to operate by law without registering.

5 – fully meets standards

In terms of whether small communities/local organisations are allowed by law to operate without registering, it must be mentioned that there are no specific laws or provisions regarding this matter.

As per Article 21 of the Constitution, citizens can freely gather, and as per Article 16, they can express their opinions and beliefs.

Owing to this, no Law prohibits the actions of non-formal groups; nor are they regulated by law.

However, the Law on Protection and Prevention against Discrimination recognizes non-formal groups as separate entities and accords them the right to file an *actio popularis* (Article 35).

Indicator 1.5.b: In law, unregistered small community/local organisations and civic initiatives enjoy the same right to participation in decision making processes as registered CSOs.

5 – fully meets standards

The Law on Associations and Foundations regulates only associations that are registered under the Law, and this is the only form that is recognised for an NGO. However, the Regulatory Impact Assess-

ment Methodology¹¹ recognises that there are two types of stakeholders when drafting laws and by-laws: internal (ministries and other state administration bodies) and external (businesses, trade unions, NGOs, foundations, groups of citizens and private citizens). Hence, the representatives of unregistered organisations and initiatives can be invited as citizens or groups of citizens.

SO 1.6. All CSOs are free to solicit and receive funding.

Indicator 1.6.a: Extent to which relevant laws allow CSOs to seek a broad range of funding, including from abroad, without undue restrictions, as regards:

- cash and in-kind donations from all sources;
- funding from domestic public bodies;
- funding from institutional, corporate or individual donors;
- funding from foreign governments or multilateral agencies.

5 – fully meets standards

The financing of NGOs is regulated by the Law on Associations and Foundations in North Macedonia, and the legal framework enables CSOs to receive funds from a variety of sources. In Article 48, the following are stated as sources of financing: membership fees, nominal deposits, charity, donations, gifts (money, goods, or property), rents, economic activities (in accordance with the goals of the organization, and with an eye to their later reinvestment in reaching those goals), income from investments, dividends, interest, loans, and other income as per law.

As per Article 49 of the same law, CSOs may receive state budget funds from the budgets of the State, Municipalities, or City of Skopje. Moreover, there are no legal restrictions on the ability of CSOs to access various funding sources, including foreign donors.

Article 13, which promotes the principle of the non-partisan activity of NGOs, states that NGOs shall not conduct activities for political parties, nor shall they provide direct or indirect financing of parties. Hence, their financing by political parties might be interpreted as a violation of this principle.

The same goes for receiving funds from institutions or countries which are risks as regards the financing of terrorism, and which might render the CSO open to the suspicion of financing terrorism or money laundering.

Indicator 1.6.b: Proportion of CSOs that can access a broad range of funding without undue government interference.

In the CSO Survey, 80% of CSO stated that in 2021 they had not experienced undue government interference which might have prevented their organisation from accessing any type of funding.

¹¹ https://mioa.gov.mk/sites/default/files/pbl_files/documents/pvr/methodology_ria.pdf

SO 1.7. Public financial and non-financial support to CSOs is available in IPA beneficiaries, and provided in a transparent, accountable, fair and non-discriminatory manner.

Indicator 1.7.a: The level of public funding available for CSOs and associations is clearly articulated in laws and regulations, and the rights and duties of the state body invested with the ability to set and revise the level of public funding available is clearly defined in law.

1 – does not meet standards

In Article 49, para 2, the Law on Associations and Foundations states that the Government, other authorised bodies, municipalities, and the City of Skopje shall adopt annual plans and programmes for the distribution of funds. However, neither a minimum amount nor a percentage is provided by way of direction.

The Law states that they should have an annual programme for the distribution of funds, and then that they should publish the names of the CSOs that have received funding on their website (Article 49, paras. 3 and 4 of the Law on Associations and Foundations).

The budget allocation mechanism for CSOs is decentralised, and apart from the state funding from the central level, which is approximately 5% of the total revenues of the organisations each year, there is a lack of aggregated data regarding the funding from local self-government.

Public funding as a percentage of the CSO revenues is stated in the new Strategy for Development and Cooperation with CSOs enacted at the end of 2021, where the gradual increase of these funds each year to 20% in 2022, 25% in 2023 and 30% in 2024 (equivalent to 30 million EUR) was foreseen for the state funding of the CSO sector annually¹².

However, the general comment is that each ministry, agency and local self-government institution makes its own regulations and decisions for supporting CSOs.

Indicator 1.7.b: Percentage of public budget actually disbursed to CSOs in a year.

The total state funding in 2021 (excluding local-self-government) was 308 532 488 denars¹³(equivalent to approximately 5 million EUR). This was around 0.0012 % of the total public budget (256 906 000 000 denars).¹⁴

However, there is no central location (Open Finance is available but data could be hardly assessed in analytical format from previous years) where the data for funding of CSOs from all the relevant institutions can be found. The only easily accessible data is from General Secretariat that in 2021, distributed a total of 19.800.000 denars to CSOs by supporting their programme activities¹⁵.

