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REPORT

ON THE ENABLING ENVIRONMENT FOR CIVIL SOCIETY DEVELOPMENT IN MACEDONIA 2016

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BALKAN
CIVIL
SOCIETY
DEVELOPMENT
NETWORK



Balkan Civil Society Acquis: Strengthening the Advocacy and Monitoring Potential and Capacities of Civil Society Organizations

Monitoring Matrix on Enabling Environment for Civil Society Development

COUNTRY REPORT FOR MACEDONIA 2016



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Report on Enabling Environment for Civil Society Development in Macedonia 2016

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1. Executive Summary

1.1. About the project and Monitoring Matrix on Enabling Environment for Civil Society Development

The Report on the Enabling Environment for Civil Society Development in Macedonia is the key activity in the project “Balkan Civil Society Acquis – Strengthening the Advocacy and Monitoring Potential and Capacities of CSOs”, financed by the European Union. The report was first prepared in 2013 and it is the first of this kind to be published on an annual basis. The monitoring is based on a monitoring matrix for following the enabling environment for civil society development, prepared by representatives of the Balkan Civil Society Development Network (BCSDN), with the support of the BCSDN Executive Office and the European Center for Non-for-Profit Law (ECNL). The report is part of the series of national reports in seven countries in the Western Balkans and Turkey¹, which are translated into regional reports derived from summarized findings and recommendations to the countries. They are presented on the web at www.monitoringmatrix.net, which offers access to monitoring data for each of the countries.

The monitoring matrix is based on the key principles and standards whose existence is crucial for the environment in which the civil society organizations are actively supporting and enabling. It comprises three main areas: (1) Basic legal guarantees of freedoms; (2) A framework for CSO financial viability and sustainability; and (3) Government-CSO relationship, which are further divided into sub-areas. The formulation of principles, standards and indicators takes into consideration the current development level and the specific features of the Western Balkans countries and Turkey. They are based on internationally guaranteed freedoms and rights and the best regulatory practices at the level of the European Union and European countries.

The goal of the matrix is to define the optimal conditions that are needed by the civil society so that it functions in an effective way and is developed, as well as to provide a real framework that would be followed and implemented by the state and its bodies. The indicators are defined to follow the legislative state of affairs and how it is implemented in practice, taking into consideration that the challenge lies in its implementation.

1.2. Civil society and civil society development in Macedonia

The civil society continued working in a relatively enabling environment. A significant rise of civic engagement and gatherings, along with mature dedication by CSOs of ongoing constructive use of their expertise to support the democratization processes, have marked 2016 during the deepest political crisis of the country.

The Przino Agreement was supposed to be the basis for political dialogue and to bring an end to the political crises. However, it was delayed at first, and then not appropriately implemented. The political parties prolonged the crisis by failing to secure participation and effective implementation of the agreement. As a result, the twice-delayed parliamentary elections were finally held in December 2016.

As part of the implementation of the Przino Agreement, the Special Public Prosecutor continued working, raising 9 investigative proceedings and 2 charges against hundreds of individuals for the prosecution of criminal offences related to and arising from the content of intercepted conversations.²

In 2016, the political crisis deepened when President Gjorge Ivanov pardoned 56 officials suspected of being involved in the wire-tapping scandal. Following the presidential pardons, informal initiatives supported by CSOs, citizens and opposition parties organised numerous protests across ethnic lines. The assemblies began in front of the SPPO offices in a show of support, illustrating the extent to which the institution has earned respect and brought hope, especially among the supporters of the “Colourful Revolution”.³

After peaking in 2015, the protests led by the civic movement called “Protestiram” (“I Protest”) developed into the so-called “Colorful Revolution” movement in 2016. The protests lasted between 12th of April and 20th of July 2016, a total of 100 days. Protests took place mostly in Skopje, but also in other cities such as Bitola, Kumanovo, Tetovo, Strumica, Veles, Kicevo, Gevgelija, and Prilep. The movement demanded that the cancellation of the elections until conditions for holding fair and free elections could be

¹ Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro, Serbia and Turkey.

² Sakam da kazam (2016) SPO has 6 months left to open investigations and bring charges. Address: <https://goo.gl/mAEy6O>

³ The Colorful Revolution in Macedonia began in April 2016 with the release of the decision in which the Presidents pardoned more than 50 officials involved in a wiretapping scandal. The protests have been dubbed the Colorful Revolution due to the marchers' tactical choice to use paint balloons, paintball guns, and paint barrels during marches to canvas government buildings and monuments. Protesters have taken the name to heart by also noting the diversity of the participants in the events in a country plagued by social, ethnic and religious divisions.

met. In addition, an informal coalition of CSOs drafted a Blueprint for Urgent Democratic Reforms⁴, which further developed the EU's Urgent Reform Priorities as detailed tasks for decisions makers. After two months of protests, the parliament passed legislation that enabled the President to revoke his decision to pardon officials.⁵ On July 20, a step towards diffusing the political crises was made when the main political parties agreed on key issues such as cleaning up the voter registration list and improving media freedom. That agreement paved the way for a new date for early elections in December 2016.⁶

In the meantime, another informal movement was activated. Under the guise of protecting the public order, the Citizens Movement for Defence in Macedonia (GDOM) maintained that the elections scheduled for June 5 were the only solution for the political crisis. They blamed the opposition for leading the country into a "Ukraine scenario" and publicly criticized the CSOs that protested and announced that they would address the Constitutional court to temporarily ban the work of all CSOs.⁷

After several months of delay, the elections that were held on December 11 resulted in increased voter turnout with over 1,2 million citizens voting or 67% of the electorate.⁸ Thus, VMRO-DPMNE won 51 seats and the opposition SDSM won 49 seats, achieving power dispersion, compared to the previous election in 2014. The election results have brought hope of rebuilding the pillars of a democratic state, but this would be a long-term process in which civil society should be united and clearly direct the institutions into the desired future.

The active involvement of civil society in dealing with the refugee crisis in 2016 proportionally declined with the intensity of the crisis. The so-called "Western Balkan Route" through Macedonia was officially closed on the March 8, 2016.⁹ CSOs were the first ones to mitigate the consequences on August 6, when flooding left at least 22 people dead on the outskirts of the capital. CSOs and citizens used social media to coordinate and support the people most in need (by providing work force, tools, food, sanitary products, etc.).¹⁰

The civil society, despite the challenges of the prolonged and deepened political crisis in 2016, continued to work on a solid legal framework. However, the increased inconsistencies in the implementation of the legal framework resulted in setting back the potential for development and sustainability of civil society.

Basic freedoms like **freedom of association, assembly, and expression are legally guaranteed and are in line with international and European laws.** However, their implementation in practice was deteriorated in comparison to previous years. CSOs faced an increased number of **indirect forms of pressure** through inspections and media propaganda. During 2016 citizens exercised their right to **freedom of assembly** through various activities and initiatives. The protests lead by the "Colourful Revolution" movement lasted a total of 100 days, and in the course of the year many other assemblies on different issues were organized. In most cases, the peaceful assemblies were allowed to proceed; however, they were prohibited to assemble near key locations like the government building, the ruling party building and the Constitutional court, and there was an excessive police presence. In an isolated incident on the April 13 during the protests against the Presidential pardon decision, the police used disproportionate and indiscriminate force on the protestors. In practice, the freedom of expression and media have been seriously hampered. Both journalists and CSOs have restricted freedom of expression are facing indirect pressures and hate speech.

The framework for financial viability of the civil society in Macedonia remained unchanged, hampering the work of CSOs and limiting their potential for development. The basis provided in the LAF for CSOs to obtain tax benefits is still not functional. Namely, according to the Law on Personal Income Tax, CSOs have equal treatment with for-profit entities and in some regulations they are in an even less favourable position (Law on Profit Tax). Direct budget support for CSOs remains to be a potentially significant source of funding for CSOs, but complete and systematic reform is lacking. Still, the legally binding decision to regulate the procedure for distribution of state funds to CSOs has not been adopted. In practice, state institutions do not fully follow the principles of transparency and accountability of the distribution of public funds. The allocated amount of funds distributed to CSOs is insufficient to cover their

⁴ The key reform priorities are based on the Urgent Reform Priorities that have been drawn up by the European Commission in June 2015, which are based on the recommendations of the group of leading experts for systematic issues in the field of rule of law, related to the intercepting on the communications published in spring 2015 (Priebe report); Available at: <https://goo.gl/JeVIVV>;

⁵ Law on amending the law on amnesty („Official Gazette no. 20/1993, 58/2016,99/2016“);

⁶ Delegation of the European Union (2016) Agreement between the four political parties 20 July 2016 (20/07/2016): Address: <https://goo.gl/1aDX96>;

⁷ Independent MK (2016) Dasteovski: Macedonia Will Prevail, We Will Not Allow Ukrainian Scenario: Address: <https://goo.gl/vm2l95>;

⁸ State Election Commission (2016); Address: <https://goo.gl/ZnukFK>;

⁹ Nova TV (2016): EU summit: the Balkan route closed for "irregular wave of migrants"; Address: <https://goo.gl/J26Zsr> ;

¹⁰ USA Today (2016) Macedonian police: At least 15 dead, 6 missing, 22 injured in floods after storm hits capital; Address: <https://goo.gl/fmZGrY>;

needs, as well as the period (annually) and the type (institutional support available only for several CSOs). According to the data and analysis from budget item, 463 Transfers to nongovernmental organizations in 2016 worth over 4,6 million euros have been allocated. Out of those only 14% were available to associations and foundations through public calls, or approximately 680.000 euros. The rest of these budget items have been allocated to political parties (34%), organizations known upfront in the field of social protection (32%), sports federations (14%), and the like.

Partnership between the government and civil society remains undeveloped. The establishment of the Council for cooperation between the government and civil society is significant for building trust and partnership. The process noted progress in 2016, and was followed up with disagreement and a boycott led by 93 CSOs, which were advocating for its establishment in the first place. According to them, the decision for establishment of the council was adopted without effective consultations, which resulted in a few shortcomings regarding essential issues (majority of members, level of public officials and other technical details) as well as the inadequacy of time in the midst of political crisis.¹¹ These objections by CSOs were not taken into account, and an open call was issued. CSOs representatives were selected without taking into account key criteria such as the individual background and organizational capacity of the candidates. The lack of political will to implement the Strategy for Cooperation between the government and the civil sector between 2012 and 2017 has continued; however, there is willingness to prepare a new Strategy in the last year of its implementation. In 2016, a total of 505 draft-laws were reviewed, out of which for 453 there was an obligation for public consultation. Only 21 draft-laws (5%) out of 453 were published for electronic consultations, which is a significant decrease compared to previous years. The majority (76%) of the laws were adopted in a shortened procedure (238 out of 314 adopted laws for which there is an obligation for consultation¹²). Additionally, for most of the draft-laws (16 out of 21) published for electronic consultations, the minimal legally prescribed deadline of 10 days was not respected.

1.3. Key findings

The trend of deepening the gap between legislation and practice particularly in the first area has continued. The report indicates a growing number of indirect pressures over CSOs, via inspections and media propaganda. Practicing the freedom of assembly intensified significantly in the course of 2016 via various actions and initiatives. Although peaceful assemblies were permitted, there was an excessive police presence. In the second area, the situation remained unchanged. Despite the absence of reforms regarding state funding for CSOs, especially with respect to the regulation of the transparency of the procedure, there is a significant increase in funds planned in the 2017 budget that should be distributed through the General Secretariat of the Government of the Republic of Macedonia. The legal regulations on tax laws (Law on personal income tax and Law on profit tax) are still not favourable for CSOs. In the third area, the dialogue between government and civil society has deteriorated. The increased adoption of the draft-laws using a shortened procedure, while not including the CSOs, has weakened their position. Additionally, the process of establishing the Council for Cooperation between the Government and Civil Society was an illustration of the lack of consultation and sincere efforts to establish a true partnership and cooperation with civil society.

¹¹ MCIC (2016) The process of electing the representatives in the Council for Cooperation between the Government and the civil society sector should stop; Address: <https://goo.gl/nVO556>;

¹² The data are drawn from the report regarding the work of the Assembly for the period 1.1.2016-17.10.2016. The total number of laws (505), 366 were adopted, 26 of which are ratifications and 25 are suggested by the representatives in the Assembly, and one is adopted with urgent procedure. This laws are not subject for publishing and consultation on ENER.

No.	Key findings	Matrix	EU guidelines
1	The Law on Associations and Foundations provides a good basis for a progressive legal frame for freedom of association . The independence of CSOs is guaranteed within the LAF, however the definition of representatives of associations and foundations as officials and provision of responsibility if they abuse official duty in the Penal Code are potentially endangering the essence of the freedom of association and work of CSOs . In practice, the recorded cases of indirect forms of pressure and burdensome practices over CSOs have increased.	1	1; 2
		1.1.	1.1. 1.3. 2.1. 2.2.
2	Freedom of assembly remained legally guaranteed . However, the provisions in the Law on police (means for crowd dispersion and video recordings) lack consolidation with related legislation and further explanation on the conditions under which they can be used, so they continue to threaten the right of peaceful assembly. In practice, the highest number of gatherings occurred in 2016, most of them peaceful and properly handled . Still, in an isolated case disproportionate and indiscriminate force was used on the crowd, and on several other gatherings there were restrictions , mostly by limiting the desired place for assembly and excessive police presence .	1	1
		1.2.	1.1.
3	The basis provided in the LAF for CSOs to obtain tax benefits is still not functional , thus burdening their operation . The key tax laws that regulate the work of CSOs, such as the Law on Personal Income Tax , provide equal treatment with for-profit entities and with the Law on Profit Tax . Some regulations even put them in a less favourable position (tax exemptions exist only for trade companies with total income under 3 million denars).	2	2
		2.1.	2.2. 2.3.
4	Direct state funding for CSOs (including the funds from lottery and other entertainment games) is still not reformed , thus disabling access to substantial and long-term state support. The legally binding decision to regulate the transparency for allocation of state funding to CSOs was not adopted . In practice, state institutions continue to not fully follow the principles for proper distribution of public funds . Currently, the allocated amount for CSOs is insufficient , as well as the period for which the funds are granted (annually) and the type (institutional support available only for several CSOs).	2	2
		2.2.	2.4.
5	The process of establishment of the Council for cooperation between the Government and civil society has noted progress. The process was not approved by 93 CSOs over the lack of effective consultations, the majority of members coming from state institutions, the level of public officials , as well as the inadequacy of the time in the midst of political crisis. However, the concerns were disregarded and representatives from CSOs were selected through open call, without fulfilling the criteria (adequate individual experience and organizational capacity).	3	3
		3.1.	3.1.b
6	There is a solid legal frame providing involvement of public and civil society in policy creation and law-making processes. However, the gap between legislation and practice in 2016 has increased . Majority (76%) of the laws were adopted in a shortened procedure (238 draft-laws out of 338 draft-laws for which there is an obligation for consultation). Only 21 of the draft-laws (5%) of the 453 reviewed were published for electronic consultation, and for the majority of them (16 out of 21), the minimum deadline of 10 days was not respected .	3	3
		3.2.	3.1.a

1.4. Key recommendations

The key recommendations are related to amendments and improvement of the legislation, and above all focus on the increased gap between the legislation and practice in 2016. In the first area, the key challenge is in the implementation of the legislation in practice. The basic legal guarantees of freedoms need to be provided for all. The recommendations are given in terms of the pressures that CSOs face and the inadequate enforcement of order by the police during public assemblies, which often have excessive use of force and other limitations. In the second area, the challenge still lies in the legislation. Namely, there is a need for amendments in the provisions in the tax laws (Law on personal income tax and Law on profit tax) which concern CSOs. To use the potential of the state funding for CSOs, it is highly important to introduce a legally binding procedure for transparent and accountable distribution of funds, as well as other legal reforms. The increased gap between the legislation and practice in the third area and the need for fostering dialogue between the government and civil society should be overcome by respecting the minimum standards for electronic consultations (except for the laws adopted in urgent procedures), but also by using other mechanisms for consultation in order to adopt legislation which is effective and relevant. A step toward building trust and cooperation would be to reopen the process regarding the provisions of the Decision for establishing Council, and conducting a new process for the selection of representatives.

No.	Key recommendations	Matrix	EU guidelines
1	Establishing a multi-sectoral group in the Ministry of Justice to monitor the implementation of the Law on Associations and Foundations . The group should engage in amending the Penal Code , particularly the provision according to which representatives of associations and foundations are defined as public officials, and carry the responsibility in case they abuse their official duty. In practice, CSOs should continuously publicize and reveal cases of pressure and burdens imposed on their work. Higher standards for CSO operation and self-regulation instruments should be initiated and implemented among CSOs.	1	1; 2
		1.1.	1.1. 1.3. 2.1. 2.2.
2	The Ministry of Interior should amend the Law on Police (provisions concerning the means for disbursing crowd and video recordings), as well as the Law on public assemblies (right to appeal, responsibilities of organizers, etc). It should be ensured that the legislation related to the management of assemblies is unambiguous and consistent . The mechanisms for internal and external oversight of the institutions involved in protecting the right to freedom of assembly should be used. In addition, it is necessary to strengthen the capacities of the institutions and police to use proportional force to introduce public order, and to interpret the laws in favour of those wishing to exercise their rights.	1	1
		1.2.	1.1.
3	The Ministry of Finance should take into consideration the submitted draft amendments to the Law on Personal Income tax (taxation for official trips of people who are not employed, and expenses for accommodation, transport and food for participants for the activities organised by CSOs) and the Law on Profit tax (the generated profit as a difference between the revenues and expenses is taxed at 10%) and make appropriate changes in the laws that would support the functioning of CSOs .	2	2
		2.1.	2.2. 2.3.
4	Establishing a multi-sectoral working group in the Ministry of Finance to start a full reform of the system of state funding (including the distribution of funds from games of chance and entertainment games). Essential amendments should include certain percentage of the funds regularly distributed via the budget to finance only CSOs, increased amount according to the needs and the value of the civil sector, institutional support as well as co-financing of EU and other international projects. Additionally, the General secretariat of the Government of the Republic Macedonia should re-open consultations and adopt a quality draft decision that will contain procedures and criteria for distribution of funds (according to the Code) that should be applied.	2	2
		2.2.	2.4.
5	The General Secretariat of the Government should take into consideration the	3	3

	recommendations of CSOs and re-open the consultative process , in order to introduce amendments to the adopted Decision to establish the Council in accordance to the best international practices. This should be followed by informative events with the aim and role of the Council. Transparent selection procedures should be re-opened, and the criteria set for the representatives and members of the Council should be fully respected .	3.1.	3.1.b
6	Government bodies should respect the minimal standards for involvement of the public and civil society in the policy creation and law-making processes. Firstly, via timely publishing of draft-laws, then by giving sufficient time for comments and by providing feedback . In addition, the legislator should refrain from misuse of the shortened procedures to adopt laws in order to avoid consultation .	3	3
		3.2.	3.1.a

2. Introduction

2.1. About the Monitoring Report

The Macedonian Centre for International Cooperation (MCIC) strives to contribute to one of the many goals to establish a dynamic civil society. The focus of MCIC and its strategic objectives are to actively influence public policy and to promote the creation of an enabling environment that supports the functioning and development of CSOs. The report monitors the state of affairs in the environment for civil society development in Macedonia in the period of January to December 2016. The report monitors the state of affairs of the national legislation and policies relevant for the civil society development in Macedonia.

The report is based mainly on monitoring via analysing secondary data, as well as the collection and analysis of data from an e-questionnaire intended for CSOs.

The report covers the CSOs registered according to the Law for Associations and Foundations, as well as informal civil associations and initiatives.

2.2. The Monitoring Matrix on Enabling Environment for Civil Society Development

The overall objective of the project is to strengthen the foundations for monitoring and advocacy on issues related to enabling environment and sustainability of civil society at regional and country level and to strengthen structures for CSO integration and participation in EU policy and accession process on European and country level.

This Monitoring Report is part of the activities of the “Balkan Civil Society Acquis-Strengthening the Advocacy and Monitoring Potential and Capacities of CSOs” project funded by the EU and the Balkan Trust for Democracy (BTD). This Monitoring Report is the first of this kind to be published on a yearly basis for at least the 48-month duration of the project. The monitoring is based on the Monitoring Matrix on Enabling Environment for Civil Society Development (CSDev). It is part of a series of country reports covering seven countries in the Western Balkans and Turkey¹³. A regional Monitoring Report is also available summarizing findings and recommendations for all countries and a web platform offering access to monitoring data per country and sub-area at www.monitoringmatrix.net.