It is important to mention that the state funding to CSOs can usually be seen under budget line 463, but sometimes these transfers are even bigger under budget lines 462, 472, and 425, which creates confusion and difficulties in measuring the total state support.

¹² <https://www.nvosorobotka.gov.mk/sites/default/files/Strategija%20usvoena%2028%2012%202021.pdf>

¹³ 'Monitoring matrix on enabling environment for civil society development – Country brief North Macedonia 2021', Balkan Civil Society Development Network, April 2022.
<https://mcms.mk/images/docs/2022/Monitoring-Matrix-Brief-North-Macedonia.pdf>

¹⁴ <https://finance.gov.mk/wp-content/uploads/2022/12/Завршна-сметка-за-2021-мак.pdf>

¹⁵ <https://www.nvosorobotka.gov.mk/sites/default/files/Finansiska%20poddrska%20GO%202021.pdf>

Indicator 1.7.c: Extent to which legal provisions regulating the award of public funding to CSOs ensure that:

- funding criteria are clearly defined, objective and publicly announced;
- evaluation of proposals is clear and impartial;
- conflict of interest is clearly regulated;
- reporting requirements are clear and proportionate.

3 – moderately meets standards

The Law on Associations and Foundations states that associations and foundations can use funds from the state budget, the budget of the municipalities and the City of Skopje. The Law states that the Government, the municipalities, and the City of Skopje are authorised to provide criteria for the distribution and utilisation of these funds.

The Government, the City of Skopje and the municipalities are obliged to adopt annual plans and programmes for the distribution of these funds, which are later distributed under the criteria which have been set out. After that, they are obliged to publish the names of the associations that received the funds and the goals for which these associations were established.

The support is provided through open calls and clear and transparent procedures, by the General Secretariat only, with clear guidelines and criteria defined. As for the rest of the institutions, ministries, agencies, and local-self-government, they set their own regulations and procedures for funding CSOs, which are publicly available on their web pages, such as that of the Ministry of Economy¹⁶. However, it is not easy to find the announcements or the awarded projects of CSOs on these web pages, which are not always user-friendly. In terms of the evaluation process, there are no data as to how it is conducted, but in most cases, owing to the cost of engaging external experts, it is usually performed by the internal sectors within the relevant institution/ministry.

As per Article 49 para 5 of the LAF, the CSO that have received funds from the state bodies shall deliver business and financial reports to the state body.

Indicator 1.7.d: Central governments make the information on awards publicly available and sufficiently detailed to identify individual awards.

3 – moderately meets standards

The sector for cooperation with CSOs at the General Secretariat publishes the data for the funding of CSOs¹⁷ on their web page. The information has been available, starting from 2012, for most years. However, this is the only institution that provides such data in an open and transparent manner.

The Law on Associations and Foundations does not contain such a provision, and it is left to the institutions to regulate this question. Some of the laws regulating specific areas contain information on the type of procedure – for example, the Law on Culture states that the annual call should contain criteria for participation, but those criteria are not set out in the law (Article 62 from the Law on Culture).

The ministries and agencies make their own public calls, which are published on their web pages according to their internal regulations and procedures, and it is quite challenging to find information on the awarding organisations.

¹⁶ <https://economy.gov.mk/mk-MK/news/javen-povik-za-finansiska-poddrska-za-zensko-pretpriemnistvo-vo-turizmot.nsp>

¹⁷ <https://www.nvosorabotka.gov.mk/sites/default/files/Finansiska%20poddrska%20GO%202021.pdf>

Indicator 1.7.e: Proportion of CSOs indicating that the provision of domestic public funds is transparent, fair, and non-discriminatory.

1 – does not meet standards

5%

The challenges to transparency, fairness and non-discrimination in public funding is reflected by the respondents who took part in the survey: just 5% responded that the process was sufficiently transparent and fair. Indeed, 69.5% considered this process not transparent at all, whilst 61% were also under the impression there was a lack of fairness in the provision of public funds.

Indicator 1.7.f: Public funding does not exclude CSOs on the basis of their constituency representation.

As regards the inclusiveness of the award of public funding, and the requirement that it not exclude CSOs based on their constituencies, 15.4% of the CSOs stated that they were excluded on account of the people they worked with and served.

The feedback on the perception of those CSOs that applied for public funding, which was 54% of the respondents, was that in 81% of the cases, their applications were not successful. 85% stated that the reason for this was that public funding went to organisations that were preferred by the authorities.

Still, of those that did not apply for funding, 50% responded that the main reason for this was that they did not believe they had a realistic chance of winning, and 23% responded that the available funds were too small. A total of 15% of the respondents stated that they did not need public funding, and therefore did not apply for it.

SO 1.8. Individuals and corporations enjoy tax benefits for their donations to CSOs.

Indicator 1.8.a: Tax legislation allows for tax relief as regards:

- Individual giving
- Corporate giving

3 – moderately meets standards

Individuals and corporations have access to tax deductions, but there are restrictions depending on the size of donations.

Corporations can deduct up to 5% of their taxable income for giving to qualifying public benefit purposes, and this amount cannot exceed € 60,000. Individuals can deduct up to 20% of their taxable income for giving to qualifying public benefit purposes, but this amount cannot exceed €400.

The giving of individual and corporate donations is insufficiently applied, particularly towards the civil sector. Also, the administrative procedure for tax incentives continues not to be supportive, owing to the excessive administration procedures in place.

For example, in the case of donations, according to the Law on Sponsorships and Donations (which covers both local and international donors), the receiver of the donation is obliged to submit a report to the tax authorities that includes information regarding the size and purpose of the donation, as well as information regarding the donor and receiver. However, the Law at the same time requests the donor also to submit a similar file via the system of the tax authorities including the same information, which imposes an additional burden on the donor (individual or corporate donor).

Indicator 1.8.b: Proportion of private individuals who have given money to a CSO.

According to the World Giving Index by the Charities Aid Foundation, North Macedonia is ranked in 34th place on the world giving list. In total, private individuals have given money to CSOs is 45%, which is a significant increase in comparison with 2019, when this proportion was 29%.¹⁸ However, there is no data available on where these donations ended and for what purpose they have been made.

¹⁸ 'World Giving Index 2021. A global pandemic special report', Charities Aid Foundation, June 2021, p 18.
https://www.cafamerica.org/wp-content/uploads/CAFWORLDDGIVINGINDEX2021REPORT_WEB2_100621.pdf

SO 1.9. Tax benefits are available to CSOs.

Indicator 1.9.a: Extent to which applicable tax laws provide for the following:

- CSO income generated from grants, donations, and membership dues, income from economic activities, investment income, real property, gifts and inheritance is not subject to taxation;
- any excess revenue or profit generated through economic activity and used for mission-related purpose by CSOs is not subject to corporate income/profit tax.

3 – moderately meets standards

According to the new revisions of the Law on Profit Tax of 2018, all foundations and associations registered in accordance with the Law on Associations and Foundations are not obliged to pay tax on profits, under specific provisions. Non-taxable revenues are revenues from membership fees, charitable contributions, donations, grants, gifts (in money, goods, property rights), wills, revenues from dividends from trade companies established with the funds of an association, and the revenues from the Budget of the Republic of North Macedonia, the budgets of the units of self-government and the Budget of the City of Skopje.

Furthermore, according to the Law on Donations and Sponsorships, a donation in the form of property given for the purpose of public interest and benefit should be exempted from property tax in the five years following the year it was donated. Also, the donation should be exempted from gift and inheritance tax in cases where the donor transfers the right to use it to the beneficiary.¹⁹

Foundations that perform economic activities and generate revenues within the framework of their not-for-profit activity are obliged, for the purpose of avoiding unfair competition against for-profit entities whose revenues from economic activities are taxable, to pay tax on the total revenues earned. In cases when the total revenue generated from their economic activities exceeds 1.000.000 denars (equivalent to € 16,000), the tax is calculated and paid to the amount of 1% of the total income generated from the economic activity in the calendar year, only to an amount exceeding one million denars.²⁰

19 Nikica Kusnikova, 'Legal Environment for Philanthropy in Europe 2020', Donors and Foundations Networks in Europe (Dafne) and European Foundation Centre (EFC), 2020, pp. 19.
<https://givingbalkans.org/content/legal-environment-philanthropy-europe-north-macedonia-2020>

20 Nikica Kusnikova, 'Legal Environment for Philanthropy in Europe 2020', Donors and Foundations Networks in Europe (Dafne) and European Foundation Centre (EFC), 2020, pp. 11.
<https://givingbalkans.org/content/legal-environment-philanthropy-europe-north-macedonia-2020>

SO 1.10. The policies and legal environment provide incentives and facilitate volunteering and employment in CSOs.

Indicator 1.10.a: Laws regulating volunteering are adopted.

4 – meets most standards

The first law on volunteerism was adopted back in 2007 in North Macedonia, and the Ministry of Labour and Social Policy is responsible for the implementation of this Law.

The National Council for the Promotion and Development of Volunteering, established by the Government, is responsible for promoting volunteering.²¹

In May 2021, there were amendments to the existing Law on Volunteerism, related to requirements for an organisation hosting a volunteer as well as for introducing volunteering practice in public institutions, state institutions, and local and self-government.²²

However, owing to some privacy issues and the Law on Data Protection (every volunteer, both foreigner and local, needs to be registered in a database in the Ministry), the Ministry of Labour and Social Policy back in 2013 proposed an amendment related to personal data protection, such that data for foreign volunteers should be kept for three years only and then destroyed. This also opens a question regarding privacy data protection for local volunteers as well. However, these amendments have never been voted on.²³

Indicator 1.10.b: Government volunteering strategies and programmes support volunteering for CSOs and have sufficient resources allocated for implementation.

5 – fully meets standards

In 2021, a new Strategy for Promoting volunteering (2021–2025), along with an Action Plan, has been adopted.