The Monitoring Matrix presents the main principles and standards that have been identified as crucial for the legal environment to be considered supportive and enabling for the operations of CSOs. It underscores the fact that the enabling environment is a complex concept, which includes various areas and depends on several factors and phases of development of the society and the civil society sector.

This Matrix does not aim to embrace all enabling environment issues, rather it highlights those that the experts have found to be most important for the countries in which they operate. Therefore, the standards and indicators have been formulated with

The Matrix is organized around three areas, each divided by sub-areas:

1. Basic Legal Guarantees of Freedoms;
2. Framework for CSOs’ Financial Viability and Sustainability;
3. Government – CSO Relationship.

consideration of the current state of development and diversity in the countries of the Western Balkans and Turkey. They have been drawn from the experiences of CSOs in the countries in terms of the legal environment as well as the practice and challenges with its implementation. The development of the principles, standards and indicators have been done with consideration of the internationally guaranteed freedoms and rights and best regulatory practices at the European Union level and in European countries.

2.3. Characteristics of the civil society in 2016

The report on the enabling environment for development of the civil society predominantly concerns the organized civil society, such as civil society organizations registered under the Law for Associations and Foundations (LAF). In accordance with the LAF, an organization is any association, foundation, alliance, any organized way of foreign organization, as well as another form of association, registered according to the regulations of this law.

The Central Registry of the Republic of Macedonia (CRM) is a key institution because it provides registration in accordance with the LAF, although the data that concern the associations and foundations are still not publicly accessible, and access to them is charged. The CRM aims to achieve objective 1.1. Advancement of the consultation process with stakeholders in the policy creating process goals set in the Action plan for Open

¹³ Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro, Serbia and Turkey.

Government Partnership 2016-2018. As such, it has reviewed all the suggestions from the working group, in which the CSO representatives are included. Based on their suggestions, and the current experience with providing information for MCIC research, the CRM developed a draft-table in which the basic cumulative data for the sector shall be publicly available for free on a yearly basis.

According to the available data from the CRM, there is an increase of the number of registered CSOs (associations and foundations). The registry contains 14.245 organizations in 2015, which shows growth since 2014, when there were 13.656. However, as the register does not reflect the real situation on the ground, as active organizations can include the 1.497 organizations have submitted their final financial reports and 2.651 that have only submitted a statement/decision (4.148 in total).

Sustainability continues to be a key challenge, and this is confirmed by the financial indicators that concern the civil society organizations. Most of the organizations (64%) have submitted only a statement/decision, which means that their budgets are under MKD 153.750 (EUR 2,500). Another indicator for the challenge of sustainability that the organizations faced in 2016 are the results of the questionnaire conducted for 2016. Each organization on average has 1.26 different sources of financing, which amounts to more than 10% of the organization budget. Just over one quarter (26%) have two sources and just above half of the organizations (53%) have only one source of funding above 10%.

The total revenues of the civil society organizations for 2015 were MKD 5.312.039.865 (86.374.631 EUR), which is an increase in the incomes compared to the previous year when it was MKD 5,013,688,061 (EUR 81,523,383). The total expenditures of the CSOs in Macedonia for 2015 were MKD 4.255.614.191 (EUR 69.196.978), and similar to the total revenues, they increased compared to 2014 when they were MKD 3.704.224.522 (60.226.397 EUR).

The number of employees according to the CRM data is 1.990 for 2015.¹⁴ The unsustainable human resources base of the CSOs is confirmed by the responses to the questionnaire, according to which half of the organizations (58%) have no employees and 10% have only one employee, while almost a quarter (24%) have 2 to 5 employees.

According to the structure of the respondents to the questionnaire for this report, in 2016 CSOs were mostly active in the area of good governance (democracy, human rights, rule of law), education, science and research, environment, culture and other. Apart from the traditional activities they continued to implement in 2016, the non-formal mobilization of civil society increased, mainly practicing assemblies as a method for advocacy and change.

The trend of maturation of civil society and citizens continued throughout the year. By joint efforts, the CSOs used their expertise on different issues to encourage debates and civic engagement, as well as concrete solutions for dealing with the crisis. In addition, organizations such as the Red Cross of the Republic of Macedonia, the Macedonian Young Lawyers Association, UNHCR and IOM have confirmed their professionalism and humanitarian role by undertaking and leading the process of safe transit of refugees through Macedonia that continued in 2016. Another challenge for the readiness and solidarity of the civil society were the devastating Skopje floods on August 6, which resulted in 22 fatalities and over 60 injured persons as well as large material damages. A significant part of the support in the flooded region was managed by the CSOs, and prompted the engagement of citizens, particularly through social media like Facebook and Twitter. They organized local points to gather donations of food, water and other products. Besides donations, many citizens volunteered to rebuild the flood-affected areas.

2.4. Specific features and challenges in the application of the matrix in Macedonia

The Report on monitoring the enabling environment for civil society development is a useful tool. It provides quality data, analysis, and recommendations that give support in which direction the state policies for development of civil society should be improved and created. The analysis of the situation in practice gives the opportunity to see the shortcomings of the implementation of the policies, as well as the positive examples of all civil society actors.

The relatedness of this report to the EU efforts for monitoring according to the developed “Guidelines for EU Support to the Civil Society in the Enlargement Countries 2014-2020”¹⁵ is crucial. With the first report in 2014,¹⁶ MCIC managed to provide an appropriate level of data that have been transferred to the baseline report

¹⁴ The available data for the employees for 2016 will be available after the gathering and the possibility for analysis of the CSOs final reports in April 2017, by the Central Registry of Republic of Macedonia.

¹⁵ General Directory for Enlargement Process (2014) Guidelines for EU Support to the Civil Society in the Enlargement Countries 2014-2020; Address: <https://goo.gl/EsjntE>;

¹⁶ Nuredinoska, E. Ognevska, S. Enabling Environment for CSOs in Macedonia Report 2013 (2013); Address: <https://goo.gl/6Y3pUQ>;

on the civil society prepared by TACSO, based on the newly developed EU guidelines.¹⁷ The Report on the enabling environment for civil society development in Macedonia 2015¹⁸ was used as the basis for aligning national objectives with EU guidelines,¹⁹ for the preparation of an instrument for data collection according to the EU guidelines, and also as input for the Need Assessment Report for Macedonia.²⁰

Similar to last year, it is a challenge to provide quality data on the basic parameters of the civil society (number of CSOs, total revenue and costs, employees, etc.) because they are still not available free of charge, nor do they fully show the real picture of the civil society organizations. It is necessary to stimulate monitoring and analysis of the freedoms of informal associations, pressures, and limitations that they face, especially for practicing of the freedom of assembly and expression. Apart from these topics, it is necessary to continue the monitoring and analysis of the state funding for CSOs, as well as their engagement as service providers. Finally, it is particularly important to follow the involvement of the public and civil society in public policy creation and law-making processes.

¹⁷ Technical assistance for civil society organizations (2014) Former Yugoslav Republic of Macedonia Needs Assessment Report; Address: <https://goo.gl/sL5xAY>;

¹⁸ Ogenovska, S, Report on Enabling Environment for CSO Development in Macedonia 2015; Address: <https://goo.gl/62t5UY>;

¹⁹ The Guidelines for EU support to civil society in enlargement countries, 2014-2020 Matrix of objectives, results, indicators, benchmarks, base-line and national targets for Macedonia; Address: <https://goo.gl/guEpx2>;

²⁰ Technical assistance for civil society organizations (2016) Needs Assessment Report Macedonia; Address: <https://goo.gl/yEC8q5>;

3. Methodology

3.1. Methodological approach

The monitoring of the enabling environment covered the period from January to December 2016. In the fourth monitoring year, the focus of the monitoring was on the key standards that faced major challenges in the environment in which civil society operated in 2015. In addition, the narrower monitoring enables avoiding the monitoring of the standards that do not have changes on an annual level. Accordingly, the project team decided to monitor the environment through primary and secondary sources of data, according to 41 indicators of 13 “core” standards in 8 sub-areas of all three areas.

The monitoring was conducted by using a web questionnaire as an instrument to collect primary data. In the fourth year of monitoring, MCIC used the developed and adjusted web questionnaire from 2015 in the system of Lime service www.limesurvey.org. The questions predominantly measure the experience of the organizations, while there are also questions that measure perception. Since half of the indicators were monitored in 2016, this was reflected accordingly with shortening the questions in the web questionnaire. The questionnaire was directly sent through the electronic system for surveys on October 20, 2016 to electronic addresses of over 3.500 registered CSOs listed in the register of associations and foundations in CRM until 2015. A total of 156 responses from CSOs were recorded.

In the report, the total number of all responses in certain graphs is greater/lesser than 100% due to rounding errors intended to simplify the presentation of the results. Further, in some graphs the responses are from 11% to 30% of the total sample of respondents. The analysis of those questions is key to understanding the conditions in which civil society operates, so absolute numbers were used instead of percentages.

The report is mostly based on the analysis of secondary data sources. There were documents from the existing legislation used, which concern civil society, local CSO reports and research, international organizations and bodies of the state administration, international reports and research that concern Macedonia and Internet portals and blogs.

3.2. Civil society participation

The civil society was involved in the monitoring from the beginning during the revision and adaptation of the monitoring matrix to the Macedonian context, as well as later when the monitoring methodology was determined. Further, the involvement of the CSOs (156) as respondents to the web questionnaire on the enabling environment for civil society development, as well as other representatives of CSOs and state administrative bodies, participated in the promotion of the third report in April 2016. CSOs have indirectly contributed to the process for preparation of this report via data from the reports and research that they prepare within their areas of action, and at the same time match the areas of the matrix on the enabling environment for civil society development, which are monitored in the course of the year.

3.3. Lessons learned

3.4. Methodological limitations

There were certain limitations in the collection of data for the preparation of the report on the enabling environment through secondary and primary data sources. The web questionnaire was used as the only primary source of data. Determining a representative sample of CSOs in Macedonia is a challenge. Access to the register of associations and foundations is limited since CRM continues to charge for its services, and the register does not provide a precise number of active and inactive CSOs.

Thus, only a limited number of organizations could respond through the web questionnaire, namely those registered at the CRM until 2015, and those that have Internet access. Additionally, the list of CSOs received by the CRM was not fully cleaned up, so it covers other types of organizations that are not the subject of the present analysis.

The responses obtained via the web questionnaire regarding the experience of the CSOs have not been additionally checked and compared to the factual situation. Also, CSOs did not support all their responses with appropriate examples and facts. This was understandable considering the sensitive nature of part of the questions. Part of the examples given by the respondents in the open-ended questions do not always match and can be used to support a claim towards the results from the closed-ended question. In these cases, we have noted that these responses are given according to the understanding of the respondents, which is a finding in itself in terms of the understanding and knowledge of the existing legislation and its implementation that affects the work of the CSOs. In relation to providing secondary data sources, the lack of publicly available documents and information of public character by the state administrative bodies continues to be a limitation.

4. MONITORING FINDINGS

AREA 1. Basic legal guarantees of freedoms

Sub-area 1.1. Freedom of association

INTERFERENCE OF THE STATE IN THE INTERNAL AFFAIRS OF THE ORGANIZATIONS

In general, CSOs in Macedonia continued to operate freely without state interference in their internal governance and activities. This is legally supported with Article 10 of the LAF which guarantees management, determination and fulfilment of CSOs goals and activities stated in their statutes, independently from the state.²¹ However, there is no specific legal provision in the LAF that would oblige the state to provide protection and independence from interference by third parties.

The new State programme for the prevention of corruption and conflict of interests 2016 - 2019 program and Action plan 2016-2019²² was adopted in 2016, and it has emphasized the role of CSOs in the fight against corruption. More so, it is stated that “corruption is not very prevalent in CSOs, but mechanisms are needed for increased transparency, accountability and self-regulation of the CSOs”²³. The new Programme and action plan do not envisage changes in the legal regulations related to associations and foundations, and caution is directed to self-regulation in the civil sector.

In 2016, Article 122, Paragraph 4 of the Penal Code still foresees responsibility for the official representative of different types of organizational forms, even though they do not perform public duty, nor public benefit activities, nor use public funds.²⁴ Namely, with this article a person who commits a crime can also be, among others, the official representative of associations, foundations, alliances, and organizational types of foreign organizations, sport associations and other legal entities in the area of sport. CSOs are still not familiar with the potential threat of this provision to the freedom of association.

OBLIGATIONS FOR FINANCIAL REPORTING TO THE STATE

Financial reporting of CSOs is regulated by the Law on Accounting of Non-Profit Organizations. The reporting requirements differ according to the budget of the organizations.²⁵ Namely, according to Article 18 of the Law on Accounting of Non-Profit Organizations, the organizations whose total value of property or annual revenue is less than 2.500 EUR are not obliged to compile financial reports and submit them to the PRO and CRM.²⁶ However, they are obliged to maintain a treasury book and revenue/expense book. The ones that have annual revenue over 2.500 EUR must submit reports to the PRO and CRM by the end of February the following year.²⁷

Having in mind that 64% of the CSOs that provided a statement have revenues less than 2.500 euros, the sanctions stipulated in Article 20 do not correspond to the specific characteristics of the work that CSOs do. A fine of 1.000 to 5.000 EUR is estimated for non-profit organizations that do not maintain accounting books according to the Law.²⁸ The lack of consistency of the Law and the requirements for reporting the specifics of the civil sector contributes to the collection of imprecise and aggregated data by the authorities on the value of CSOs. In the 2012-2017 Strategy for Cooperation of the Government with the Civil Sector,²⁹ this gap was recognized, but no further activity to determine how to improve the financial work has been implemented thus far.³⁰

²¹ Article 10, Law on Associations and Foundations (“Official Gazette of the Republic of Macedonia” no. 59/10 and 135/11);

²² State Commission for Preventing Corruption (2016) State Programme for prevention of corruption and reduction of conflict of interest with Action Plan (2016-2019); Address: <https://goo.gl/qnxF4S>;

²³ State Commission for Preventing Corruption (2016) State Programme for prevention of corruption and reduction of conflict of interest with Action Plan (2016-2019); Address: <https://goo.gl/qnxF4S>;

²⁴ Article 122, Penal Code, (Official Gazette of the Republic of Macedonia 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, 55/2013, 82/13, 14/14, 27/14, 28/14, 41/14, 115/14, 132/14, 160/14, 199/14, 196/15 и 226/15).

²⁵ Law on Accounting for the Non-Profit Organisations (“Official Gazette of the Republic of Macedonia”, no. 24/2003, 17/2011 and 154/2015);

²⁶ Article 17, Law on Accounting for the Non-Profit Organisations (“Official Gazette of the Republic of Macedonia”, no. 24/2003, 17/2011 and 154/2015);

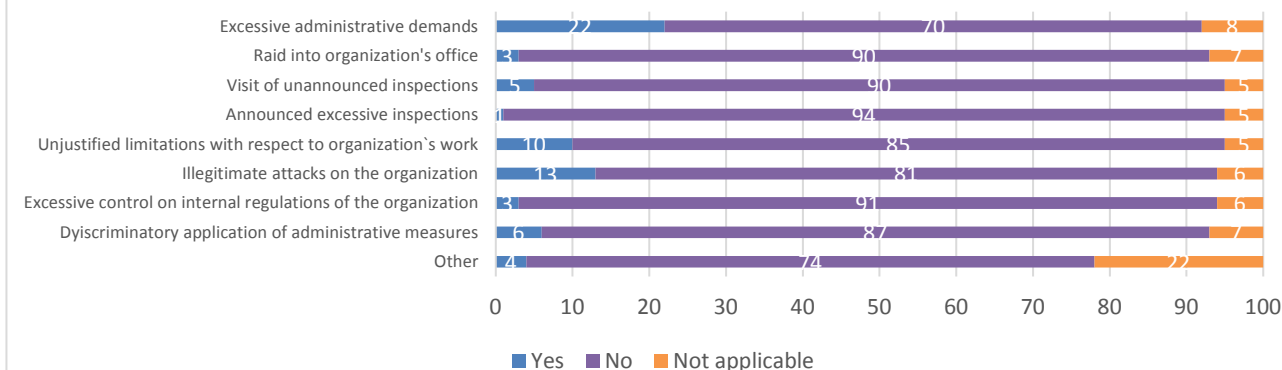
²⁷ Article 18, Law on Accounting for the Non-Profit Organisations (“Official Gazette of the Republic of Macedonia”, no. 24/2003, 17/2011 and 154/2015);

²⁸ Article 20, Penal Provisions, Law on Accounting for the Non-Profit Organizations (“Official Gazette of the Republic of Macedonia”, no. 24/2003, 17/2011 and 154/2015).

²⁹ Government of the Republic of Macedonia (2012) Strategy for Cooperation of the Government with the Civil Society (2012-2017) [Internet] Skopje, Government of the Republic of Macedonia. Address: <http://goo.gl/vv3xNg>

³⁰ Unit for Cooperation with NGOs (2016) Report on signed organizations with candidates and Public calls for election of 13 members of the Council for cooperation between the Government and the Civil Sector; Address: <https://goo.gl/1Yp6iY>;

Graph 1. Has your organization faced the following situations?
(%)



INSPECTIONS AND PRESSURES

The CSOs can be the subject of an external control that can come from mandated competencies such as inspectorates, organizational units within other bodies of the state administration, and organizational units within the local self-government units and the City of Skopje and other which have inspection competencies. Additionally, if CSOs are users of the public funds. They can be under the scope of the Law on Financial. According to Article 3, financial inspections in the Public Sector³¹ will be carried out by the Sector for Financial Inspection in the Public Sector within the Ministry of Finance (MF).

In practice, based on the answers the CSOs gave to the questionnaire for 2016 compared to previous years, there are increased cases of interference. 22% of the CSOs respondents said that they have faced excessive administrative demands, 13% faced illegitimate attacks, and 10% unjustified limitations with respect to the organization's work. The state should have positive role in developing CSOs, but the increased number of cases (even though a low percentage) in which CSOs faced inspections and pressures is worrisome.

According to the questionnaire from 2016, CSOs stated the following types of inspections and pressure: visits by financial police and misleading news by different pro-governmental media (web-portals and newspapers). The CSOs in their responses consider some burdensome practices also as a form of pressure such as: lack of infrastructure for support of the civil sector development, complex procedures when it comes to engaging foreign volunteers, limitations when using employment measures, unresponsive institutions and complex administrative procedures and demands for small CSOs when applying for foreign and domestic donors, and lack of access to state funds from lottery proceeds.

During 2016, two cases of financial inspection were recorded in the media. On April 4, the citizen association MOST was the subject of financial inspection. A month before the inspection, MOST urged the State Electoral Commission (SEC) to clarify the rules on the methodology for full access, changes and deletion of data in the electoral register and the procedure for conducting field inspection for the purposes of updating the citizens to understand the procedure and report all irregularities that they discover when submitting an application for electronic authentication. After this statement, numerous citizens used social media to write about the irregularities they encountered in the voters list.³² After the inspection was carried out, MOST held a press-conference stating that everything was done according to the law.³³

The second case was when the Public Revenue Office inspected 11 organizations that were part of the election monitoring coalition We Decide! (Nie Odlucuvame)³⁴, and they have sent an announcement for inspection to 10 more³⁵. This was followed by reaction from the CSOs subjected to inspection, as well as by the Public Ombudsman, asking for clarification from the PRO regarding these mass inspections.³⁶

In less than a week after the elections, the party leader of VMRO-DPMNE mentioned the civil sector in his speech. He issued a worrying statement that his party would "fight for the de-Soros-station of the country".

³¹ Article 3 of the Law on Financial Inspection in the Public Sector ("Official Gazette of the Republic of Macedonia" nos. 82/2013, 43/2014 and 153/2015).