The National Strategy for Youth in North Macedonia (2016 – 2025) also includes volunteering in its scope but also points to the fact that local and national institutions do not invest in and promote volunteering among the youth enough. This strategy reinforces volunteering as a technical element in the educational process throughout the country at all levels, and not just VET education.²⁴

There are certain incentives supporting volunteerism, for both volunteer and host organisations and state-supported programmes for encouraging volunteering. As such, according to the Law on Volunteering, volunteers are allowed tax-free reimbursement of costs associated with volunteering work (training, food, and transportation).²⁵ CSOs can obtain subsidies for their costs if they engage an intern through employment programmes that subsidise the involvement of the volunteer.

Moreover, as part of the volunteering infrastructure, in 2021 there were Volunteer Centres (in Bitola, Skopje and the National Centre in Skopje with six local focal points) that linked volunteers with volunteering opportunities.²⁶

21 https://cms.mtsp.gov.mk/sovet-za-volonterstvo-ns_article-nacionalen-sovet-za-razvoj-na-volonterstvoto-nsrv-nacionalen-sovet-za-razvoj-na-volonterstvoto-nsrv.nspix

22 'Monitoring matrix on enabling environment for civil society development – Country brief North Macedonia 2021', Balkan Civil Society Development Network, April 2022. <https://mcms.mk/images/docs/2022/Monitoring-Matrix-Brief-North-Macedonia.pdf>

23 <https://national-policies.eacea.ec.europa.eu/youthwiki/chapters/republic-of-north-macedonia/21-general-context>

24 'Strategy for promoting and development of volunteerism (2021–2025)' and 'Action Plan', 2021. https://www.mtsp.gov.mk/content/pdf/2021/trud/Volonterstvo_2021_2025.pdf

25 'Monitoring matrix on enabling environment for civil society development – Country brief North Macedonia 2021', Balkan Civil Society Development Network, April 2022. <https://mcms.mk/images/docs/2022/Monitoring-Matrix-Brief-North-Macedonia.pdf>

26 <https://vcs.org.mk/mk/about-us/>

Indicator 1.10.c: Proportion of CSOs that benefit from state employment strategies and programmes.

According to the results of the CSO Survey, just 10% of the respondents benefited from government employment strategies in 2021. Most of those that benefited from the government programmes stated that they had used subsidies for new employees.

When it came to COVID-related governmental support, just 15.3% of the CSOs used it in 2021. Finally, only 6.8% of respondents benefited from government volunteering programmes.

Indicator 1.10.d: Proportion of CSOs that benefit from state volunteering strategies and programmes.

According to the CSO Survey, the number of CSOs that benefited from government volunteering programmes in 2021 was just 6.8% of the total respondents.

Indicator 1.10.e: Proportion of employees in CSOs in relation to the total workforce.

The total number of employees in associations and foundations according to the Central Registry of the Republic of North Macedonia decreased slightly from 1,799 in 2020 to 1,665 in 2021.²⁷ The proportion of employees in the CSO sector in relation to the total workforce (943,004²⁸) in 2021 was 0.18%, as compared to 2020 when it was almost the same (0.18%). The employment data for CSO does not consider part-time employees and people with short-term contracts and part of the volunteers. The proportion of employees in the CSO sector in relation to the total number of employees (693,494²⁹) in the country is 0.24%.

Here it is important to mention that the CSO sector is neither part of the business organisations' collective agreement, nor the public organisations' collective agreement. As such, is not unionised.

Indicator 1.10.f: Percentage of people who have volunteered their time to an organisation.

Despite the legal framework in place, and the Strategy and Action Plan, the proportion of people that volunteered their time for an organisation was still just 11% in 2021. Even though this proportion showed an increasing trend starting in 2018, it was still at a lower level than in 2017 (when it was 13%). There were no data for 2020, owing to the Covid restrictions on movement.³⁰

27 Monitoring matrix on enabling environment for civil society development – Country brief North Macedonia 2021', Balkan Civil Society Development Network, April 2022

<https://mcms.mk/images/docs/2022/Monitoring-Matrix-Brief-North-Macedonia.pdf>

28 https://pbk.sobranie.mk/content/Pazar_na_trud_2022_mkd.pdf

29 <https://www.stat.gov.mk/PrikaziSoopstenie.aspx?rbtxt=98>

30 'World Giving Index 2021, A global pandemic special report', Charities Aid Foundation, June 2021,

https://www.cafamerica.org/wp-content/uploads/CAFWORLDGIVINGINDEX2021.REPORT_WEB2_100621.pdf



Specific Objective 2

Strengthened cooperation and partnership between CSOs and public institutions.

SO 2.1. Public authorities and institutions include CSOs in decision- and policy-making processes.

Indicator 2.1.a: Laws, bylaws, strategies, other acts of public interest and policy reforms are effectively consulted with CSOs in that:

- CSOs have access to the draft document from the beginning of the drafting process to the end of the adoption procedure;
- At least 15 days are allowed for commenting before the draft document enters adoption procedure;
- The use of extraordinary/expedited procedures to adopt legislation without allowing for consultation is an exception and duly justified;
- Reports on results of public consultations, including reasons for rejection of comments, are published in a timely fashion;
- Working groups members from CSOs are selected based on a public call, clear criteria and in line with equal treatment;
- Working group members from CSOs include representatives of society as a whole, including women's groups, LGBTIQ groups, migrant groups, minorities, disability groups, and others as appropriate, in line with the Human Rights Based Approach.

2 – minimally meets standards

Even though the Code of Good Practices in North Macedonia is supposed to promote and enhance the participation of CSOs in consultations regarding strategies, programmes, action plans, laws, by-laws and similar, this policy of inclusion remains at an unsatisfactory level.

In 2021, on the public call published by the Unit for Cooperation with CSOs at the Government for participation of CSOs in contributing to the development of the annual working programme of the Government for 2022, 15 proposals from 9 CSOs were submitted in total, and 13 responses were provided in relation to 8 of the proposals submitted. Most of the proposals and initiatives were taken into consideration when working on the legal framework.³¹

In 2021, out of 111 laws that were supposed to be posted on the Unique National Electronic Register of Regulations (ENER), only 41 draft Laws (37%) were posted on ENER for wide public open consultation, and for just 22 of them, CSO provided comments and remarks. Of most of those for which the CSOs provided comments, 12 were related to the Ministry of Finance, followed by the Ministry of Justice. Of the 46 working groups constituted for various laws and by-laws, only 16 were CSOs included and only four relevant ministries (Ministry of Labour and Social Policy, Ministry of Education, Ministry of Justice, and Ministry of Finance). The rest of the twelve Ministries did not invite any representatives at all from the CSO sector into their working groups.³² There is no available data on the structure and effectiveness of the inclusion of CSOs in these working groups.

The main conclusion that can be drawn is that civil society actors were involved in only 25% of the ministries in important consultation processes during the year. For instance, CSOs were not consulted

³¹ <https://www.nvosorobotka.gov.mk/sites/default/files/lzveshtaj%20konsultacii%20so%20GO%202021%2021.9.22.pdf>

³² <https://www.nvosorobotka.gov.mk/sites/default/files/lzveshtaj%20konsultacii%20so%20GO%202021%2021.9.22.pdf>

regarding changes to election campaign financing regulations until very late in the process. In another example, the government announced that a report on state administration reform had been prepared for an EU project, within which only closed debates were held without the participation of many stakeholders, including CSOs. After the report was presented, many CSOs pointed to several shortcomings and problems in the plan. Despite CSOs' demands that a consultative process on the report must be opened, this had not happened by the end of the year.³³

The perceptions of the respondents of the CSO Survey in North Macedonia were in line with the above-mentioned issue, meaning that just 34% responded who had been consulted during the drafting of laws, by-laws, strategies, and similar projects, and only 22% responded that their organisation had been granted access to the draft documents from the beginning of the drafting process to the end of the adoption procedure. In the same context, as to whether the organisation had been given at least 15 days for commenting on draft documents, only 25% of respondents said that that had been the case. Lastly, only 25% of respondents had their representative present as a member of the working group tasked with the development of laws, by-laws and similar in 2021.

However, the perception of half of the public officials surveyed generally views that the participation of CSOs is sufficient and satisfactory in drafting laws, by-laws, strategies, and similar documents.

Indicator 2.1.b: CSOs are effectively included in oversight mechanisms.

The perspective of the focus group participants regarding the CSOs' effective inclusion in oversight mechanisms shows that institutions have limited capacities to conduct monitoring, and therefore, to include the CSOs in this process. On some occasions, CSOs conducted independent monitoring of the activities of specific Institutions in 2021. Nevertheless, the issue for all the respondents was the cost for participation in such mechanisms, bearing in mind the limited financial viability of most of the CSOs in the country.

As for the public officials' perspective, they are generally of the view that CSOs were very effectively or sufficiently effectively included into the oversight mechanism.

Indicator 2.1.c: Proportion of CSOs that have participated in consultations during the preparation of state reports under international human rights and other legal obligations and the implementation of treaty body recommendations.

In the CSO Survey, 42% of respondents were aware of open calls for CSO participation in consultations on the drafting of government reports under international human rights or other treaties or in the implementation of treaty body recommendations, launched by government authorities in 2021. 14% of CSOs participated in such consultations. Most of the CSOs - 75% of the respondents - participated in consultations related to the International Convention on the Rights of People with Disabilities.

In practice, the Ombudsman Office stated that, for example, in 2021 it had worked closely with CSOs towards strengthening human rights in the country, and that CSOs are partners in the National Preventive Mechanism, the External Oversight Mechanism, Monitoring of the implementation of the UN Convention of the rights of persons with disabilities and similar³⁴. But there was no clear evidence about that.

33 https://www.balkancsd.net/novo/wp-content/uploads/2022/10/24-7-North-Macedonia_final.pdf

34 <http://ennhri.org/wp-content/uploads/2020/06/State-of-the-Rule-of-Law-in-Europe-2020-North-Macedonia.pdf>

SO 2.2. Public authorities and institutions acknowledge the importance of civil society in societal policy debate and EU integration processes.

Indicator 2.2.a: Extent to which CSOs assess the attitude of public officials towards civil society as supportive.(q12 – PA, q88 – CSO).