³² Radio Mof (2016) MOST: SEC should clarify how to publish irregularities on the electoral list; Address: <https://goo.gl/Ue2uDt>;

³³ Meta (2016) "Most": Financial Police have asked to look at our documents; Address: <https://goo.gl/QLHDBu>;

³⁴ Telma TV (2016) The civil sector on impact of Public Revenue Offices; Address: <https://goo.gl/uWZgs0>;

³⁵ Balkan Insight (2016) Monitors: Bogus Voters Remain on Macedonia's Electoral Roll; Address: <https://goo.gl/9cvbvb>;

³⁶ Telma (2016) The ombudsman is asking the PRO to answer why in the same time 20 organizations were subject for inspections; Address: <https://goo.gl/eGJO2n>;

He also mentioned strengthening of an independent civil sector which will not be under foreign control, and that he would regulate the financing of the non-governmental organizations following the models of the most advanced democracies in the world.³⁷

SANCTIONS AND TERMINATION OF ORGANIZATIONS

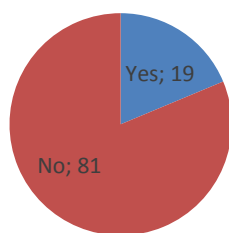
In Macedonia, Article 63 of the LAF³⁸ stipulates that the termination of the organization is possible if numerous assumptions are fulfilled and a court procedure is undertaken in accordance with Article 64 and a decision is made by the court in charge. Those assumptions are: adopted decision for ceasing to exist in accordance with their statute; more than twice of the time planned for holding a session of the highest body as determined by the statute has passed without having one; no final financial report submitted for the last two consecutive years in accordance with the law; the time set by the statute has passed in case the organization has been established for a certain period; statutory change that stipulates cease to exist; decision of a court in charge; bankruptcy procedure has started and a liquidation has been conducted. Additionally, the organization can cease to exist if the number of members of the organization drops under the number anticipated for its establishment.

What remains problematic is that the fines for individuals being legal representatives are higher than the fines for organizations. Namely, in Article 93 of the LAF³⁹ the punitive damages ranges from EUR 300 to 3,000 in cases where changes have not been reported to CRM, and also when the organization has public benefit status and does not submit a financial and narrative report. Fines for different misdemeanour can range from EUR 200 to 300⁴⁰ which can create a legal uncertainty for CSOs, even though in Article 101 it is determined that prior to filing the motion for initiation of a misdemeanour procedure, the perpetrator shall be offered settlement from the MF as a competent body for controlling the financial operations of the organizations.

GENERATING INCOME FROM ECONOMIC ACTIVITIES

The provisions in the LAF that enable the organizations to engage in different economic activities remained unchanged.⁴¹ The LAF regulates the profit generating work of the associations and foundations⁴². If the operations of the organizations generate profit, such profit must be used for achieving the goals determined by the statute of the organizations. The labour and tax legislation, the law of obligations, payment transactions, hard currency work and the laws that directly regulate every activity regulate the economic activities of the organizations. Record keeping and administrative procedure in conditions of conducting an activity are separate issues, as well as accounting, which is different for non-profit organizations and trade companies⁴³. The profits can be used to finance all regular activities of the organization, including the expenses for regular salaries of the

Graph 2. Does your organization conduct economic activities?
(%)



employees. Less than a fifth (19%) of the CSOs are engaged in generating income from economic activities, according to the questionnaire.

³⁷ Nova TV (2016) Sharp and menacing speech Gruevski will not participate in the re-run; Address: <https://goo.gl/m7dit>;

³⁸ Article 63, Law on association and foundations

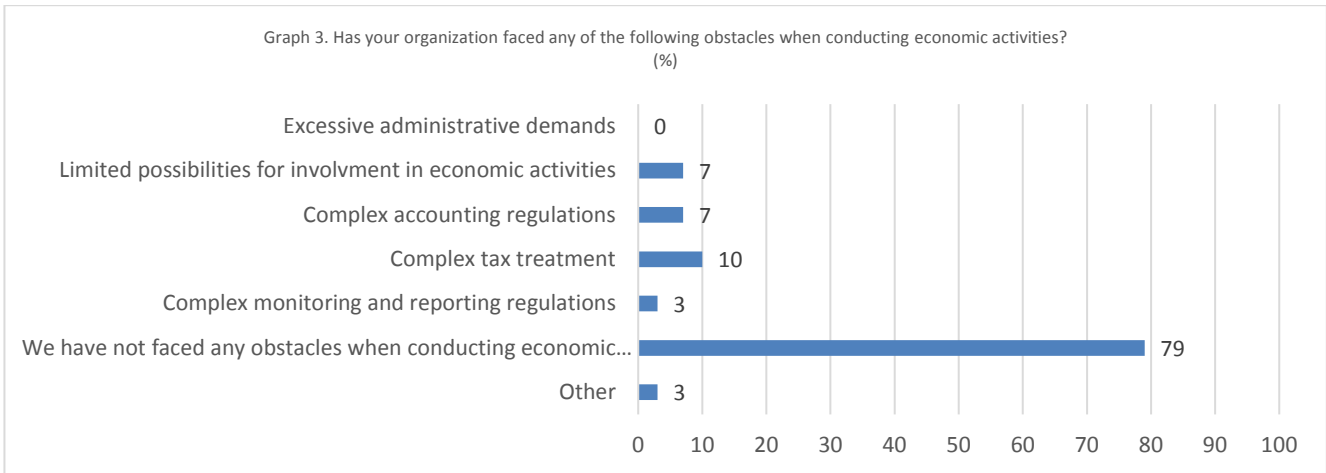
³⁹ Article 93, Law on Associations and Foundations;

⁴⁰ Article 91, Law on Associations and Foundations;

⁴¹ Article 20, Law on Associations and Foundations;

⁴² Article 12, Law on Associations and Foundations;

⁴³ Miov, N. (2015) Handbook on Economic Activities: Work Conducted by Civil Society Organisations [Internet] Skopje, MCIC and ECNL. Address: <http://goo.gl/K86u05>;

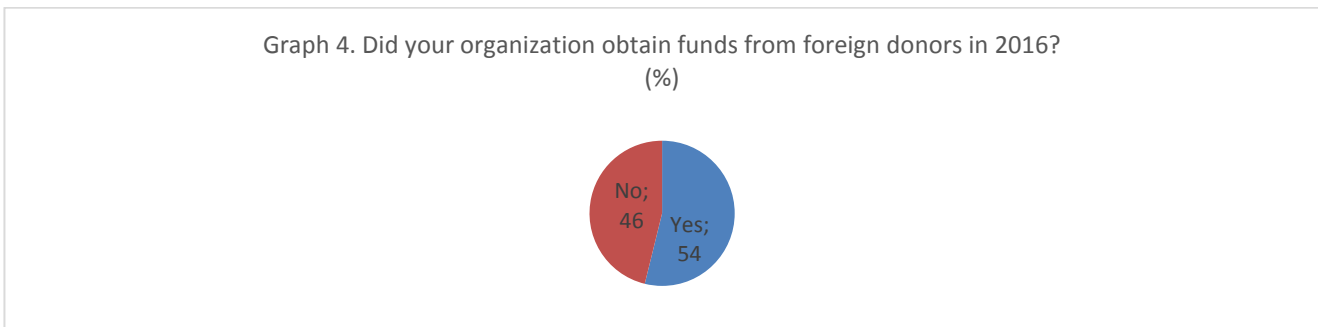


The organizations that conduct economic activities were offered multiple answers to list the obstacles that they had faced when conducting their economic activities. Most of the organizations (79%) have not faced any obstacles, while 10% consider that the tax treatment is complex.

The obstacles to conducting economic activities in the open-ended questions that are listed by the organizations are the threshold for becoming a VAT taxpayer when the amount of generated revenues is approximately EUR 16.000, and an obligation for payment of profit tax, even though the profit that CSOs generate only goes to fund the goals of the organization.

SECURING FOREIGN SUPPORT

CSOs can freely seek and secure financial resources from different foreign sources to support their activities, with no specific requirements and preapprovals. CSO are allowed to receive funding from international bilateral (USAID, SDC, Embassies, etc.) and multilateral sources (such as European Union), and also from individuals, corporations and other sources. The legislation does not stipulate any restrictions (i.e. administrative or financial burdens, preapprovals or channelling of finances via specific bodies) when obtaining foreign funding.



The foreign donors are the source of funding for almost over half (54%) of the CSOs that responded to the questionnaire. Most (96%) of the organizations that obtained funds have not faced any obstacles by state institutions with respect to the funds obtained from foreign sources. Even though CSOs did not report direct obstacles to foreign funding, still 12 CSOs explained that they are faced with a long and burdensome procedure for VAT exemption of the projects, as well as cases of excessive documentation required before contracting the Central Financing and Contracting Department (CFCS) within the MF.

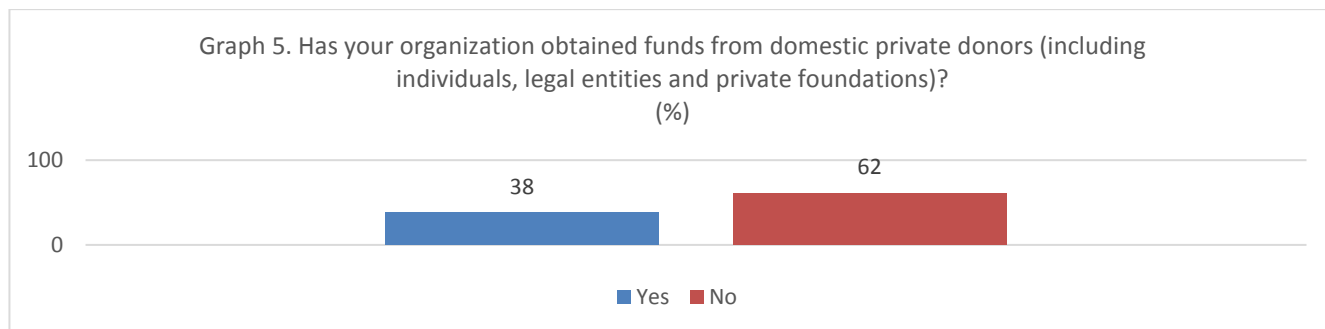
SECURING DOMESTIC SUPPORT

The LAF enables organizations to generate revenues from individuals and enterprises⁴⁴. The Law on Donations and Sponsorships in Public Activities (LDSPA)⁴⁵ has a key role in encouraging donations from individuals and enterprises. Even though it is not directly related to the issue of the procedures for obtaining

⁴⁴ Article 48, Law on Associations and Foundations.

⁴⁵ Law on Donations and Sponsorships in Public Affairs ("Official Gazette of the Republic of Macedonia", no. 47/06, 86/08, 51/11, 28/14 and 153/15).

domestic support, it is still important to emphasise the significance of its analysis. The LDSPA stipulates tax benefits for grant providers for projects that benefit the public. According to Article 13 of LDSPA, it is stipulated that individuals have the right to decrease their tax by the amount of the donation, but not more than 20% of the annual tax debt of the donor, and not more than EUR 390. The enterprises can use tax benefits amounting to 5% in case of a donation and 3% in case of a sponsorship. However, because the law has burdensome procedures for the donors, and it is insufficiently used in practice, it fails to stimulate the possibilities of organizations to receive support by individuals and enterprises.



According to the questionnaire, over a third (38%) of the respondents had obtained funds from domestic private donors (individuals, legal entities, and private foundations). The organizations that had obtained funds were asked to also select which of the provided answers match their experience when obtaining funds from domestic donors. For most organizations (73%), obtaining these funds was easy without additional expenses or administrative obligations. Nevertheless, just over one-fifth (22%) think that obtaining funds from local donors implies expenses or administrative obligations.

CONCLUSIONS AND RECOMMENDATIONS

FREEDOM OF ASSOCIATION

In 2016, there were no legislative changes to the regulations that provide for the independent functioning of the organizations. The Penal Code remains to be a potential threat for the freedom of association. In practice, the organizations faced indirect pressures, via inspections and media propaganda. The possibility for CSOs to engage in economic activities is stipulated in the LAF, but the usage of this possibility in practice is still on a low level. In that regard, the regulations are an additional burden in that they provide equal treatment for CSOs when conducting activities with the profit entities (Law on Profit Tax, Law on Value Added Tax, etc.) Local support is insufficiently developed (individual and corporate donations), which is related to the ineffectiveness of the implementation of the LDSPA in practice.

- Monitoring of the implementation of the Law on Associations and Foundations through establishment of an inter-sectoral group, particularly to revise the provisions pertaining to sanctions against individuals representing the organization, so that they are not higher than those for the organizations;
- Amendment of the Penal Code in the provisions that define the representatives of the associations and foundations as officials, and thus withdrawing the responsibility for abuse of official duty.
- Sharing the cases of interference and pressure in the operations of CSOs by the state and third parties with the public on the Internet and social networks;
- Changes in the laws that regulate conducting an activity to stimulate the possibility for conducting economic activities by CSOs (above all exempting the CSOs from profit taxation of 10%);
- Introducing tutorial and additional technical support by the Secretariat of European Affairs for filling the necessary forms for registering a project funded by countries/organizations with which Macedonia has bilateral contracts;
- Strengthening the capacities of the institutions (CFCD) that manage the decentralized funds of IPA, on the specifics and nature of operation of CSOs to simplify the requests and procedures when applying and implementing projects.

Sub-area 1.2. Other related freedoms

FREEDOM OF PEACEFUL ASSEMBLY

Freedom of assembly is a basic right guaranteed in Article 21 of the Constitution, which provides that “Citizens have the right to assemble peacefully and to express public protest without prior announcement or a special license. The exercise of this right may be restricted only during a state of emergency or war.”⁴⁶ The key legal framework that regulates freedom of assembly in Macedonia is the Law on Public Assemblies (LPA)⁴⁷, providing the citizens the right to spontaneous, simultaneous and counter-assembly without the obligation for prior notification.

According to the analysis conducted by Reactor⁴⁸, the legal framework in Macedonia for practicing the freedom of assembly is relatively comprehensive and liberal, but still contains formulations that are broad and ambiguous. Additionally, the report concludes that the LPA contains provisions that impose responsibilities for the organizer of the assembly. First, the organizer has the obligation to maintain order, organize warden service, and disperse the assembly if deemed to jeopardize the safety of people and property, as well liability for any damages that occur. In case of possible damage, the organizer shall be obliged to compensate the fines that are high and amount to EUR 3000 for the legal entity (organizer), and additionally 30% of the determined fine for the responsible person (organizer)⁴⁹. In addition, Article 8 of the LPA requires non-nationals to report to the assembly and obtain approval from the Ministry of Interior. In addition to misdemeanour fines, non-compliance can result in deportation from the country and a ban on re-entry that can last from one to ten years or a permanent ban.

Practicing the freedom of assembly intensified during 2016, via various actions and initiatives. After the decision of the Constitutional court on 16 March⁵⁰ that allowed the president Gjorgje Ivanov to pardon individually named persons for criminal acts foreseen by the laws, in accordance with the provisions of the Penal Code and the provisions of this Law⁵¹, the situation became tense. After this, the president decided to pardon and to drop all criminal proceedings against 56 of former and current officials on 12 April, some of them suspect of large-scale embezzlement of government funds and organizing mass wiretapping of communications in the country⁵². This event on the 12 April led thousands protesting in the streets of Skopje and protest also occurred in other cities in the country, including Bitola, Kicevo, Kocani, Veles, Strumica, Prilep, Kumanovo and Tetovo.⁵³

The activists of the Colourful Revolution⁵⁴ firmly set their demands by asking for the next parliamentary elections to be rescheduled from June 5 to a later date to create conditions for fair and transparent elections. There was a simultaneous counter protest in support of the government policies and against the pardoning of the opposition leader. They were sending threatening messages to the activists of the Colourful Revolution, and advocated for temporary moratorium on the functioning of all associations and foundations.⁵⁵

Other issues have also encouraged citizens to practice their right to assembly throughout the year such as: protests of foundry and road construction workers, secondary school professors and court administrators; Skopje suburb residents and Stip residents against the demolition of their park; journalists demanding the release of a journalist, pro-government civil society supporting the Mayor of Bitola; students protesting for improved living conditions in student houses;⁵⁶ and protesting for cancellation of the presidential elections of the student parliament of the St. Cyril and Methodius University.⁵⁷

⁴⁶ Article 21, The Constitution of Republic of Macedonia (Official Gazette of Republic of Macedonia no.52/1991);

⁴⁷ Law on Public Assembly (Official Gazette of Republic of Macedonia no.55/95, 19/06, 119/06, 66/07, 152/15);

⁴⁸ Freedom of Assembly in Macedonia(2016) Reactor Research in Action; Available at: <https://goo.gl/fpWEIS>;

⁴⁹ Article 9, Law on Public Assembly (Official Gazette of Republic of Macedonia, no. 55/95, 19/06, 119/06, 66/07, 152/15);

⁵⁰ Decision of the Constitutional Court of Republic of Macedonia; Available at: <https://goo.gl/QmXLau>;

⁵¹ Law on amnesty (Official Gazette of Republic of Macedonia no.20/1993, 12/2009; 99/2016);

⁵² RT (2016) Macedonia protesters denounce amnesty for officials accused of wiretapping, vote fraud & corruption; Address: <https://goo.gl/HuO7by>;

⁵³ Ibid;

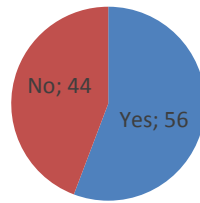
⁵⁴ More about the Colorful Revolution in Macedonia in section 2.3. Characteristics of the civil society in 2016, on page 18 of this report;

⁵⁵ Nova TV (2016) Contra-protest- instrument that should defend the politicians from SPO: <https://goo.gl/gclhHE>;

⁵⁶ CIVICUS (2016), Civil Monitor (Macedonia); Address: <https://goo.gl/K8z9UM>;

⁵⁷ Telma (2016) Protest against the student elections; Address: <https://goo.gl/WieTqa>;

Graph 6. Have you participated in a civil gathering, individually or via your organization, in 2016?
(%)



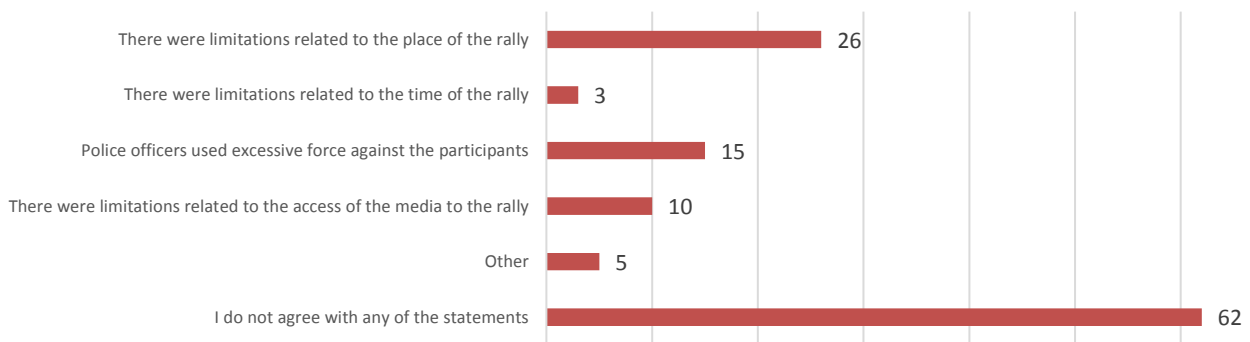
The questionnaire confirms the increasing trend of participation in protests that continues in 2016. Over half of the respondents to the questionnaire (56%) participated in a civil gathering, either individually or via their organization. Besides participating, according to the results from the questionnaire, 21 organizations (out of 156 total) organized a civil protest, and they did not face any limitations.

RESTRICTIONS TO THE FREEDOM OF PEACEFUL ASSEMBLY

The state has a positive duty to take reasonable and appropriate measures to enable peaceful assemblies to take place without participants fearing physical violence.⁵⁸ The restrictions to the freedom of assembly are defined in the Law on Public Assemblies⁵⁹. According to Article 2a, a public gathering can take place everywhere, except in three cases: next to health care institutions, in a way which disables the access of ambulances and disrupts the peace of the hospitalised people; next to kindergartens and schools while the children are in attendance, and on motorways and roads in a way that endangers the road traffic. Finally, the LPA does not provide the right to appeal the unlawful restriction of the right to assemble.

The restrictions to the freedom of peaceful assembly in practice were mainly related to the police blocking the desired place of gathering.

Graph 7. Please explain your experience by choosing the statements with which you agree?
(%)



To determine the restrictions in practice, the organizations were offered several responses from which they could choose according to their experience. Almost two-thirds (62%) of the CSOs that participated in a gathering had not faced any restrictions. However, almost one fourth (26%) of the organizations responded that there had been limitations related to the place of the gathering, and 15% stated that excessive force was used against the participants. According to 10% there were limitations related to media access.

The questionnaire also shows increasing records of cases when the participation in a public gathering was not fully enabled according to legislation. The respondents to the open-ended questions have further explained their experience stating: their movement was limited by water cannons, fear of participation due to direct affiliation with certain political parties, changing the place of an already approved location for gathering, many

⁵⁸ Law on Public Assemblies ("Official Gazette of the Republic of Macedonia", no. 55/95, 19/06, 119/06, 66/07, 152/15).

⁵⁹ Article 2a, Law on Public Assemblies ("Official Gazette of the Republic of Macedonia", no. 55/95, 19/06, 119/06, 66/07, 152/15).

times (according to 26% of the respondents) during the protests people were prevented from reaching the desired destination (in front of the Assembly, Ministry of Foreign Affairs, the President residence and in front of the Government, in front of the building of the ruling political party), and in one case even safety was not taken into consideration (for e.g. standing on a bridge).

In 2016, there were other restrictions of gathering places. The civil platform for politics “Ajde” on March 16, were prevented by police in armoured vehicles from continuing their march towards the Constitutional Court building, where they planned to request the Court to withdraw their decision to pardon electoral crimes and other serious offenses, even though their gathering was previously announced to the authorities.⁶⁰ The reason for this restriction was that in the meantime another group of protestors, the governments coalition partner GROM, organized a counter-protest in the same place where the night vigil of “Ajde” was planned with the purpose of defending the state institutions and the country’s constitutional order.⁶¹ According to the OSCE Election Observation Mission Report, they have “received credible allegations of pressure on public sector employees to attend the counter-demonstrations, including threats of loss of employment.”⁶²

The Reactor’s research states that during the protests, the street in front of the government building was sealed off and inaccessible for 11 consecutive days, without any kind of explanation by the police. Furthermore, the headquarters of the ruling party VMRO-DPMNE were continuously inaccessible to protesters, particularly escalating case was noted on April 14 when protestors were restricted and dispersed with excessive use of force.⁶³ In 2016, there was an increased number of cases when protests simultaneously took place, which were mostly secured by the police for both parties. However, in several cases during the Colourful Revolution protests the authorities imposed restrictions regarding the locations in favour of citizens protesting in favour of the Government.

USE OF EXCESSIVE FORCE

The Law on Police⁶⁴ contains provisions regulating public gatherings and continues to be problematic. Since the amendments introduced in 2015, the police are authorised to use physical force against groups of people, including police bats, electric paralyzers, chemical deterrents, and rubber bullets.⁶⁵ These amendments were adopted in a time of increasingly active civic protests, and without accompanying provisions to safeguard human rights. Following the public reaction, the Ministry of Interior in May 2016 amended the Law on Police⁶⁶ in Article 93, according to which the police officer has an obligation to notify the person that he is the subject of audio and video recording. However, it also leaves open the possibility to do that without notice, especially if that would prevent or burden the actions in the frame of police authorization. Additionally, in the same article there was an amendment for which it was stipulated that these records would be kept for 45 days (previously it was 6 months), after which they will be destroyed, unless they are used as evidence in misdemeanour or criminal proceedings. This article is problematic in practice, considering the period when it was adopted there were increased cases of civic protests and because of the possibility of using the recordings as a means of discouragement and intimidation of the citizens.

In practice, the public gatherings in 2016 were met with increased cases of disproportional police force regulating the gatherings without sanctions or personal responsibility on the part of police officers.⁶⁷ This situation is a result of the inconsistency of the implementation of the legal framework, which even though requires responsibility on the part of the police officers, in practice, is not implemented due to political interference and influence over the work of the Department for Internal Control and Professional Standards (DICPS).⁶⁸ The police’s failure to uphold human rights during protests is the result of insufficient sensitization of the police and lack of continuous training and education.⁶⁹

On April 13, after the Presidential pardon was announced, disproportionate and in discriminatory use of force was directed toward participants at the gathering by the police⁷⁰ in response to the alleged ransacking of the

⁶⁰ MIA (2016) Protests in front of the Constitutional Court; Address: <https://goo.gl/Oi6cr4>;

⁶¹ Utrinski vesnik (2016) Protests and counter-protests - NEW TEST FOR DEMOCRACY; Address: <https://goo.gl/H1AtUo>;

⁶² OSCE Office for Democratic Institutions and Human Rights Election Observation Mission (2016) , The former Yugoslav Republic of Macedonia, Early Parliamentary Elections, 5 June 2016; Interim report 2: 20 April - 11 May 2016, 13 May 2016; Address: <https://goo.gl/PXWM97>;

⁶³ Reactor Research in Action(2016) Freedom of Assembly in Macedonia, Available at: <https://goo.gl/fpWEIS>;

⁶⁴ Law on Police (“Official Gazette of the Republic of Macedonia”, no. 114/06, 6/09, 145/12, 41/14, 33/15, 31/16, 106/16, 120/16);

⁶⁵ Article 93, Law on Police (“Official Gazette of the Republic of Macedonia”, no. 114/06, 6/09, 145/12, 41/14, 33/15, 31/16, 106/16, 120/16)

⁶⁶ Ibid

⁶⁷ Reactor Research in Action(2016) Freedom of Assembly in Macedonia Available at: <https://goo.gl/fpWEIS>;

⁶⁸ Reactor Research in Action(2016) Freedom of Assembly in Macedonia Available at: <https://goo.gl/fpWEIS>;

⁶⁹ Ibid

⁷⁰ 24 News (2016) Is there an excessive use of force by the police? Address: <https://goo.gl/0J589Q>;

President's office in the city centre.⁷¹ In this isolated event, 13 people were arrested, and five journalists were hurt. The arrested persons complained of police brutality during the arrests to the Public Ombudsman.⁷² According to the Helsinki Committee, 11 persons were given criminal penalty for an offense under Article 14 of the Law for offenses against public order and peace.⁷³

Another event in 2016, in which the participants faced a high police presence was after the student elections for a new student leader. According to the Student plenum, the elections were illegitimate because the conditions for secret voting were not fulfilled and in the end, the votes were taken out of the Faculty of Law by unaffiliated people.⁷⁴ This was a breach of the Statute of Student Parliament (SPUKM) that states the ballot boxes should be opened at the university and votes should be counted publicly.⁷⁵ In the aftermath of these events, the Student Plenum organized a peaceful assembly in front of the SPUKM parliament, but video footage dispersed through the social media showed disproportional presence of police force (Rapid Deployment Unit), and inappropriate behaviour towards the students that were trying to invalidate the elections.⁷⁶

Cases of infringement of the given right of the police officers to record the gatherings was noted in the Reactor's research, which stated that the video recordings are sometimes given to media and then abused for labelling, discrediting and intimidating protesters.⁷⁷

MEDIA ACCESS TO PUBLIC GATHERINGS

The media had access to all the assemblies that took place in the course of 2016. However, during the protest on the April 13, according to the reports of the Trade Union of Macedonian Journalists and Media Workers (SSNM) and the Association of Journalists of Macedonia (ZNM), the police dispersed protesters⁷⁸ and caused injuries to five journalists who were attempting to photograph the violent turn of events. The union also said that all of them were wearing professional IDs and that the cameras they were carrying clearly identified them as journalists on duty.⁷⁹

According to results from the questionnaire, 10% of the CSOs that participated at a gathering in 2016 confirm that there were limitations imposed over the media when trying to report on the events, and few of them further noted that pro-governmental media did not provide space for the protests or they were using them to spread falsehoods.

FREEDOM OF EXPRESSION

In Article 16⁸⁰ of the Constitution of the Republic of Macedonia, guarantees the citizens their freedom of belief, conscience, thought and public expression of their thoughts, as well as freedom of speech, public appearance, public information and free establishment of institutions for public information. However, defamation was removed from the Penal Code in 2012⁸¹, and it is regulated with the Law on Civil Liability for Misdemeanour and Defamation⁸². It still provides high penalties for journalists, editors and media owners.

Freedom of expression is guaranteed with comprehensive legislation according to international standards and practices, such as the Law on Media⁸³, Law on broadcasting activity⁸⁴, Law on Civil Liability for Misdemeanour and Defamation⁸⁵ as well as the Law on Free Access to the Public Information⁸⁶.

The trend of limiting freedom of speech towards journalists continued in 2016. The conclusions from the

⁷¹ Alfa TV (2016) Five protesters are fined, dozen criminal and misdemeanour charges; Address: <https://goo.gl/8RWNAx>;

⁷² Ombudsperson of Republic of Macedonia (2016) Annual Report on the level of respect, promotion and protection of human rights for 2015, Skopje, March 2016, p. 22;

⁷³ RT (2016) Protesters throw flares, clash with police, storm presidential HQ in Macedonian capital; Address: <https://goo.gl/ToAUm0>;

⁷⁴ Nova TV (2016) Student elections without legitimacy; Address: <https://goo.gl/amem8Z>;

⁷⁵ Nova TV (2016) Boxes with student votes are gone from the University; Address: <https://goo.gl/enxcw6>;

⁷⁶ Brif (2016) Student plenum: We're standing in front of Student Parliament, the Police is beating students! Address: <https://goo.gl/zwLtfC>;

⁷⁷ Reactor Research in Action (2016), Freedom of Assembly in Macedonia, Достапно на: <https://goo.gl/fpWEIS>;

⁷⁸ International Federation of Journalists (2016) Macedonia: five journalists beaten by police during protests; Address: <https://goo.gl/R2F563>;

⁷⁹ European Journalists (2016) Macedonia: five journalists beaten by police during protests; Address: <https://goo.gl/ULfdDe>;

⁸⁰ Constitution of the Republic of Macedonia, article 16: Freedom of personal conviction, conscience, thought and public expression of thought is guaranteed.

Freedom of speech, public address, public information and the establishment of institutions for public information is guaranteed. Free access to information and the freedom of reception and transmission of information are guaranteed.

⁸¹ Penal Code (Official Gazette of Republic of Macedonia no. 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, 55/2013, 82/13, 14/14, 27/14, 28/14, 41/14, 115/14, 132/14, 160/14, 199/14, 196/15 и 226/15).

⁸² Law on Civil Liability for Misdemeanour and Defamation (Official Gazette of Republic of Macedonia no. 143/2012);

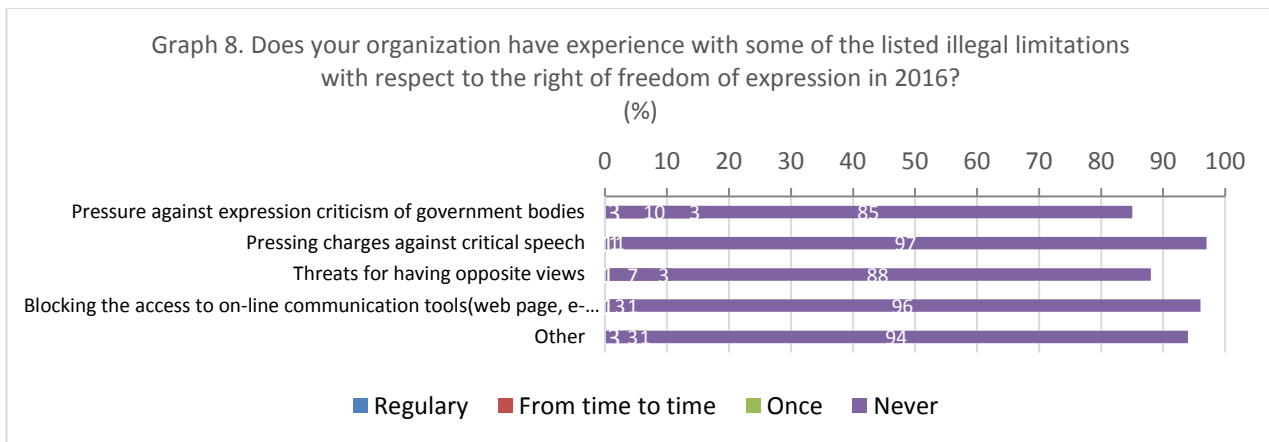
⁸³ Law on Media (Official Gazette no. 184/2013, 13/2014);

⁸⁴ Law on Broadcasting Activity ("Official Gazette of the Republic of Macedonia" nos. 100/2005, 19/2007, 103/2008, 152/2008, 6/2010, 145/2010, 97/2011, 13/2012 and 72/2013).

⁸⁵ Law on Civil Liability for Misdemeanour and Defamation (Official Gazette Number: 143/2012)

⁸⁶ Law on Free Access to Public Information ("Official Gazette of the Republic of Macedonia" nos. 13/2006, 86/2008, 6/2010, 42/2014, 148/2015 and 55/2016).

NVO Info-Centre report show that there is an increase in litigation procedures when media appear as defendants, which led to the conclusion that the Law on Civil Liability for Defamation is used as a tool to exercise control and pressure critical journalists. Namely, one third of defamation cases tried at the Basic Court Skopje involves journalists and media professionals.⁸⁷



To understand if the organizations are able to freely express themselves, they were asked to select the frequency with which they faced (experienced) all listed illegal restrictions with respect to the freedom of expression in 2016. Almost one-fifth (16%) of the respondents that answered the questionnaire in 2016 stated that they have faced pressure against expressing criticism of government bodies, and 11% received threats for having opposite views. Other limitations reported by CSOs are: threats from private companies for announcing socially engaged articles on their web-site, “advice” given to staff from the organization to participate at protests, or not to be involved since this might prevent them from getting funding, “persuasions” on why protests are not a good method of action, labelling civil society from senior government officials as traitors, mercenaries, “sorosoids” and anti-state.

In the open-ended answers, the CSOs have stated that they have encountered illegal limitations to the freedom of expression such as pressures against expressing criticism of government bodies (15 organizations), including an instance in which they received a phone call by the police for disagreeing with the announced changes in policy by the Ministry of education and science. There are also limitations on participation at the protests, informal pressure from different sides, publishing false information on members of the organization, insults and threats (particularly on Facebook and other traditional media) by pro-government media, pressures for criticizing government bodies regarding environmental issues, and practicing self-censorship amongst many things out of fear of losing of potential cooperation. In the cases of blocking access to online communication tools (5%) of the respondents, they explained that after a debate organized by the association the profiles of two of its members were blocked on Facebook. There were also frequent cases of web-site crashing after heated debate on particular issues, and blocked users on Facebook after giving opinion on local policies regarding Roma community treatment.

INTERNET IS WIDELY ACCESSIBLE AND AFFORDABLE

According to the State Statistical Office, in the first quarter of 2016, 75% of the households had access to Internet at home, which is 6% higher compared to the same period of 2015.⁸⁸ The mobile phone is the most popular means of access to the internet in 81% of internet users in the period, mostly among those aged from 15 to 24 years (92%). The trend of using social media for social networking for collective action, particularly in terms of organizing gatherings continued in 2016. CSOs, citizens, and informal initiatives planned and coordinated their activities through groups on Facebook and Twitter and used these networks for advocacy on different issues. Furthermore, the possibilities for group collaboration on Google were used, as well as other free e-platforms and other electronic tools for increasing the efficiency and sharing of information, for e.g. to support the flooded areas in Skopje, as well as in support of the persons transiting through Macedonia during the refugee crisis.

⁸⁷ NVO Info Center Freedom of Expression (2016) Available at: <https://goo.gl/vYhaJl>;

⁸⁸ State Statistical office of Republic of Macedonia (2016) Usage of information and communication technologies in households and by individuals; Address: <https://goo.gl/XJV8Jx>;

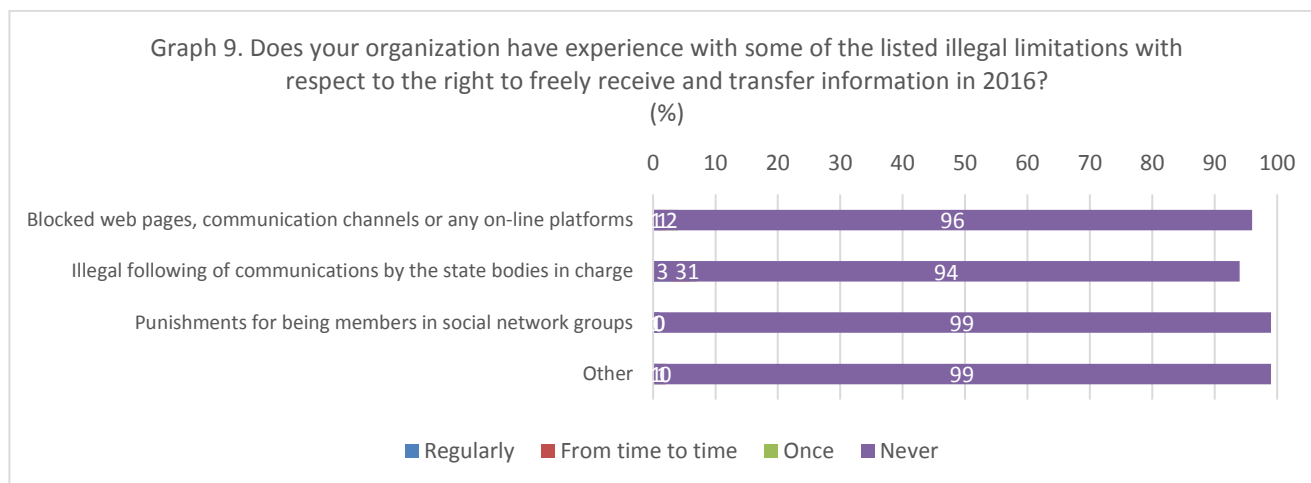
THE RIGHT TO SAFELY RECEIVE AND IMPART INFORMATION THROUGH ANY MEDIA

The right to freedom of opinion and expression includes freedom to seek, receive and impart information is guaranteed with the legal framework in Macedonia. Even though Macedonia has adequate legislation regulating the media that is applicable to the Internet without the need to have additional regulation for online communications, its implementation remains challenging. The laws that regulate safely receiving and imparting information through any media remained unchanged in 2016: The Law on following communications⁸⁹, the Law on electronic communication⁹⁰ and the Law on Criminal Proceedings⁹¹.

In May 2016, lawmakers passed a law to protect privacy in shortened procedure. The law protects the privacy of the Macedonian citizens guaranteed by the Constitution regarding information arising from unlawful interception of communications made between 2008 until 2015. The law establishes a prohibition on having, processing, and publication of materials that violate the privacy of personal and family life. The law establishes a prohibition of possession, processing, publication, and disposal in any way with materials derived from unlawful interception of communications carried out between 2008 and 2015, including their use and disposal in the electoral process, political and other purposes and procedures.⁹²

With respect to the media, the Agency for Audio and Audio-visual Media Services (AVMS) established an ad hoc body to monitor compliance with media provisions of the amended Electoral code. The role of the ad hoc body was to monitor the balance in appearances of government and opposition in the media sphere, and should evaluate the tone and context of reporting - whether attitudes toward a political subject are positive, negative or neutral.⁹³ A group of CSOs that advocate for media freedoms also offered activities, which would lead towards urgent democratic reforms of the media.⁹⁴

The Urgent reform recommendations (Priebe report)⁹⁵, the US State Department⁹⁶, the UN Special Rapporteur on freedom of opinion and expression⁹⁷, as well as renowned non-governmental organisations like Freedom House⁹⁸ and Reporters without Borders⁹⁹, have all called attention to the decline of media freedoms and freedom of speech in the country. The worsened situation of media freedoms in the country is reflected in the work of CSOs and the possibility for them to promote their activities and provide coverage for the critical issues they advocate for. The space for their message especially on the traditional media in 2016 was very limited besides the increased number of debate shows in which the speakers were CSO representatives and activists. This meant bigger focus on communication with the public and advocating through the social media.



⁸⁹ Law on intercepting the communications (Official Gazette no. 121/06, 110/08, 116/12)

⁹⁰ Law on electronic communications (Official Gazette no. 39/14, 188/14, 44/15, 193/15, 77/2016, 94/2016, 138/2016, 6/2017)

⁹¹ Law on criminal procedures, (Official Gazette no. 150/10, 100/12, 142/2016 и 193/2016);

⁹² Law on protection of privacy, (Official Gazette 99/2016)

⁹³ Independent MK (2016) Macedonia Elections: Ad Hoc Body for Media Monitoring Adopts Work Agenda; Address: <https://goo.gl/jUctGv>;

⁹⁴ Nova TV (2016) An ad hoc body for media will not improve the quality of information; Address: <https://goo.gl/xjKAeg>;

⁹⁵ Recommendations of the Senior Experts' Group on systemic Rule of Law issues relating to the communications interception revealed in Spring 2015; Address: <https://goo.gl/2QBGjf>;

⁹⁶ Association of Journalists of Macedonia (2016) Summary of the Media Situation in Macedonia; Address: <https://goo.gl/rDZL0E>;

⁹⁷ UN General Assembly Report of the Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression: Promotion and protection of the right to freedom of opinion and expression (2016) Address: <https://goo.gl/SXFm1H>;

⁹⁸ Freedom House: Freedom in the world 2016 Report (2016): Address: <https://goo.gl/mc7VIJ>;

⁹⁹ Reporters without borders 2016 Report (2016) ; Address: <https://goo.gl/qIRfMh>;

To understand the situation in practice, the organizations were asked to select the frequency with which they faced (experienced) all the listed illegal limitations with respect to the right to freely receive and transfer information in 2016. A total of 10 organizations (out of 156) that responded that they were subject to illegal communication surveillance and in their open-ended answers they indicated that they possess evidence or doubts about their communications being under unlawful surveillance.