1 – does not meet standards 12%

Only 12% of the CSOs considered the attitude of public officials towards civil society in 2021 as supportive.

In total, 73% of the surveyed CSOs stated that public officials were not at all or insufficiently supportive towards CSOs in 2021. However, the Public Administration Survey revealed that those perceptions of the public officials were that they were supportive of CSOs in 2021.

SO 2.3. Public authorities contribute to civil society strengthening by cooperating with civil society through strategic policy frameworks and relevant institutional mechanisms.

Indicator 2.3.a: Proportion of CSOs that were effectively consulted in the preparation of civil society cooperation strategies

The Strategy for Cooperation with and Development of the Civil Society Sector, along with the Action Plan, were adopted on December 28, which had left the country without a strategy in 2021. However, the Council for Cooperation with CSOs, in cooperation with the EU-funded Technical Assistance Project on Enabling Environment, enabled an open consultative process for the preparation of the Strategy, for which many CSOs provided their inputs.³⁵

Indicator 2.3.b: IPA beneficiaries have adopted currently valid civil society cooperation strategies.

1 – does not meet standards

The Strategy for Cooperation with and Development of the Civil Society Sector 2022–2024, along with the Action Plan, were adopted on December 28, 2021.

Indicator 2.3.c: Civil society cooperation strategies are accompanied by adopted budgeted action plans.

1 – does not meet standards

The adopted Strategy for Cooperation with and Development of the Civil Society Sector 2022–2024 is accompanied by Action Plan with clear budget allocation.

Indicator 2.3.d: Proportion of CSOs that rate civil society cooperation strategies as relevant and effective

Given that there was no Strategy in 2021, there are no available data for this indicator.

35 <https://www.balkancsd.net/novo/wp-content/uploads/2022/10/Monitoring-Matrix-Brief-North-Macedonia.pdf>

Indicator 2.3.e: Public structures responsible for the implementation of civil society cooperation strategies are appropriately resourced.

The Unit for Cooperation with CSOs at the General Secretariat, basing its actions on inputs from the Network of Public Officials, is responsible for coordinating the implementation process of the Strategy. The Council, as an advisory body, along with the Network of Public Officials monitor the implementation of the Strategy and enhance the dialogue between the CSOs and the Government. The relevant ministries are supposed to provide financial support for the implementation of the Strategy.

Indicator 2.3.f: Mechanisms for dialogue between civil society cooperation councils and central governments meaningfully include CSOs in that dialogue:

5 – fully meets standards

The Council for Cooperation with and Development of the Civil Society (the Council) is an advisory body to the Government for the promotion of cooperation, dialogue, and civil society development in the Republic of North Macedonia. The Council was established in April 2018 by a Government decision. The Council consists of 31 members, 16 members appointed at the proposal of CSOs from the countries, and the other 15 members appointed by the relevant ministries responsible for cooperation with and development of CSOs. The members from CSOs were selected via an open call published by the General Secretariat.³⁶

The administrative actions of the Council were performed by the Unit for Cooperation with CSOs at the General Secretariat.

The Council, amongst its other activities, nominates and proposes CSO representatives for various working groups focussing on public policies and provides proposals for state funding of the CSOs. The President of the Council is elected from among the CSO representatives and the Vice-President from the government representatives. All members of the Council have equal rights and obligations. Council meetings are scheduled by the President of the Council and, according to the plan of work, the meetings are held at least once every three months. The Council web page that is part of the General Secretariat page includes all relevant information regarding the Council funding, plan of work, members, contact information, decisions, and minutes of each of the meetings held.³⁷ The Council held more than 30 meetings and was quite active during 2021.³⁸

³⁶ <https://www.nvosorabotka.gov.mk/sites/default/files/Odluka%20za%20Sovet%20precisten%20tekst%205%202021.pdf>

³⁷ <https://www.nvosorabotka.gov.mk/?q=node/99>

³⁸ https://www.nvosorabotka.gov.mk/sites/default/files/Zapisnik_6_sednica_Sovet.pdf



Specific Objective 3

CSO capacity and resilience to carry out their activities effectively are reinforced.

SO 3.1. CSOs' internal governance structures follow the principles of good governance.

Indicator 3.1.a: Proportion of CSOs that have an independent and effective governing body with clear terms of reference to oversee the organisation's strategic goals, impact, management, legal compliance, and accountability.

2 – minimally meets standards **39%**

When it comes to the effectiveness of the governing bodies of the CSOs surveyed, even though all the respondents have a governing body, statute, articles of association and other relevant funding documents as prescribed by the law, still only 39% of the respondents had an independent and effective governing body and did not have paid members of their staff in their governing bodies in 2021.

Indicator 3.1.b: Proportion of CSOs that regularly check potential conflicts of interest with regard to the political, economic and personal relationships of their governing body.

2 – minimally meets standards **22%**

Similarly, the proportion of CSOs that checked potential conflicts of interest regarding the political, economic, and personal relationships of the members of their governing body on an annual basis was 22 % in 2021. The proportion of CSOs that requested a conflict-of-interest declaration and signed only once when assigned a new role was 35% and CSOs that never had requested such statements is 31%.