CONCLUSIONS AND RECOMMENDATIONS

OTHER RELATED FREEDOMS (FREEDOM OF ASSEMBLY AND FREEDOM OF EXPRESSION)

The legislation concerning the freedom of assembly and expression is mainly in line with international and European regulations. The legal frame regulating the freedom of assembly is assessed as relatively comprehensive and liberal. However, there are formulations that are broad and ambiguous¹⁰⁰. Although, the Law on Public Assemblies (LPA) provides citizens the right to spontaneous, simultaneous and counter-assembly without the obligation for prior notification, it still contains a provision that imposes burdensome responsibilities for the organizers of the assembly, and does not provide the right to appeal restrictions. The Law on Police was amended during 2016, but no substantial changes were made regarding the means for disbursing a crowd, nor to the provisions related to video recording, which can potentially be used as means for pressure over the citizens that want to practice their right to assembly, and were also adopted in times of increasingly active civic protest. Practicing the freedom of assembly intensified significantly during 2016, via various protests, actions and initiatives on different issues.

The protests led by the “Colourful Revolution” movement lasted between 12th of April and 20th of July 2016, a total of 100 days. The freedom of assembly was respected in practice in most of the cases, but still several limitations were registered, mainly related to the desired place for protest (the building of the Government, the headquarters of the ruling party, Constitutional court etc.) and cases of increased police presence. In an isolated incident on 13 April 2016, excessive, disproportionate and indiscriminate force was used by the police when trying to physically disperse and detain the crowd, wherein peaceful participants were arrested. In practice, freedom of expression is seriously limited, and the media freedoms have further decreased. Working in this context, even though CSOs can freely express themselves, they still face numerous indirect pressures because of their critical views and advocacy. Communication of CSOs through the traditional media, which remain polarised, continues to be challenged particularly when this situation of captured media is used to discredit the work of CSOs and to discourage civic participation.

- The Ministry of Interior should establish a multi-sectoral group to review and amend all laws relating to the management of assemblies to be further clarified in the provisions to avoid unambiguous and provide consistency among related provisions in certain law, and with other national laws as well as with international standards. In provisions where ambiguity exists, they should be interpreted in favour of those wishing to exercise their right to freedom of peaceful assembly (Law on public assemblies, Law on police, other bylaws and etc);
- Specifically, the Ministry of Interior in a consultative manner should make amendments to the Law on Public Assemblies to provide the right to appeal the restriction regarding the location of an assembly, when the authorities have been previously informed, or when the place of the gathering has been secure. The restrictions regarding the location of the assembly should be put in writing, justified and communicated to the organizers, including the justification for the restriction, allowing an opportunity for the organizers to make appeal;
- The Ministry of Interior should withdraw the last amendments in the Law on Police (the means of coercion and the permission for video recording of the protests), which only have financial implications, while the protests that are organised are mostly peaceful and the police can adequately deal with them using the current means available;
- Investigating the current cases of limiting the freedom of assembly and the usage of excessive force and other limitations;
- Continuously following the implementation of the legislation which regulates the freedom of expression and its improvement;

¹⁰⁰ Reactor Research in Action (2016) Freedom of Assembly in Macedonia; Available at: <https://goo.gl/fpWEIS>;

- Strengthening the capacities of the judiciary and other public servants regarding the international standards and ECHR decisions related to the freedom of expression and critical speech;
- Improvement of the cooperation and coordination between the media, journalists, and CSOs to provide greater and more essential space for the activities of the organisations.

AREA 2. Framework for CSO financial viability and sustainability

Sub-area 2.1. Tax/fiscal treatment for CSOs and their donors

TAX BENEFITS FOR CSOs

In 2016, CSOs continue to function in an unfavourable tax regime. In addition, as legal entities according to the tax laws, they continue to be treated on equal terms with for-profit entities. In some regulations, they are in an less favourable position. Apart from undertaking the responsibility for the Strategy for Cooperation with the Civil Society 2012-2017, the Ministry of Finance made no significant efforts to continue the activities related to their commitment to improve the tax environment for CSOs in 2016.¹⁰¹ Moreover, since 2015 the Ministry obtained the documents that provide the basis for preparation of quality amendments (comparative and national analysis, communication with expert CSOs, etc.), by group of CSOs, still no response was made for possible changes. During the year the MF improved the tax environment, but only for the sport federations and clubs and the Macedonian Olympic committee, which envisaged different precentral reductions on the calculated tax for the amount of the given donation.¹⁰² Additionally, the Ministry specified in Paragraph 3 from Article 9 in the Law on profit tax providing that unrecognized expenditures for tax purposes will be considered the costs for accommodation (spending the night or night with breakfast) and transportation of persons who are not employed at the domestic payer, but who are engaged for the purpose of performing a job at the payer which serves its activity, provided that they are not documented. Current legislation was subject to different interpretation during inspection, but with the amendment from 2016 it is clarified in which cases these expenses are treated as unrecognized expenditures.

The organizations are treated as taxpayers, and have equal treatment as companies according to the Law on Profit Tax, where the generated profit as a difference between the revenues and expenses of the activity is taxed with 10% profit tax¹⁰³. Even more so, LPT places CSOs in a less favourable position if one takes into consideration that according to Article 32, the trade companies classified as small and micro traders and legal entities are exempt from the obligation to pay annual tax on the total revenue, providing that the total revenue generated in the year for which the tax is determined from any source is not higher than approximately EUR 49,000 annually. This exemption is not reserved by the legislator for the CSOs which mainly (64%) have budgets lower than EUR 2,500.

The Law on personal income tax¹⁰⁴ still imposes taxation of official trips for persons that are not employed but are hired by the organizations as well as for the expenses for accommodation, transport, and food for the participants in the activities organized by CSOs. Regarding the Law on Donations and Sponsorship in public activities¹⁰⁵, concrete challenges and shortcomings were determined, but in 2016, no amendments were made towards improvement of its functionality. The key challenge is mostly due to the burdensome and lengthy procedure of confirming a donation/sponsorship being of public benefit in the Ministry of Justice, and thus is failing to contribute significantly to the CSOs financial sustainability.

For the VAT exemption, the procedure for exemption continued to be used for part of the projects, funded by money obtained based on donation agreements between the Republic of Macedonia and foreign donors¹⁰⁶.

¹⁰¹ Government of Macedonia (2012) Strategy for cooperation with civil society (2012-2017) Skopje, Government of the Republic of Macedonia;

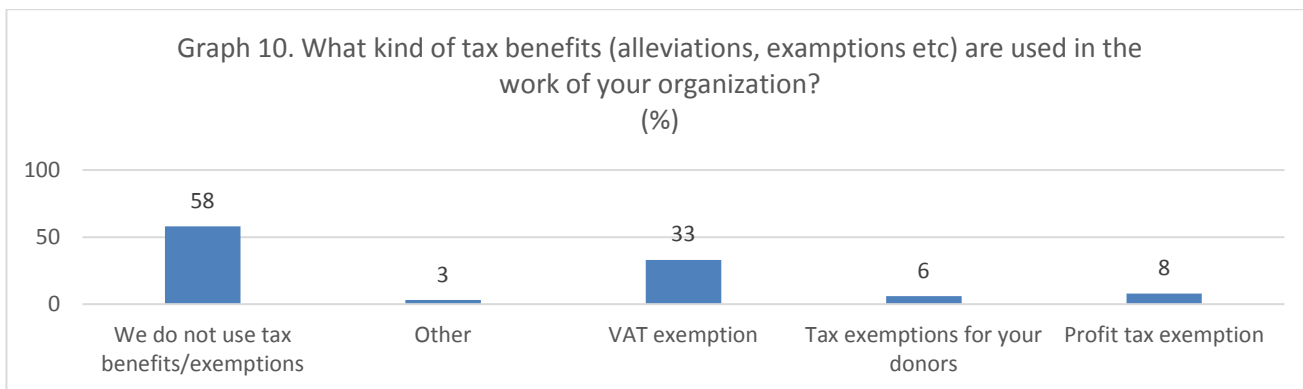
¹⁰² Law on Profit Tax ("Official Gazette of the Republic of Macedonia", no. 80/93, 33/95, 43/95, 71/96, 5/97, 28/98, 11/01, 2/02, 44/02, 51/03, 120/05, 139/06, 160/07, 159/08, 85/10, 47/11, 135/11, 79/13, 13/14, 112/14, 129/15. 190/16);

¹⁰³ Law on Profit Tax ("Official Gazette of the Republic of Macedonia", no. 80/93, 33/95, 43/95, 71/96, 5/97, 28/98, 11/01, 2/02, 44/02, 51/03, 120/05, 139/06, 160/07, 159/08, 85/10, 47/11, 135/11, 79/13, 13/14, 112/14, 129/15. 190/16)

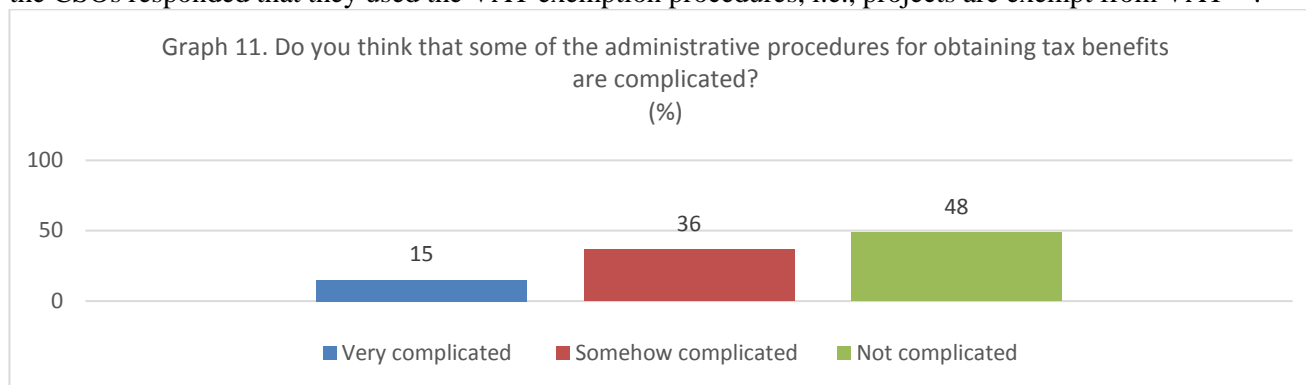
¹⁰⁴ Law on personal income tax (Official Gazette no. 80/1993, 3/1994, 70/1994, 71/1996, 28/1997, 8/2001, 50/2001, 52/2001, 2/2002, 44/2002, 96/2004, 120/2005, 52/2006, 139/2006, 6/2007, 160/2007, 159/2008, 20/2009, 139/2009, 171/2010, 135/2011, 166/12, 187/13, 13/2014, 116/2015, 129/2015, 199/2015 and 23/2016).

¹⁰⁵ The association Konekt submitted a draft amendments to laws relevant to financial sustainability civil society organizations to the Ministry of Finance in 2015 and 2016. The proposals are available at: <https://goo.gl/5mc7h2>;

¹⁰⁶ Rulebook on the way of implementing tax exemptions from payment of VAT tax for sales of goods and services intended for implementation of a project that is financed by funds obtained based on an agreement for donation signed between the Republic of Macedonia and a foreign donor where it is stipulated that the funds obtained will not be used to pay taxes ("Official Gazette of the Republic of Macedonia, no. 98/14)



Over half of the organizations (58%) that answered the questionnaire do not use tax benefits. One reason they state is that they are not sufficiently informed or that they do not have sufficient funds. One-third (33%) of the CSOs responded that they used the VAT exemption procedures, i.e., projects are exempt from VAT¹⁰⁷.



The organizations that responded that they used tax benefits (33%) were asked about the administrative procedures for obtaining them. Almost half of the organizations (48%) consider that the administrative procedures for obtaining tax benefits are not complicated, while somewhat over one third of the organizations (36%) think that they are complicated, while 15% stated that they are very complicated. Complicated administrative procedures for tax benefits listed by the CSOs (12 cases) are: length of the registration of the project with SEA, uninformed and disinterested companies in preparing invoice exempt from VAT via the PRO system, lack of coordination between SEA and PRO, and the procedure of obtaining public benefit status of the project through the LSDPA.

CONCLUSIONS AND RECOMMENDATIONS

TAX/FISCAL TREATMENT OF CSOs AND THEIR DONORS

The basis provided in the Law on associations and foundations for CSOs that have public benefit status to obtain tax and customs duty reliefs is still not functional. The law burdens their work and hinders their ability to become sustainable. The key tax laws regulating the work of CSOs (Law on Personal Income Tax, Law on Donations and Sponsorships in Public Activities) receive equal treatment with for-profit entities and in some regulations they are in an even less favourable position (Law on Profit Tax). The VAT exemption is most commonly used by CSOs when it comes to managing foreign funds; however, there are still difficulties with the procedure of registering the project in SEA database. The implementation of the Law on Sponsorships and Donations in the public activities in practice remained dysfunctional, especially with the long and complex procedure for confirming the public benefit status of a project.

- The Ministry of Finance should provide feedback related to the submitted documents by a group of CSOs in 2015 and 2016 (comparative and national analysis of tax laws) as well as draft amendments to the Law on Personal Income Tax and the Law on Profit Tax. It should also establish a multi-stakeholder group to confirm the draft-amendments that would support the functioning of the CSOs;

¹⁰⁷ Article 51, Law on Value Added Tax ("Official Gazette of the Republic of Macedonia", no. 44/99, 59/99, 86/99, 11/00, 8/01, 21/03, 19/04, 33/06, 45/06, 101/06, 114/07, 103/08, 114/09, 133/09, 95/10, 102/10, 24/11, 135/11, 155/12, 12/14, 112/14, 130/14, 15/15, 129/15, 225/15);

- The Ministry of Justice should establish a multi-stakeholder working group with members of CSOs that would follow the implementation of LDSPA and prepare draft-amendments to the Law and procedure based on the already analysed challenges and shortcomings that hinder its full functionality;
- There is a need for joint workshops and activities that educate and inform all relevant stakeholders on the specific nature of the operation and the needs of CSOs for tax exemptions (particularly concerning the personal income tax and profit tax). In addition, there should be educational efforts on the existing procedure for VAT exemption of projects, with key institutions (MF, SEA, PRO), companies and CSOs interested in the procedure for VAT exemption.

Sub-area 2.2. State support

DIRECT PUBLIC FUNDING

Direct public funding from the Budget of the Republic of Macedonia was distributed in 2016 to various organizational forms of civil society. Still, having in mind the lack of reforms in the complete system (legal framework, transparency procedure regulation, proper distribution of games of chance and entertainment games), only a small part of the direct budget funding available to CSOs registered according to the LAF, mainly through the budget line 463-Transfers to non-governmental organizations is distributed through open calls (approximately 14% in 2016). The rest of the funds are distributed to sport federations, political parties, direct contracts with already known organizations, etc. Thus, CSOs still are not able to obtain substantial and continuous financial state support.

Direct public funding to CSOs is regulated with several laws and bylaws. First, the legal basis is the Law on Budget Execution of the Republic of Macedonia¹⁰⁸, the Law on Associations and Foundations¹⁰⁹, the Decision on Criteria and Procedures for Distribution of Finances for Associations and Foundations from the Budget of the Republic of Macedonia¹¹⁰, as well as other laws and bylaws of appropriate ministries and other government administration bodies in charge of areas regulated in these laws. Key documents have been adopted, such as the Code of Good Practices for Financial Support of Citizen Associations and Foundations¹¹¹ and the Programme for Financing Programme Activities of Associations and Foundations¹¹², as well as the Decision for Criteria and Procedure for Distribution of Funds for Financing the Programme Activities of Associations and Foundations from the Budget of the Republic of Macedonia¹¹³, at the annual level.

Within the 2012-2017 Strategy for Cooperation of the Government with the Civil Sector, the first priority area “Developed and Sustainable Civil Sector”¹¹⁴ recognises the need for CSOs to use local sources of financing. Two goals within this area pertain to public funding of CSOs: (1) Contribution to the development of CSOs via direct financial support, and (2) Improving the process of granting funds and responsible usage of the funds by the CSOs. In 2016, none of the foreseen activities in the frames of six measures to achieve these goals has had any progress.

The last analysis that MCIC prepared regarding the data available for the period 2008-2014, confirmed that the duration of the implementation of the individual grants for CSOs for almost all organizations is up to 12 months, and it was intended for a specific project.¹¹⁵ This points to a lack of strategic approach for support and sustainability of the civil society. Further, the sector is not perceived as partner in implementation of policies. This approach also makes it impossible to determine the purposes and effects of the distributed funds. The average of 7 alliances are the exception, as well as a few organizations and bodies with specific status¹¹⁶ that according to an annual Government decision receive funds from games of chance and entertaining games with revenues amounting to over 1 million EUR¹¹⁷. Even though the Decision is made annually and with a predictable amount, it is a secure source of funding for the aforementioned organizations. The co-financing and pre-financing of EU projects and other donors’ projects by the state is still not regulated, except for the co-funding possibility provided by the Ministry of Local Self-Government.

The amount of the allocated grants to CSOs is low, namely 52% of the organizations (out of 893 CSOs) for the period 2008-2014) have received less than 5.000 EUR in grants in the past 7 years, and only 14% of the organizations received over 16.000 EUR¹¹⁸. In addition, when it comes to the allocated amount the data shows significant differences in the individual amounts of grants, meaning that the lack of standardized approach violates

¹⁰⁸ Law on Budget Execution of the Republic of Macedonia for 2015 (“Official Gazette of the Republic of Macedonia”, no. 155/14). Every year there is a new law adopted, within this report we address only the 2015 Law.

¹⁰⁹ Law on Associations and Foundations (“Official Gazette of the Republic of Macedonia”, no. 59/10 and 135/11);

¹¹⁰ Decision on Criteria and Procedures for Distribution of Finances for Associations and Foundations from the Budget of the Republic of Macedonia (“Official Gazette of the Republic of Macedonia”, no. 23/09);

¹¹¹ Code of Good Practices for Financial Support of Citizen Associations and Foundations (“Official Gazette of the Republic of Macedonia”, no. 130/07);

¹¹² Programme for Financing Programme Activities of Associations and Foundations (“Official Gazette of the Republic of Macedonia”, no. 4/13);

¹¹³ Every year, the Government of the Republic of Macedonia adopts a decision for distribution of funds and this report addresses the 2015 Decision for Criteria and Procedure for Distribution of Funds for Financing the Programme Activities of Associations and Foundations from the Budget of the Republic of Macedonia (“Official Gazette of the Republic of Macedonia”, no. 195/15);

¹¹⁴ The Government of the Republic of Macedonia (2012) Strategy for cooperation between the Government and the civil society sector (2012-2017). Address: <https://goo.gl/S8dtJh>;

¹¹⁵ Ogenovska S. (2016) Policy brief document: Availability of direct budget funding for CSOs in Macedonia; Available at: <https://goo.gl/wMVLxXy>;

¹¹⁶ According to the decision, the Organisations distribute the funds to their member Organisations, which excludes the possibility that the Organisations that work in some fields use these funds.

¹¹⁷ Decision for Distribution of the Revenues from Games of Chance and Entertaining Games in 2015 to Finance the Programme Activities of the National Associations of Disabled, Their Associations and Their Union, Associations for Combating Domestic Violence and the Red Cross of the Republic of Macedonia (“Official Gazette of the Republic of Macedonia”, no. 24/11, 51/11, 148/11, 74/12, 171/12, 27/14, 139/14, 156/14, 61/15, 154/15, 23/16) Available: <https://goo.gl/rZpyTI>;

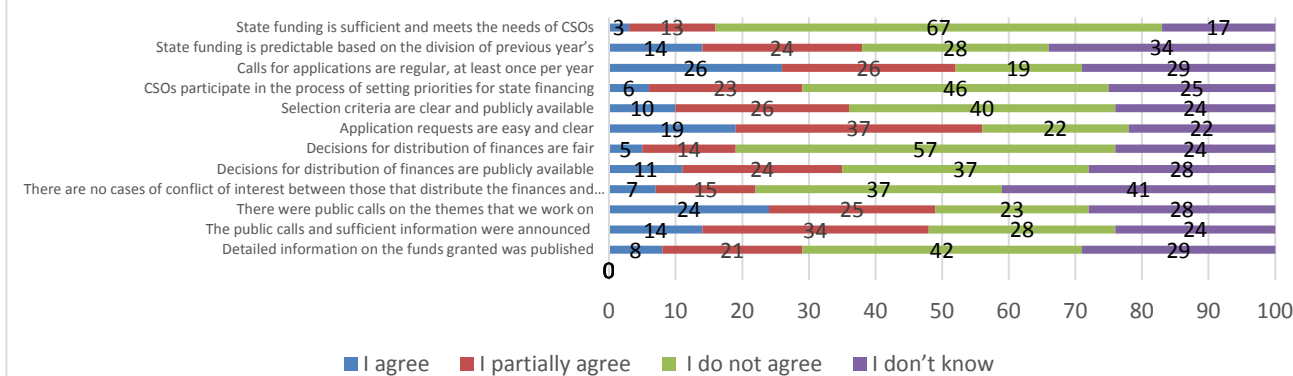
¹¹⁸ Ogenovska S. (2016) Policy brief document: Availability of direct budget funding for CSOs in Macedonia; Available at: <https://goo.gl/wMVLxXy>;

the principle of equal opportunity and calls into question the effectiveness of the given funds.

The funds from the games of chance and entertainment are a significant source (more than one million EUR per year), but only for a limited number of CSOs; the procedure of their disbursement has not been reformed yet. The procedure is based on the Law on Games of Chance and Entertaining Games¹¹⁹, Decision for Distribution of Revenues from Games of Chance and Entertaining Games (every year consecutively by the Government)¹²⁰ and the criteria for distribution of the revenues from games of chance and entertaining games (MLSP)¹²¹, as well as other legal regulations. One novelty in 2016 is that MLSP published for the first time on their web site a detailed Program for funding activities of the National organizations for disabled persons, their associations, and associations for the fight against domestic violence and the Red cross of the Republic of Macedonia from the games of chance and entertainment games¹²². The Program provides a detailed explanation of the activities for which the funds are given, providing the possibility for further monitoring. The amount of the funds from the revenues of games of chance and entertaining games intended for organizations, according to the 2016 Decision¹²³ is EUR 1,070,000, which is the same amount compared to the Decision from 2015. According to the Program, 88% of the funds are given to the National Council of disability organizations (being an alliance, consisting of 7 national organizations). Then 9% of the funds are allocated to the Red Cross, and only 2% go to the National Coordinative body for the equal rights of disabled persons, and 2% for organizations working on the fight against domestic violence. According to the Law on Games of Chance and Entertaining Games, 50% of the total generated funds should be given to the aforementioned organizations, but there is still a legally set threshold according to which no less than EUR 975,000 and no more than EUR 1,950,000 can be allocated.¹²⁴

In 2016, this Law was twice amended¹²⁵, and with the last changes, provisions were added imposing additional fees for certain organizers of games of chance and entertainment games. Those funds are assigned to health protection to the Ministry of health even though the associations or foundations are not explicitly mentioned as potential users of the funds, and to the Agency of sports and youth, for financing sports activities, sport federations and clubs.

Graph 12. According to your experience, how much do you agree with the following statements regarding state funding of CSOs (municipality funding not included?) (%)



¹¹⁹ Law on Games of Chance and Entertainment Games ("Official Gazette of the Republic of Macedonia", no.194/2);

¹²⁰ Every year a new decision is made. 2015 Decision for Distribution of Revenues from Games of Chance and Entertaining Games for Financing the Programme Activities of the National Organisations of the Disabled, Their Associations and Unions, Associations for Fight Against Domestic Violence and the Red Cross of the Republic of Macedonia ("Official Gazette of the Republic of Macedonia", no. 196/14).

¹²¹ Ministry of Labour and Social Policy (2015) Rulebooks; Address: <http://www.mtsp.org.mk/pravilnici.nspx>;

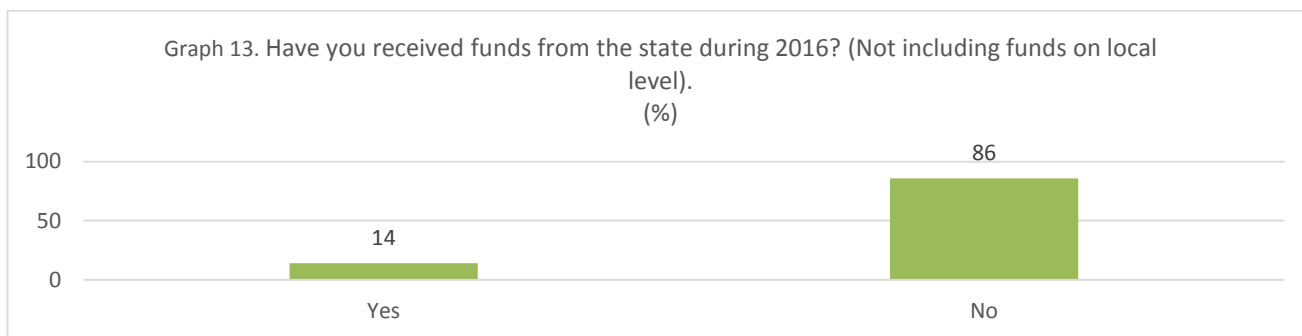
¹²² Ministry of Labour and Social Policy (2015) Rulebooks; Address: <http://www.mtsp.org.mk/pravilnici.nspx>;

¹²³ Decision for Distribution of Revenues from Games of Chance and Entertaining Games for Financing the Programme Activities of the National organisations of the Disabled, Their Associations and Unions, Associations for Fight Against Domestic Violence and the Red Cross of the Republic of Macedonia (2015) ("Official Gazette of the Republic of Macedonia", no. 196/14).

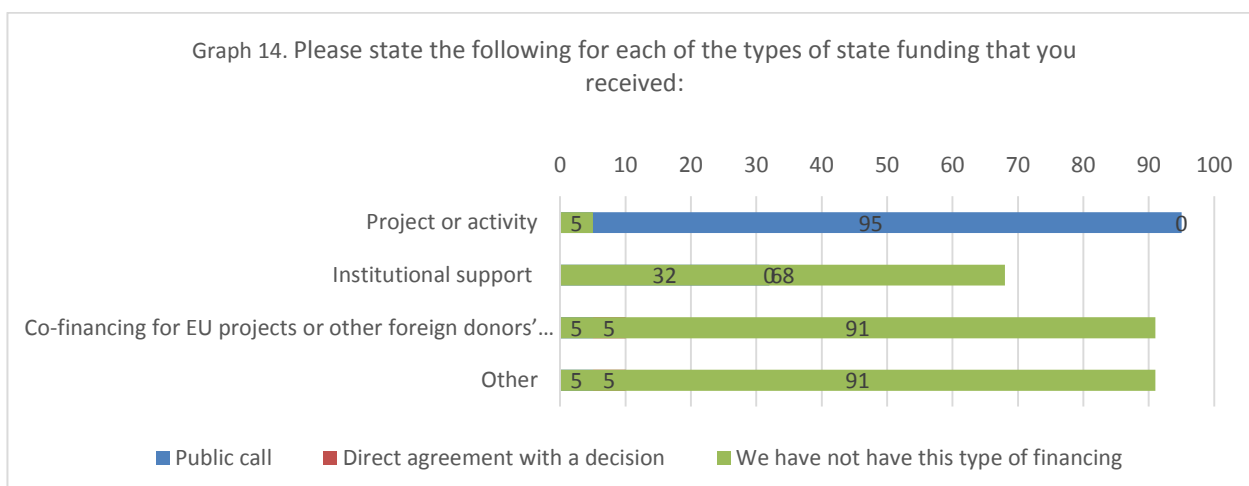
¹²⁴ Law on Games of Chance and Entertainment Games ("Official Gazette of the Republic of Macedonia", no. 24/11, 51/11, 148/11, 74/12, 171/12, 27/14, 139/14, 156/14, 61/15, 154/15, 23/16, 178/2016)

¹²⁵ Law on Games of Chance and Entertainment Games ("Official Gazette of the Republic of Macedonia", no. 24/11, 51/11, 148/11, 74/12, 171/12, 27/14, 139/14, 156/14, 61/15, 154/15, 23/16, 178/2016)

In practice, to see the views of CSOs on state funding, a question was asked in which they could determine the degree to which they agreed with several statements. The majority (67%) think that state funding does not meet the needs of CSOs. According to 38% of CSOs, state funding is predictable based on the distribution from previous years. Almost half of the organizations (48%) agree that the calls for applications take place at least once per year.



In 2016, the questionnaire showed that 22 CSOs received funds from the state (out of 156 in total). The organizations (134 in total) that did not receive any funds were asked to state the reasons. Half of them (51%) stated that they had not applied for the funds. Almost one quarter of the organizations (23%) applied and were rejected, while 13% did not know that there were open calls for state funding. The organizations that chose other stated that they are still waiting for a response and that there is a lack of feedback regarding the results of the call in previous years.



The organizations (22 out of 156) that received funds from the state in 2016 were asked about the type of support (project, institutional, etc.) and the openness of the process of allocation of funds (public, direct agreement etc.). Thus, 21 (except for one CSO) received their funds via a public call for project support or activity. Seven organizations stated that they received institutional support following a public call and one organization received co-financing of EU or other projects.

The insignificant part of the public funding in the organizations' budgets for 2015 was also confirmed by the information from the results of the questionnaire. The budgets of 12% of the organizations have state funding as a source of financing for more than 10% of their total budget. The local state funds are more present in the organizations' budgets, i.e. 17% of the organizations have more than 10% of their budgets covered by funds received at the local level.

MECHANISM AND TRANSPARENCY OF THE PROCEDURE FOR DISTRIBUTION OF FUNDS

The mechanism for the distribution of funds from the budget continues to be decentralized in that the distribution of funds goes through the budget item 463-Transfers to Nongovernmental Organizations.¹²⁶ In 2016, funds were distributed via 10 different ministries and state bodies¹²⁷. Compared to previous year, the funds distributed through the Ministry of Culture, the program-financing of activities in the area of culture was not planned for 2016. The existing legislation contains provisions that regulate the transparency and accountability of the procedure for public funding for CSOs. However, state bodies continue to not fully follow¹²⁸ the provisions given in the Law on budget enforcement, as well as the principles related to the transparency and openness of the procedure for distribution of funds. There is a lack of available information regarding the decision-making bodies, publishing the results and the projects that will be funded¹²⁹, as well as a lack of respect by the state institutions of the provisions given in the Decision for Criteria and Procedure for Distribution of Funds for Financing the Programme Activities of Associations and Foundations from the Budget of the Republic of Macedonia (related to programs, open calls, detailed decisions for the users of funds, feedback, etc.)¹³⁰. Additionally, the government and every state administrative body that disburses finances should make the Programme for financing CSOs¹³¹ on a yearly basis containing certain elements, and publish it on its web page.

In practice, there is lack of transparency in the procedure for direct budget financing by the institutions. First, in 2016 it is necessary to emphasise that the Ministry of Justice, via Item 463, distributes funds only to political parties.¹³² According to the planned budget for 2016, there are 1.6 million EUR (34% of Item 463). This means that over a third of the funds are intended for financing of political parties. Then the Ministry of Defence and the Ministry of Health only distribute funds to two organizations (one each), meaning that 3% of the budget Item 463 goes directly to two organizations. Calls for project proposals are published only for 14% of the funds of budget Item 463 and through the following institutions: General Secretariat of the Government of the Republic of Macedonia through the Unit for Cooperation with NGOs, Secretariat for Implementation of the OFA and Ministry of Environment and Spatial Planning. Additionally, public calls are announced by the Agency for Youth and Sports and the Ministry of Labour and Social Policy and together they distribute 46% of the budget Item 463. However, these funds are not available for all organizations if we take into consideration that the Agency allocates funds only to sport federations and associations¹³³, while MLSP mainly (78%) distributes the funds according the Decision for allocation of funds from lottery proceeds,¹³⁴ to organizations working in the field of social protection, which are part of their register. Finally, the procedure for publishing calls, decisions, and results for 2% of these funds distributed through the Directorate for Protection and Rescue and the Fund for Pension and Disability Insurance remains unclear, because of the lack of data.

According to the published Budget for 2017¹³⁵, the amount distributed through budget Item 463 will significantly increase to over 1.4 million EUR. This is the first substantial raise of the amount since the beginning of the decentralized distribution through this budget item. The most notable increase is from 195,120 EUR to over 800.000 EUR in 2017. Those funds are distributed through the General Secretariat of the Government of the Republic of Macedonia, the institution that closely follows the provisions in the Code¹³⁶. In addition, the budget for 2017 shows a decrease of funds in key institutions such as MLSP and the MESP. The funds allocated for political parties also show a significant increase in amount, and a new institution is added to distribute funds called the Secretariat for European Affairs.

¹²⁶ Rulebook for Expenditure Classification ("Official Gazette of the Republic of Macedonia", no. 64/05, 4/08, 103/08). The sub-items to Item 463 – Transfers to Nongovernmental Organisations, according to the Rulebook match in their meaning and bring confusion and clarity with respect to the classification of the Organisations. There is misunderstanding in the fact that Item 463 does not only concern associations and foundations, but also trade unions and religious communities, and first of all, political parties.

¹²⁷ Full overview is given in Table 1. Institutions that Disburse Funds via Budget Item 463 - Transfers to Nongovernmental Organisations in 2015-2017.

¹²⁸ Ognenovska S. (2016) Policy brief document: Availability of direct budget funding for CSOs in Macedonia; Available at: <https://goo.gl/wMVLxXy>;

¹²⁹ Code of Good Practices for Financial Support of Citizen Associations and Foundations ("Official Gazette of the Republic of Macedonia", no. 130/07);

¹³⁰ Decision on criteria and procedure regarding the allocation of funds for financing the programme activities for associations and foundations from the Budget of Republic of Macedonia (Official Gazette in Republic of Macedonia, no.23/09);

¹³¹ Article 49, LAF, (Official Gazette of Republic of Macedonia no.59/10a and 135/11)

¹³² According to the response from the Ministry of Justice no.13-3416/3 from 30.10.2015 regarding the request for access to information of public character submitted by MCIC. According to its responsibilities, the ministry transfers the funds from the budget line 463- to the political parties.

¹³³ The rest of the funds, MLSP is allocating in the registrars in the area of social justice and Roma organizations.

¹³⁴ Decision for Distribution of the Revenues from Games of Chance and Entertaining Games in 2015 to Finance the Programme Activities of the National Associations of Disabled, Their Associations and Their Union, Associations for Combating Domestic Violence and the Red Cross of the Republic of Macedonia ("Official Gazette of the Republic of Macedonia", no. 24/11, 51/11, 148/11, 74/12, 171/12, 27/14, 139/14, 156/14, 61/15, 154/15, 23/16) Available: <https://goo.gl/rZpyTI>;

¹³⁵ The Budget for Republic of Macedonia for 2017 (Official Gazette 191/2016) Address: <https://goo.gl/0oUGgX>;

¹³⁶ Code of Good Practices for Financial Support of Citizen Associations and Foundations ("Official Gazette of the Republic of Macedonia", no. 130/07);

Table 1. Institutions that disburse funds via the budget item 463 – Transfers to NGOs (2015-2017)

Institution	2015 ¹³⁷	2016 ¹³⁸	2017 ¹³⁹	2016 (%)
	EUR			
04001 Government of the Republic of Macedonia	195,000	195,120	813,000	4%
04009 Secretariat for European Affairs	-	-	16,260	-
04010 Secretariat for Implementation of the OFA	162,000	162,600	183,740	3%
05001 Ministry of Defence	65,000	65,040	65,040	1%
05003 Directorate for Protection and Rescue	56,000	56,910	48,780	1%
07001 Ministry of Justice	1,380,000	1,604,870	1,821,130	34%
12101 Ministry of Environment and Spatial Planning	325,000	325,200	243,900	7%
15001 Ministry of Labour and Social Policy	1,380,000	1,482,600	1,459,670	32%
16101 Agency for Youth and Sports	757,000	634,500	1,366,210	14%
18010 Financing of activities in the area of culture	76,000	-	-	-
19001 Ministry of Health	113,000	113,820	97,560	2%
66006 Fund for Pension and Disability Insurance	32,000	32,520	32,520	1%
TOTAL	4,541,000	4,673,180	6,147,810	100%

Three statements from the questionnaire were intended to learn about the views of CSOs regarding the transparency of the procedures, and for each of them a degree of agreement was asked. With respect to the themes that are being financed by the state, in practice, almost half (49%) of the organizations responded that in 2016 there were calls in their area of work.

Almost half (48%) of the responding organizations agree with the statement regarding the practice of publishing calls with sufficient information, while 28% disagree and 24% do not know. With respect to the information published on allocated funds, two-fifths (42%) of the organizations consider that in practice state bodies do not publish information on the allocated funds, while a third (29%) consider that they do publish. Three statements were given to the organizations in the questionnaire regarding the transparency of the decision-making process on state financing in practice; for each of them, a degree of agreement was requested. With respect to the criteria according to which CSOs are selected to receive state support, over a third (36%) of the organizations agree that they are clear and publicly available, while two fifths (40%) of the organizations think that they are not clear and publicly available. The majority (57%) of the organizations consider that the distribution decisions for the finances are not fair. Lastly, over a third (35%) of the organizations think that the distribution decisions for the finances are publicly available, while 37% do not agree and 28% do not know.

CONFLICT OF INTEREST

The Code of Good Practices for Financial Support of the Citizen Associations and Foundations¹⁴⁰ specifies the way and procedure of selecting the members of the commission that selects projects and their duties. The way in which they will avoid a possible conflict of interest is determined by each state administrative body. The analyses show that state bodies do not fully respect the Code. To determine the state of affairs in practice, the organizations had the possibility to determine the degree to which they agree with a statement regarding conflict of interest. According to the organizations' respondents, one quarter of them (22%) consider that there were no cases of conflict of interest, and over a third (37%) consider that there were, while most of the organizations (41%) don't know.

INFORMATION AND INVOLVEMENT IN THE PUBLIC FUNDING CYCLE

The Code of good practices for involvement of the civil sector in policymaking processes stipulates clear procedures for inclusion of CSOs; however, its non-binding character enables the institutions to not follow those recommendations. To determine the situation in practice, the organizations could determine the degree to which they agree with a statement regarding their participation in setting priorities for funding and approximately one fourth (25%) responded "I do not know". Even though almost a quarter (23%) of the organizations partially agree that they have participated in these processes, their explanations do not provide insight into their experience nor what they consider to be involvement in a public funding cycle.

¹³⁷ Budget of Republic of Macedonia for 2015; ("Official Gazette of the Republic of Macedonia no.155/2014") Available at: <https://goo.gl/UZsRmc>;

¹³⁸ Amendment of the Budget of Republic of Macedonia for 2016, (Official Gazette of the Republic of Macedonia no. 209/2016, 143/2016, 179/2016; Address: <https://goo.gl/FAWZXD>;

¹³⁹ Budget of Republic of Macedonia for 2017; (Official Gazette of the Republic of Macedonia no. 191/2016) Available at: <https://goo.gl/0oUGqX>;

¹⁴⁰ Code of Good Practices for Financial Support of Citizen Associations and Foundations ("Official Gazette of the Republic of Macedonia", no. 130/07);

SUBMITTING AN APPLICATION TO RECEIVE STATE SUPPORT

The Code stipulates that together with the public call, the Government or state administrative body also publishes the application that contains information needed to assess the credibility of the organization's draft project. The information also outlines the extent to which it meets the organization's needs and goals, how realistic the planned results are, the way in which the proposed projects will be evaluated, as well as if there should be a certain deadline for asking questions related to the call.