Indicator 3.1.c: Proportion of CSOs that share relevant information on their organisation using means and channels that are accessible to all stakeholders in terms of publishing

- their statutes
- governance structure
- organisational policies.

2 – minimally meets standards **30%**

When considering the transparency and accountability of surveyed CSOs surveyed in 2021, only 30% of the respondents published their statutes, governance structure and organisational policies on their web pages. The proportion of those CSOs that have a web page was 65%.

Indicator 3.1.d: Proportion of CSOs that have an organisational gender equality policy.

2 – minimally meets standards 33%

Even though gender equality policies are important for the socio-economic development of peaceful societies, still only 33% of CSOs had a gender equality policy in place in 2021. Out of those with gender equality policies in place, 40% are human rights organizations.

Indicator 3.1.e: Proportion of CSOs that have an organisational strategy, including vision, mission, and goals.

4 – meets most standards 78%

The proportion of CSOs that proved to have strategic direction and strategic goals, as evidenced by a clear organisational strategy including mission, vision, and goals, was 78% of the respondents in 2021.

Out of those CSOs that did have strategic documents in place, 84% of the respondents had an organisational vision as part of their strategic documents, 87% had an organisational mission, and the highest proportion – 90% of the respondents – had defined organisational goals.

SO 3.2. CSOs are able to communicate the results of their activities to the public.

Indicator 3.2.a: Proportion of CSOs that have at least one on-line channel of communication.

5 – fully meets standards 99%

When it came to on-line channels of communication, 99% of the CSOs reported that in 2021 they had used at least one on-line channel. The most used on-line communication channel was Facebook, with 96% of the respondents, followed by web pages by 68% of CSOs, and YouTube and Instagram with 43% and 40% respectively of the respondents.

Indicator 3.2.b: Proportion of CSOs that have specialised communications staff.

In 2021, the proportion of CSOs that had a person dedicated to and responsible for communications with external parties was 58%.

Indicator 3.2.c: Proportion of CSOs that cooperate with the media.

The proportion of CSOs that maintained relations and cooperated with the media in 2021 was 38% of the CSOs surveyed.

SO 3.3. CSOs were transparent about their programme activities and sources of funding.

Indicator 3.3.a: Proportion of CSOs that publish their annual reports and financial statements.

3 – moderately meets standards 55%

The proportion of CSOs that openly and transparently shared both their annual reports and their financial statements was 55% in 2021. In total, 66% of the CSOs published only their annual reports, and 70% published only their financial reports.

Most of those that published both reports - 62.5% - published them on their web pages, and 48% printed their financial statements in hard copy.

Indicator 3.3.b: Proportion of CSOs that publish information on their sources of funding and amounts received in the previous year.

2 – minimally meets standards 36%

The proportion of CSOs that published information about their source of funding and amounts received in 2021 was 36%. The percentage of those that did not publish the sources and amounts received was 23%, and one of the main reasons behind their not publishing was the lack of funds/projects for that year.

Indicator 3.3.c: Degree of public trust in CSOs.

Data on the degree of public trust in CSOs was not available for 2021.

SO 3.4. CSOs monitor and evaluate the results and impact of their work.

Indicator 3.4.a: Proportion of CSOs that have carried out an evaluation of their work in the last year.

4 – meets most standards 77%

The proportion of CSOs that carried out evaluations in their organisations in 2021 was 77%. These evaluations were project based for 61% of the respondents, followed by 42% evaluating their internal processes, and 29% evaluating their organisational strategies.

Half (51%) of the CSOs that conducted evaluations in 2021 conducted 2–4 evaluations, followed by 40% of the surveyed CSOs that conducted only one evaluation.

Most of the respondents who did not conduct evaluations stated that lack of finances/projects during 2021 was the main reason for this.

SO 3.5. CSOs use research and evidence to underpin their work.

Indicator 3.5.a: Proportion of CSOs whose work is based on evidence generated through research.

5 – fully meets standards	82%
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In total, 82% of the CSOs conducted at least one form of research, in order to provide material to inform their stakeholders about their work. The highest proportion of CSOs (60%) used consultation sessions with their community for their research, followed by focus group meetings (58.5%), surveys (50.8%), desk research (46%) and field research (46%).

Indicator 3.5.b: Proportion of CSOs whose work is informed through consultation with people who have a stake in their current or future work.

5 – fully meets standards	94%
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Around 94% of the CSOs consulted their various stakeholders about their work. Most of them - 72% - consulted their members, followed by their partners (63%), local communities (60%), local authorities (48%), public institutions (37%) and donors (31%).

SO 3.6. CSOs work in fair and respectful partnerships to achieve shared goals.

Indicator 3.6.a: Proportion of CSOs taking part in local, central and international CSO networks.

Taking into consideration the networking activities (local, national, and international) of the CSOs surveyed in North Macedonia, it is important to state that most of the respondents - 82% - were members of at least local, national, or international networks. Of most of those that were members of networks, 56,9% were members of informal networks and 53,8% of formal networks. Only an insignificant number of the respondents - 3,1% -stated that they were not members of any type of network.