Publishing the calls for project proposals is practiced by the General Secretariat of the Government of the Republic of Macedonia (Unit), MLSP, and Agency for Youth and Sports, MEPP, SIOFA. To determine the state of affairs in practice, the organizations had the possibility to define the degree to which they agree with a statement concerning the application requirements. For 19% of the organizations the requirements for the application are easy and clear and 37% partially agree that the requirements are easy and clear, while 22% do not know and 22% disagree.

CONCLUSIONS AND RECOMMENDATIONS

STATE SUPPORT

CSOs continue to lack access to substantial and long-term financial state support. Direct public funding from the Budget of the Republic of Macedonia in 2016 was distributed through 10 state institutions to various organizational forms of civil society. However, considering the lack of reforms in the complete system (legal framework, transparency procedure regulation, proper distribution of games of chance and entertainment games), only a small part of the direct public funding is available to CSOs registered according to the LAF. Through the budget line 463-Transfers to non-governmental organizations, which amounted to 4.6 million EUR in 2016, only 14% from the government bodies allocated funds through open calls. The rest of the funds were allocated to sport federations, political parties, and through direct contracts with already known organizations. The period for which the funds are granted (annual) and the type of grants (projects and institutional support available only for several organizations) do not support the sustainability of the CSOs. According to the published Budget for 2017, the amount distributed through the budget item 463 will increase for over 1.4 million EUR. This is the first substantial increase of the amount since the beginning of decentralized distribution through this budget item. The funds from the games of chance and entertainment games are a significant source of revenue (more than one million EUR per year), but only for a limited number of CSOs.

The procedure for their disbursement has not been reformed yet. Regarding the distribution of funds, two novelties were introduced in 2016, namely the Law on games of chance and entertainment games was amended with regulations strictly for the sport associations. Also in 2016, MLSP have published for the first time on their web-site a detailed Program for funding program activities of the National organizations for disabled persons, their associations, associations for the fight against domestic violence and the Red cross of the Republic of Macedonia from the games of chance and entertainment games. Even though different legal acts contain provisions on the transparency of procedures, they are not implemented fully in practice by the state bodies. Additionally, there is no legally binding act adopted aimed to standardize and increase the transparency of the distribution of the funds from the budget intended for associations and foundations.

- Establishing a multi-sectoral working group in the Ministry of Finance to begin a complete reform of the system of financing of CSOs by the state. Particular attention would be given to reforming the distribution process of budget funds to CSOs according to the Law on the Games of Chance and Entertainment Games, by providing an open call for proposals and an equal and fair chance for competition for all CSOs.
- Specifically, in a participatory manner the MF should determine a percentage of the funds that would be regularly distributed via the budget to finance associations and foundations and increase the current amount according to the needs and the economic value of the civil society sector;
- It is of a key importance that the package of reforms of state support should include funds for institutional support of CSOs, as well as co-financing and pre-financing of projects funded by EU and other donors;
- The General Secretariat of the Government of the Republic Macedonia should re-open consultations and adopt a quality decision that will contain procedures and criteria for the distribution of funds (to follow the Code) that should be legally binding to state institutions;
- The General Secretariat of the Government of the Republic Macedonia, having in mind the significantly increased amount of funds for 2017, and being the institution most following the provisions for good distribution given in the Code, should assess the implementation and effectiveness of the program and

criteria for funding they currently have, and open consultations with CSOs regarding their needs in terms of key issues to be covered, criteria, type and duration of funds, etc.

- All state institutions should publicly release information related to financing procedures, deadlines and information on CSOs that have been granted funds (already regulated in the Code). They should publish their Programmes for financing of CSOs on annual level and timely include them in all the phases.

Sub-area 2.3. Human resources

VOLUNTEERISM AND CIVIL SOCIETY

The Law on Volunteering¹⁴¹ continues to directly regulate the volunteering process in Macedonia, aiming to stimulate volunteering, as well as protect the rights of the volunteers. Other laws exist that contain provisions that regulate volunteering, such as the Law on Labour Relations¹⁴², Law on Transformation into Full Time Employment¹⁴³, as well as the Law on Foreigners¹⁴⁴ and the Law on Employment and Work of Foreigners¹⁴⁵. The Law on Volunteering regulates the rights and obligations of volunteers and organizers of volunteering and introduces the possibility of concluding the voluntary agreement. Volunteers are entitled to tax-free reimbursement of costs associated with volunteering (food, transportation and training), which is a minimum of 15% of average gross salary in the country.

The increased fines and levels of responsibility since 2015 have hindered the essence of the Law, which is to encourage volunteerism. Another legal provision that impedes the promotion of volunteering is found in the Law on Labour Relations in Article 61¹⁴⁶, which creates confusion between the terms internship, which is obligatory for taking an expert exam or individual work in certain area, and the definitions for volunteering and volunteer according to the Law on Volunteering. This terminological distinction is already stressed in the Law on Volunteering, and often creates a mix-up in practice.

The implementation period of the 2010-2015 Strategy for Promotion and Development of Volunteering ended in 2015. It is uncertain if there will be a new strategy, especially since its implementation has been burdened by the lack of budget for its implementation. Additionally, there is a lack of available assessments or reports on its implementation, based on which a new Action plan for the following period could be prepared. In 2016, one of the goals introduced in the Strategy was to transfer the volunteering practices on a local level. In response, a few municipalities like Tetovo,¹⁴⁷ Kavadarci¹⁴⁸ and Bitola¹⁴⁹ introduced Volunteering Strategies 2015-2018 at the local level. The National Council for Volunteering Development continued to operate in 2016. Nine years since the Law on volunteering was adopted, there is still no mechanism in place to monitor its implementation in practice. Moreover, there is a lack of systematic collection of statistical data about the number of volunteers, sectors for volunteering, value of the volunteer work, etc.



¹⁴¹ Law on Volunteering ("Official Gazette of the Republic of Macedonia", no. 85/07, 161/08, 147/15);

¹⁴² Law on Labour Relations ("Official Gazette of the Republic of Macedonia", no. 62/05, 106/08, 161/08, 114/09, 130/09, 50/10, 52/10, 124/10, 47/11, 11/12, 39/12, 13/13, 25/13, 170/13, 187/13, 113/14, 20/15, 33/15, 72/15, 129/15, 27/16);

¹⁴³ Law on Transformation into Full Time Employment ("Official Gazette of the Republic of Macedonia", no. 20/15 and 44/15);

¹⁴⁴ Law on Foreigners ("Official Gazette of the Republic of Macedonia", no. 35/06, 66/07, 117/08, 92/09, 156/10, 158/11, 84/12, 13/13, 147/13, 148/15 and 217/15);

¹⁴⁵ Law on Employment and Work of Foreigners ("Official Gazette of the Republic of Macedonia", no. 70/07, 5/09, 35/10, 148/11, 84/12, 148/13, 38/14 and 150/15);

¹⁴⁶ Law on Labour Relations ("Official Gazette of the Republic of Macedonia", no. 62/05, 106/08, 161/08, 114/09, 130/09, 50/10, 52/10, 124/10, 47/11, 11/12, 39/12, 13/13, 25/13, 170/13, 187/13, 113/14, 20/15, 33/15, 72/15, 129/15, 27/16);

¹⁴⁷ Strategy for volunteerism development for Municipality Tetovo (2015-2018); Available at: <https://goo.gl/FfskzY>;

¹⁴⁸ Strategy for volunteerism development for Municipality Kavadarci (2015-2018); Available at: <https://goo.gl/OwdeMM>;

¹⁴⁹ Strategy for volunteerism development for Municipality Bitola (2015-2018); Available at: <https://goo.gl/9s6wjc>;

CSOs were given the possibility to select more than one of the statements in the questionnaire that explain their experience with the volunteering legal framework and policies. Most (42%) of the CSOs are not familiar with the legal framework that concerns volunteering. Similar to past years, the volunteering framework in practice is either not recognized or negatively perceived (18% of the respondents have chosen that the framework does not stimulate volunteering, and 13% say that it is complex, particularly the procedure for foreign volunteers 10%). In addition, 12% of the respondents consider the framework to be fully functional.

Even though the law aims to encourage volunteers to increase their volunteering hours and habits particularly in civil society, in practice uncertainty is created with the organizers of volunteering work, evident in their responses. The problems they listed are: the law is limiting and does not stipulate spontaneous volunteering; not being able to cover the expenses for volunteering; complex and long procedures for obtaining permits for foreign volunteers; complex and unclear procedures for obtaining volunteer cards and obligatory health insurance; additional administration for the organizations.

The last Gallup report regarding citizens' participation¹⁵⁰ concludes that the situation in Macedonia has worsened with the decrease of citizen participation in 2015, from 119th to 140th place from all countries, which puts Macedonia among the lowest ranked countries according to the percentage of persons that volunteer in organizations (7%). Reactor, another organization that conducted research in 2016 on citizen participation, activism and volunteerism¹⁵¹, shows that 33% of the respondents practice formal volunteering (free help).¹⁵² The most used kind of free help is consultancy (68%), while the rarest is administrative help around the office and accountant work (24%). The percentage of those who volunteered is different through the years, but in 2016 the informal volunteering is most present (89%), expressed through citizen donations (72%).

CONCLUSIONS AND RECOMMENDATIONS

HUMAN RESOURCES-VOLUNTEERISM

The legal frame for volunteering is directly regulated with the Law on Volunteering. Other laws also regulate volunteerism such as the Law on Labour Relations, Law on Transformation into Full Time Employment, as well as the Law on Foreigners and the Law on Employment and Work of Foreigners. In practice, even though the Law on Volunteering aims to encourage volunteers to increase their volunteering hours and habits particularly in civil society, most of the CSOs are not acquainted with it (42% of the respondents). This creates uncertainty with the organizers of volunteering work, especially because they consider the Law to be an administrative burden (the law does not stipulate spontaneous volunteering; complex and long procedure for obtaining permit for foreign volunteers; complex and unclear procedure for obtaining the volunteer card and health insurance which is obligatory, etc.) as well as high and disproportionate fines. In Macedonia, there is still a lack of statistics when it comes to volunteers and volunteering hours, especially in the civil sector. The last Gallup report states that the situation in Macedonia has worsened with the fall of civil participation in 2015, from 119th to 140th place of all countries in the world. Informal volunteering, expressed through donations was the most used form of volunteering in 2016.

- The National Council for Volunteering Development should review the difficulties that CSOs state regarding the implementation of the law, and other related legislation, and in a participatory manner through the MLSP to initiate draft-solutions for legal amendments and policies.
- Concretely, it is important that there are amendments in the Law on volunteering that would lead towards decreasing the amount of the fines and the level of responsibility for those involved, as well as for the organizations;
- A detailed review of the possibility for simplifying the procedure for organizing foreign volunteers, also including the Ministry of Interior is needed;
- Allocation of funds from the Budget of the Republic of Macedonia to MLSP as an institution in charge for revising the existing strategy for volunteering promotion and development in 2015, and preparing a

¹⁵⁰ Galup (2016) Global Civic Engagement Report; Address: <https://goo.gl/fkK2RG>.

¹⁵¹ Reactor Research in Action (2016) Citizens and their communities: Civil participation, activism and voluntarism in Republic of Macedonia, Skopje; Address: <https://goo.gl/2Vy1jm>.

¹⁵² In this research Citizens and their communities: Civil participation, activism and voluntarism in Republic of Macedonia, a difference is marked between the (free) help for organizations, clubs and associations in the form of formal traditional volunteering, and non-formal volunteering, i.e. Help from citizens (that are not related) as a special kind of volunteering in their free time, that doesn't ad up in the traditional meaning of volunteering. Address: <https://goo.gl/2Vy1jm>;

new one with provided budget funds to implement the action plan. There should also be a provision of funds for the functioning of the established National Council for Volunteering Development;

- The State Statistical Office, through the Statistical Council of the Republic of Macedonia, in which a member is a representative from CSOs, should take into consideration the specific features of the civil sector in their regular statistical surveys concerning the labour market, and it should introduce a methodology to measure the number of volunteers and volunteering hours, while differentiating the different sectors from CSOs and other statistical data.

Area 3. Government-CSOs relationship

Sub-area 3.1. Framework and Practices for Cooperation

STRATEGIC DOCUMENTS FOR CIVIL SOCIETY DEVELOPMENT AND COOPERATION WITH THE GOVERNMENT

The Strategy for Cooperation of the Government with the Civil Sector 2012-2017¹⁵³ (the Strategy) is the key strategic document for the development of the civil society, which is to be implemented by 2017. The Strategy includes priorities, objectives, measures and detailed activities, as well as responsible institutions under each measure. However, funding is not available for implementation of the strategy, nor is there a clear allocation of responsibilities in each of the ministries and other state institutions. The Strategy was developed in consultation with CSOs. Discussions and consultations will start in 2017, prior to the expiration of the current Strategy, around the need for this kind of strategic document, considering the lack of progress of the key measures for the development and sustainability of the civil society.¹⁵⁴ A few activities were realized during 2016 that are envisaged in the Strategy, and are essential for civil society, such as progress towards the establishment of the Council for Cooperation with civil society, and there were also certain improvements made on the web site of the Unit for Cooperation with Nongovernmental Organizations (NGOs). In 2016, a third action plan was adopted for the Open Government Partnership initiative led by MISA, in a participatory manner.

In addition, other activities include involving civil society in the activities of the state bodies related to promoting corporate social responsibility, and coordinative meetings for involvement of different stakeholders in decision making on a local level lead by the Ministry of local self-government¹⁵⁵. Still, apart from the realization of part of the activities, only two measures (out of 52) are being fully implemented, which makes the need for updating of the Strategy in terms of the lack of budget funds and political will questionable. The reporting of the implementation of the Strategy is coordinated and prepared by the unit containing the input of the relevant state bodies and it was published for the period January-June 2016 on their web site. However, the contents of the report and the realized activities do not always match the planned activities.¹⁵⁶ Namely, in the absence of implemented activities in the frames of the Strategy, the responsible institutions report on any other activity they realized related to CSOs.

INSTITUTIONS FOR DEVELOPMENT OF THE CIVIL SOCIETY AND COOPERATION WITH THE GOVERNMENT

In 2016, the long-awaited establishment of the Council for Cooperation between the Government and civil society has noted progress. Only two working days after the Decision on the Establishment of the Council for Cooperation between the Government and Civil Society was presented to CSOs¹⁵⁷, the Government adopted the Decision on its regular session on 17th of May 2016, without any possibility for additional comments from civil society. The adoption of the Decision came unexpectedly, after more than a year since a group of over 75 CSOs demanded changes,¹⁵⁸ asking for legitimacy and representativeness of the Council. Although some of the

¹⁵³ Government of the Republic of Macedonia (2012) Strategy for Cooperation of the Government with the Civil Society (2012-2017) [Internet] Skopje, Government of the Republic of Macedonia. Address: <http://goo.gl/vw3xNg> [Accessed on 01.02.2016]

¹⁵⁴ Ogdenovska, S. (2015) Policy brief: Rapport on the implementation of the strategy for cooperation of the government with the civil society June 2012 - December 2014 a: <https://goo.gl/VwHd3h>;

¹⁵⁵ Unit for Cooperation with NGOs (2016) Information regarding the progress of the activities related to the realization of the Project: "Cooperation with the Government and Civil sector" for the period January-June 2016. Address: <https://goo.gl/Xa3Lac>;

¹⁵⁶ Unit for Cooperation with NGOs (2016) Information regarding the progress of the activities related to the realization of the Project: "Cooperation with the Government and Civil sector" for the period January-June 2016. Address: <https://goo.gl/Xa3Lac>;

¹⁵⁷ Decision on forming a Council for Cooperation between the Government and the Civil sector (Official Gazette no.98/2016) Address: <https://goo.gl/RiqoJ6>;

¹⁵⁸ BCSDN and MCIC (2015) Demand for changing the procedure for election of members of the council from the civil sector and election of the president of the council in the draft decision for establishment of a council for cooperation between the government and the civil sector [Internet] Skopje, BCSDN. Address: <http://goo.gl/BIQ2ba>;

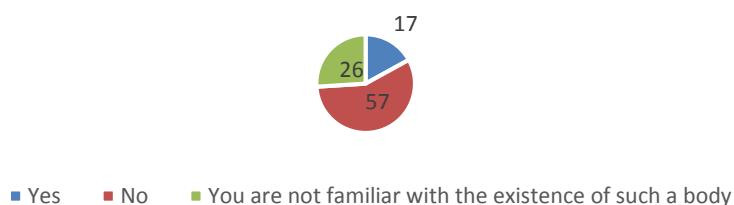
previous demands have been addressed, serious new concerns have been raised.

On May 20 2016, when the Decision was published in the Official Gazette,¹⁵⁹ 93 CSOs sent an official reaction to the Government in which they expressed a series of concerns over the Council's functionality and implementation.¹⁶⁰ First, they recognized the Decision as an important step forward towards developed civic dialogue and enhanced cooperation between the government and civil society. However, they considered that the process of adopting the decision lacked quality consultations. Furthermore, a Council whose majority is to be formed from representatives of the state administration that, in addition, do not necessarily have a sufficient level of expertise and experience, sheds doubt that the Council will be able to live up to its mission. Even more so, the Decision was adopted in an inadequate period, considering the political instability and the technical Government in place. Lastly, CSOs found problematic the short deadline and imprecise technical details for selection of candidates without a mechanism for monitoring the process. The organizations that are most involved in advocating for the establishment of the Council have extensive experience and are active stakeholders in civil society (MCIC, FOOM, ADI, IDSCS, CGK, MOST, etc.) jointly addressed this process for opening consultation. Disregarding the reaction, on May 23 2016, the General Secretariat of the Government of the Republic of Macedonia announced Public Call for Selection of 13 Members of the Council for Cooperation between the Government and the Civil Sector coming from the associations and foundations.¹⁶¹

The outcome in almost all areas in which representatives from CSOs were elected in the Council is problematic, since the profile of the candidates elected, as well as the portfolio of their CSOs does not correspond with the area concerned (development of civil society, culture etc.).¹⁶² Furthermore, the elected candidates are mostly supported by CSOs they closely cooperate in the same area again lacking experience and contribution in a particular area. For example, in the area of development of civil society, the candidate with most votes is the president of the Kayak federation of Macedonia, selected by the votes of other sport federations such as the Karate federation of Macedonia, the Boxing federation of Macedonia, the Badminton federation, etc.). Subsequent steps for the confirmation of the selected candidates as members to the Council were not taken as of the end of 2016.

The Unit for Cooperation with NGOs continued with their regular activities, without allocated budget funds intended for its independent functioning. The Unit continued publishing relevant information in a timely manner on their web page¹⁶³. A contact list with data on the network of public servants in charge of cooperation with the civil sector (contact points) is available, and contains two public servants per in each of the 15 ministries, one of which is a deputy member (only three ministries have one public servant each). Only the Ministry of Health does not have a responsible person. Apart from the ministries, 3 other state institutions (SEP, SIOFA and AMS) have nominated two persons each as responsible for cooperation with the civil sector¹⁶⁴.