Indicator 3.6.b: Proportion of CSOs engaged in cross-sectoral partnerships with academia, social partners and private sector.

Even among the proportion of those that stated social partners were their main partners, the discussion during the focus group meeting revealed that most of the CSOs were not aware which organisations were considered as social partners i.e., just one third of the participants were aware and informed about this. However, the general comments of all the participants indicated that social partners were the most difficult to cooperate with, since they were the least flexible and still operated in a rigidly traditional way.

The proportion of CSOs engaged in cooperation with the private sector in 2021 was 35.4%, and with academia, 24.6%.

SO 3.7. CSO have a diversified funding base.

Indicator 3.7.a Proportion of CSOs whose sources of donor income are diversified.

3 – moderately meets standards 49%

The proportion of CSOs which had a diversified donor income base in 2021 was 49%. The dominant source of funding was public funds, local and national government, which 48% of the respondents received.

Here is important to state the percentage of these funds in terms of the organization's total funding. In most of the surveyed CSOs (73%) that received funds from the local government, these funds covered less than 10% of the organization's total funding. Another 9% responded that these funds covered more than 50% of their total funding. In terms of national government funds, 38% of the respondents responded that these funds covered less than 10% of their total funding, followed by 31% of CSOs that these funds covered between 10% and 25% of their total funding and 12.5% between 26% and 50% of the total organization's funding.

The European Commission was considered the second most significant donor, providing 41% of the funds received by CSOs.

The funds of the European Commission, according to the surveyed CSOs, in 32% of the cases covered more than half of their budgets, followed by 28% of the respondents with funds covering between 26% and 50% and 28% of respondents with funds between 10% and 25% of the organization's total budget.

International CSOs and foreign private foundations were the sources of funding for 41% of the CSOs surveyed.

Funds from the United Nations, Council of Europe and Organisation for Security and Co-operation in Europe, were received by 21% of surveyed CSOs surveyed.

Indicator 3.7.b: Proportion of CSOs raising funds from sources other than donors e.g. membership fees, corporate/individual giving and income generating activities.

5 – fully meets standards 82%

In total, 82% of the respondents reported that they had at least one source of additional income besides donors' funds. Of those that have other sources of income besides donors' funds, 41% have one other source of income, 21% have two other sources of income, 15% of the respondents have three other sources of income, and 5% have four other sources of income. However, 18% of the respondents do not have other sources of income besides the donors' funds.

As regards the type of other sources of income, 51% of the CSOs collected funds from membership fees, 39% from individual donations, 23% from the CSOs' own economic/social business activities, and 30% from private businesses. The number of CSOs that received funds from crowdfunding was insignificant - 7%.

For 74% of the CSOs that collected membership fees, they assessed that less than 10% of their funds came from membership fees.

For 60% of the CSOs that collected funds from private businesses, less than 10% of their funds came from these businesses.

For 87,5% of the CSOs that collected funds from individual donations, less than 10% came from these individual donors.

And as for those pursuing economic activities, for 47% of these CSOs less than 10% of their funds were collected from these activities

The situation was slightly different with the crowdfunding funds. In total, 50% of those using crowdfunding mechanisms collected 10% of their funds from crowdfunding, whilst the other 50% managed to collect 10%–25% of their funds through crowdfunding.

SO 3.8. CSOs have effective, empowered and developed human resources.

Indicator 3.8.a: Proportion of CSOs that employ staff.

In total, 69% of the CSOs surveyed reported that they had paid staff in 2021. The largest proportion of CSOs, 47.5%, were those with 1–5 staff members. The proportion of CSOs having more than 11 staff members was 11.5%, and 9.8% of the CSOs had 6–10 paid staff. However, 26% reported that they did not have any paid staff members in 2021.

Indicator 3.8.b: Proportion of CSOs that have organisational human resources policies.

1 – does not meet standards	0%
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None of the CSOs that participated in the Survey had nine of the organisational human resources policies in place. However, 54% of the CSOs had at least one human resources policy in place.

Indicator 3.8.c: Proportion of CSOs that have advertised publicly their staff and volunteering vacancies in the last year.

In terms of advertised vacancies (both for paid staff and volunteers), 21.7% of the CSOs did not have any open vacancies, and 18.3% did not publicly advertise their open positions.

Of those CSOs which publicly advertised their open positions, the largest proportion (47%) advertised them via social media, followed by websites (42% of the CSOs) and other internet portals (12% of the CSOs). The smallest proportion of positions advertised was via printed media, which was used by only 3% of the CSOs surveyed.

Indicator 3.8.d: Proportion of CSOs that have organisational policies encouraging recruitment of a diverse workforce.

According to the Survey data, only 24% of the CSOs responded positively as regards having organisational policies in place encouraging recruitment and diversity.

Indicator 3.8.e: Proportion of CSOs whose staff and volunteers have attended a training course in the past year.

5 – fully meets standards	82%
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The proportion of CSOs whose paid and unpaid staff attended development programmes constituted 82% of the CSOs surveyed. The rest of the CSOs surveyed – 18% – did not provide such programmes.

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