Graph 16. Did your organization communicate with the Unit for Cooperation with CSOs in 2016? (%)



¹⁵⁹ Decision on forming a Council for Cooperation between the Government and the Civil sector (Official Gazette no.98/2016) Address: <https://goo.gl/RiqoJ6>;

¹⁶⁰ MCIC (2015) The Council for Cooperation between the Government and the Civil Sector (public reaction); Address: <https://goo.gl/bwfyMD>;

¹⁶¹ Unit for Cooperation with NGOs (2016) Consultation meeting with CSOs regarding the draft- decision for forming of the Council for cooperation between the Government and the civil sector. Address: <https://goo.gl/IU53t3>;

¹⁶² Unit for Cooperation with NGOs (2016) Report for nominated organizations with candidates and Public call for voting of electing 13 members if the Council for cooperation between the Government and the civil sector, associations and foundations included. Address: <https://goo.gl/IU53t3>;

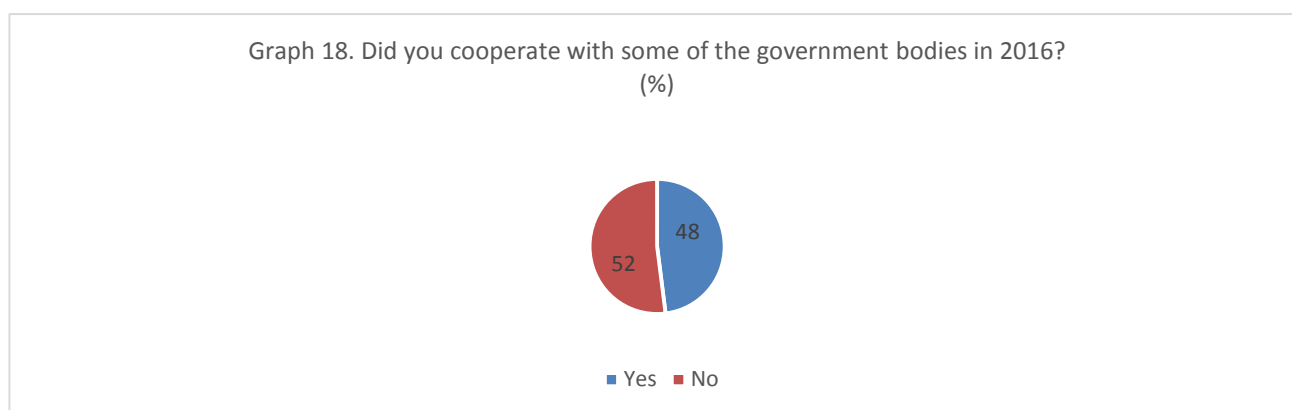
¹⁶³ Unit for Cooperation with NGOs (2016) Network of Public Servants for Cooperation with the Civil Sector. Address: <https://goo.gl/IU53t3>;

¹⁶⁴ Unit for Cooperation with NGOs (2016) Network of Public Servants for Cooperation with the Civil Sector. Address: <https://goo.gl/IU53t3>;

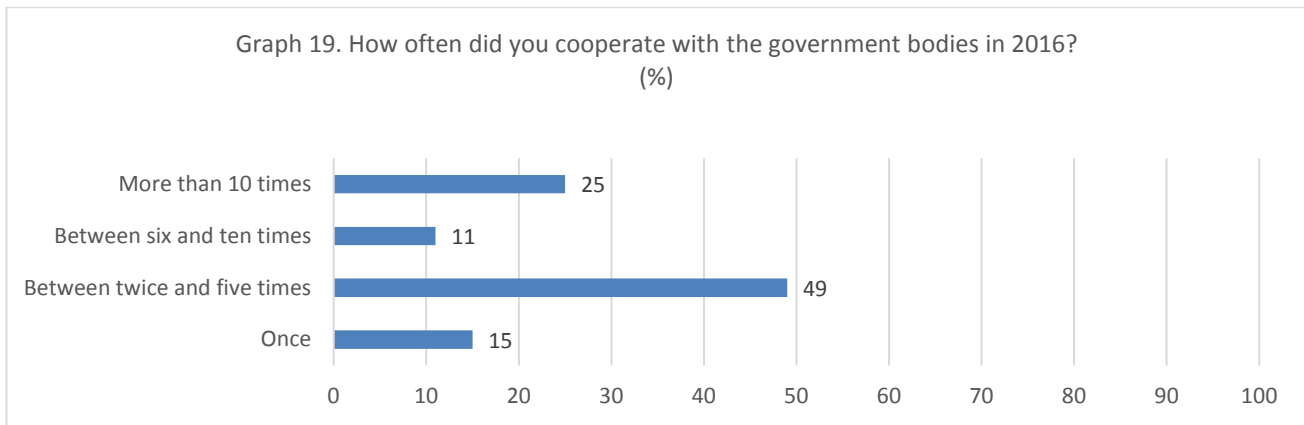
The tendency to be unfamiliar with the existence and mandate of the Unit by CSOs continued in 2016. Over half (57%) of the organizations did not communicate with the Unit and almost a third (26%) of the respondents do not know that it exists, while 17% communicate with it. CSOs that have had communication with the Unit did this by participating in informative (62%) and consultative (27%) events as well as by cooperation and advocacy on issues important for CSOs and cooperation in the implementation of the Strategy (31%).



One indication that the Unit is not able to do its work fully is that 57% of the organizations responded that they had not communicated with the Unit. Two-thirds of them (61%) thought that they had no use of such communication, while one third (28%) considered that there is no need to communicate.



CSOs were also asked if they had cooperated with some of the government bodies in 2016 to capture the practices of cooperation. Half (52%) of the organizations did not cooperate, while 48% of them did. The organizations that did cooperate were additionally asked about the frequency of the cooperation with predetermined responses. The prevailing answer (49%) is between two and five times, while a quarter of the organizations (25%) cooperated ten times, 11 % cooperate six to ten times, and 15% cooperated only once.



The organizations that did cooperate had the possibility via an open question to list the government administrative bodies with which they had cooperated. Based on these responses, the top five ministries most frequently mentioned are:

- Ministry of Labour and Social Policy (16);
- Ministry of Culture (10);
- Ministry of Interior (9);
- Ministry of Environment and Spatial Planning (8);
- Ministry of Economy (6).

The other government administrative bodies that are mentioned are: Bureau for Education Development, Agency for Employment of the Republic of Macedonia, Agency for Youth and Sports, Secretariat for European Affairs, and the Agency for Audio and Audio-visual Media.

CONCLUSIONS AND RECOMMENDATIONS

FRAMEWORKS AND PRACTICES OF COOPERATION

The key legal documents aiming to develop cooperation between the government and CSOs are the 2012-2017 Strategy for Cooperation of the Government with the Civil Sector and the Decision on the Establishment of the Council for Cooperation between the Government and Civil Society adopted in 2016. However, the lack of budget funds and political will continue and cause low realization of measures (only 2 out of 52 are fully implemented in 2016). A key step toward improving the dialogue and cooperation between the Government and CSOs was the adoption of the Decision. According to the reaction of 93 CSOs, there were no quality consultations in the process for this document, which is significant for building trust. The CSOs also stated that there is unequal participation of members coming from CSOs and state institutions, in favour of the latter, that there is a lack of appropriate representation of state officials (their level and experience), that timing for this type of document to be adopted is inappropriate and that there was an urgent selection of representatives (after the process was frozen for over a year). Additionally, after the online selection of the representatives coming from CSOs, the provided criteria were not followed in their selection in terms of their individual portfolio and organizational capacities for the issues they should represent. The Unit for Cooperation with the NGOs remains hindered, considering the lack of budget funds allocated for its main role and that it is a hierarchical dependency on the General Secretariat of the Government of the Republic of Macedonia.

- Promote the role of the Unit for Cooperation with CSOs. In line with the previous recommendations, for the Unit to be fully functional and recognized by the organizations, it should have a more autonomous position, as well as separately allocated funds from the budget of the Republic of Macedonia to implement its direct activities;
- The General Secretariat of the Government of the Republic of Macedonia in a participatory manner should commit to renewing the Strategy for cooperation between the Government and the civil sector, based on the evaluation of the implementation of the previous Strategy. For the revised strategy, there should be budget funds allocated for conducting its activities for all state bodies through cooperation with the CSOs as implementers;

- The General Secretariat of the Government of the Republic of Macedonia should organize consultative events for further improvement of the draft-text of the current Decision for the establishment of the Council for cooperation between the Government and the civil sector. Before conducting the elections, there should be activities for informing the CSOs all over the country with the purpose of the Council and the possibility to participate in the election, or nominate a candidate;
- Re-open a public call for selecting candidates from CSOs and conduct the election through a transparent online procedure;
- Adopting necessary bylaws for the proper functioning of the Council (Rulebook, reporting templates, etc.).

Sub-area 3.2. Involvement in policy and decision making processes

STANDARDS FOR INVOLVEMENT OF CSOs IN POLICY MAKING PROCESSES

There are many documents that set the basis for the involvement of CSOs in policy making and legislation preparation at the level of the Government of the Republic of Macedonia and at the parliamentary level. These are the Constitution of the Republic of Macedonia¹⁶⁵, the Law for Referendum and Other Forms of Direct Vote of the Citizens¹⁶⁶, Law on the Government¹⁶⁷, Law on Organization and Operation of State Administrative Bodies¹⁶⁸. There are also many bylaws that regulate this issue, such as: Rulebook of the Government of the Republic of Macedonia¹⁶⁹, Strategy for Cooperation of the Government with the Civil Sector¹⁷⁰, Code of Good Practices for Participation of the Civil Sector in Policy Making Process¹⁷¹, Methodology for Regulatory Impact Assessment¹⁷², and the Guidelines for the ministries on the way to proceed in the process of regulatory impact assessment (hereinafter: Guidelines)¹⁷³.

However, in practice the legally guaranteed right for involvement of civil society and citizens in accordance with the set standards could not be enjoyed in 2016. There was an increased lack of respect for following the minimal deadlines, as well as continuous lack of willingness and understanding of the importance of participatory policy processes.

Contrary to the significant efforts of MISA in promoting electronic consultations, continuous improvements to the system and investing in capacity building of civil servants, the number of published draft-laws on ENER decreased significantly during 2016. Additionally, for the small percentage of published draft-laws, the minimal deadline for consultations was not respected. In the Parliament of Republic of Macedonia for 2016, a total number of 505 draft-laws were reviewed, and for 453 of them there was an obligation for consultation with the public.¹⁷⁴ Only 21 draft laws (5%) from 453 were subject for electronic consultation (ENER), which is a significant decrease from previous years.¹⁷⁵ Most of the draft laws (70%) were adopted using the shortened procedure (238 from 314 laws for which there is an obligation for consultations).¹⁷⁶ Beside this, for most of the draft-laws (16 out of 21) that were published for consultation, the minimal deadline of 10 days was not respected.

¹⁶⁵ Constitution of Republic of Macedonia (Official Gazette no.52/1991);

¹⁶⁶ Law for Referendum and Other Forms of Direct Vote of the Citizens("Official Gazette of the Republic of Macedonia" no. 81/05)

¹⁶⁷ Law on the Government of the Republic of Macedonia ("Official Gazette of the Republic of Macedonia" no. 59/2000, 12/2003, 55/2005, 37/2006, 115/2007, 19/2008, 82/2008, 10/10, 51/11, 15/13, 139/14, 196/15)

¹⁶⁸ Law on Organisation and Operation of State Administrative Bodies ("Official Gazette of the Republic of Macedonia" no. 58/00, 44/02, 82/08, 167/10, 51/11)

¹⁶⁹ Rulebook of the Government of the Republic of Macedonia ("Official Gazette of the Republic of Macedonia", no. 36/08)

¹⁷⁰ Government of Macedonia (2012) Strategy for cooperation with civil society (2012-2017) Skopje, Government of the Republic of Macedonia

¹⁷¹ Code of Good Practices for Participation of Civil Society in the Policy Making Process ("Official Gazette of the Republic of Macedonia" no. 99/11)

¹⁷² Methodology for Regulatory Impact Assessment ("Official Gazette of the Republic of Macedonia" no. 107/13)

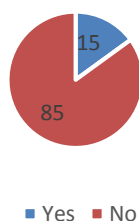
¹⁷³ Guidelines for the ministries on the way to proceed in the process of regulatory impact assessment ("Official Gazette of the Republic of Macedonia" no. 106/13)

¹⁷⁴ Assembly of Republic of Macedonia (2016) Report regarding the work of the Assembly of the Republic of Macedonia for the period 1.1.2016-17.10.2016; Address: <https://goo.gl/2zMtlh>;

¹⁷⁵ The sample that was monitored included only draft-suggestions, while the secondary legislation was not a subject of monitoring, because the legislation didn't encompass obligation for public consultation. MCIC, based on internal calculation based on the data available on ENER and the Assembly of Republic of Macedonia.

¹⁷⁶ The data are drawn from the report regarding the work of the Assembly for the period 1.1.2016-17.10.2016. The total number of laws (505), 366 were adopted, 26 of which are ratifications and 25 are suggested by the representatives in the Assembly, and one is adopted with urgent procedure. This laws are not subject for publishing and consultation on ENER.

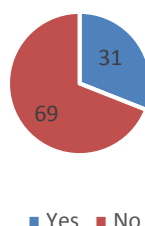
Graph 20. Was your organization involved in policy or law making processes in 2016?
(%)



The majority (85%) of CSOs that responded the questionnaire in 2016 had not been involved in the law making and policy creation processes. Only 23 of the organizations were involved in these processes, and 8 of those were upon the invitation of the state institutions.

The Unit for Cooperation with NGOs published a call for the civil society to contribute to the preparation of the Government Programme for 2017, according to Article 14 of the Code of good practices for civil society participation.¹⁷⁷ In 2016, only seven CSOs sent their request regarding key aspects of improvement of civil society such as civil participation, tax incentives, anticorruption etc.¹⁷⁸

Graph 21. Did your organization submit proposals to the Government of the Republic of Macedonia upon the public call of the Unit?
(%)



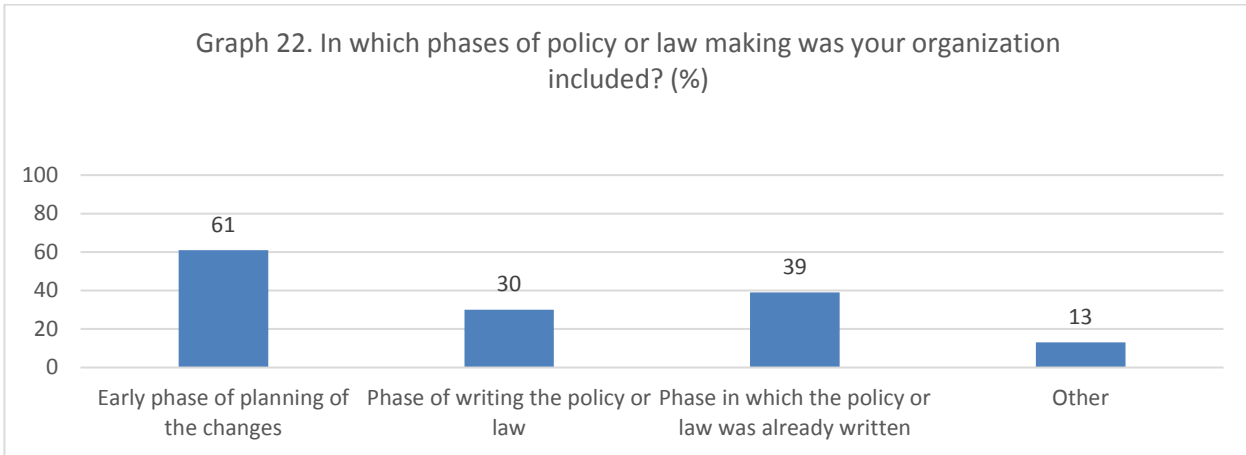
The majority (69%) of the organizations had not submitted proposals to the Government of the Republic of Macedonia in 2016, while one third (31%) did. One third of the organizations stated that they had submitted proposals, which does not correspond to the number of proposals published on the web site of the Unit. This discrepancy can indicate a lack of familiarity of CSOs with the possibility to participate with their proposals and shape the Programme.

LAW	STRATEGIC AND OTHER DOCUMENTS	INSTITUTION
Law on criminal procedures	Leader Programme	Government of RM
Law on Whistle-blower Protection	2016-2019 State Programme for Prevention and Repression of Corruption and Prevention and	Agency for Youth and Sports
Law on personal ID	Decreasing Conflict of Interest	Energy Regulatory Commission
Law on Reporting the Residence of Citizens	National Strategy for Prevention of Domestic Violence	State Commission for prevention of corruption
Law for libraries		
Law on high education		
Law on audio and audiovisual services	National Strategy for development of culture	
Law on pardons	National Strategy for public administration reform	
Law on drugs and other pschotropic substances		
Law on Energy	National Health Strategy	
Amendments to the Law on Social Entrepreneurship		
Amendments to the Law on donation and		

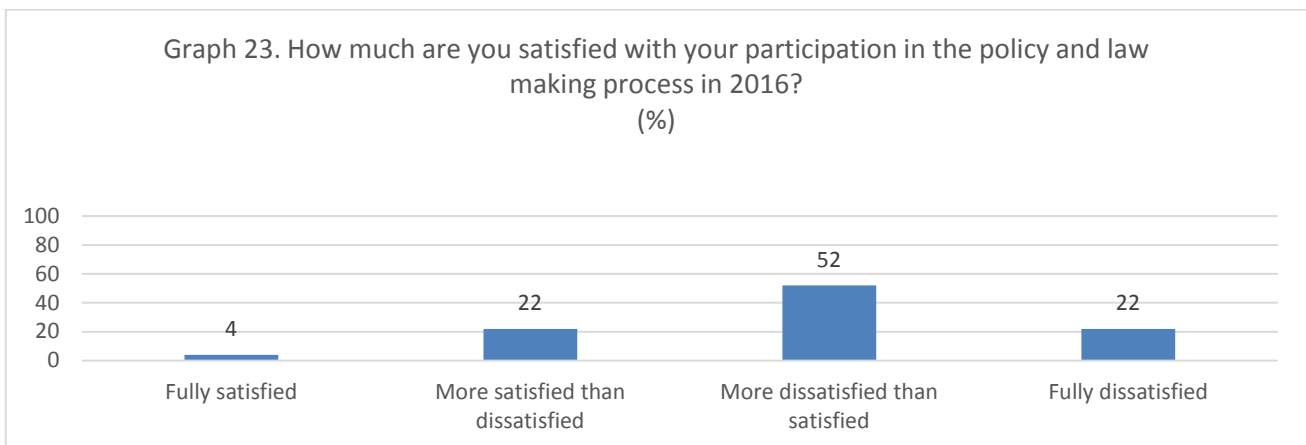
¹⁷⁷ Unit for Cooperation with NGOs (2016) Network of Public Servants for Cooperation with the Civil Sector. Address: <https://goo.gl/Z8NpGd>;

¹⁷⁸ Unit for Cooperation with NGOs (2016) Network of Public Servants for Cooperation with the Civil Sector. Address: <https://goo.gl/YUaKJn>;

As Table 2 shows, CSOs that were involved in these processes list a number of laws and policies, as well as state administrative bodies in 2016 (mostly on their initiative).

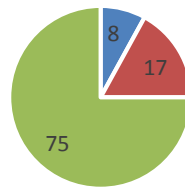


The organizations (23 out of 156 CSOs that responded on the questionnaire) were asked in which phase they were involved and they were given the choice of several answers to see the practice of timely and meaningful involvement. Two thirds (61%) were involved in the early stage and a third (30%) were in the writing phase of the policy or law, while 39% of the organizations were involved in the phase in which the text had already been written and comments were asked, which influences the possibility of quality contribution. Besides the timeliness, the organizations (15% or 23 CSOs) that were involved in these processes were also asked if their proposals had been accepted. The proposals of 12 organizations were accepted by the institutions, which shows that the small involvement that exists is with sufficient time. However, only in half of the cases suggestions were accepted.



To see the potential for confidence building between the organizations and institutions, the organizations (23) that had been included in the policy or law making processes were asked to assess their satisfaction from the participation. The dissatisfaction from the involvement of the organizations in the policy or law making processes prevails among CSOs.

Graph 24. Did your organization initiate a dialogue or advocacy for starting to adopt a policy or a law?
(%)

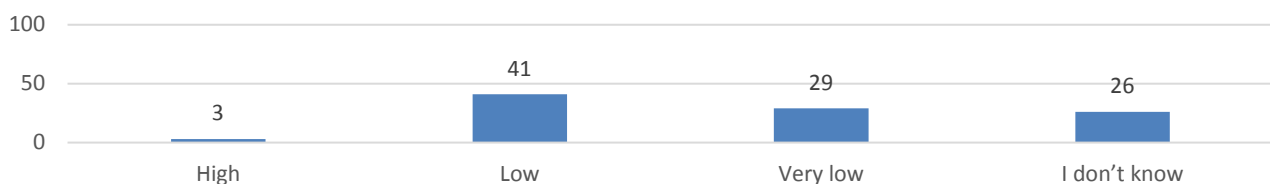


■ Yes, and we had feedback ■ Yes, but we did not have any feedback ■ No

To see how proactive CSOs are in stimulating the dialogue with the institutions, they were asked if they had initiated a dialogue or advocacy to start adopting a policy or a law (these initiatives do not necessarily mean that they were taken into consideration by the institutions and that processes were started). In practice, most of the organizations (75%) did not initiate a dialogue or advocacy to start the adoption of a policy or a law, while one quarter did (25%).

The initiative Open Government Partnership led by MISA has gained significant importance as a space for communication and cooperation between the civil sector and state institutions, particularly in 2016. In a participatory manner, via multi-sectoral working groups for relevant priorities, as well as through electronic consultations (portal e-democracy, web pages for MISA), the third in a row Action Plan 2016-2018 was prepared.¹⁷⁹

Graph 25. In general, according to your opinion, how do you assess the level of involvement if CSOs in the policy or law making processes in 2016?
(%)

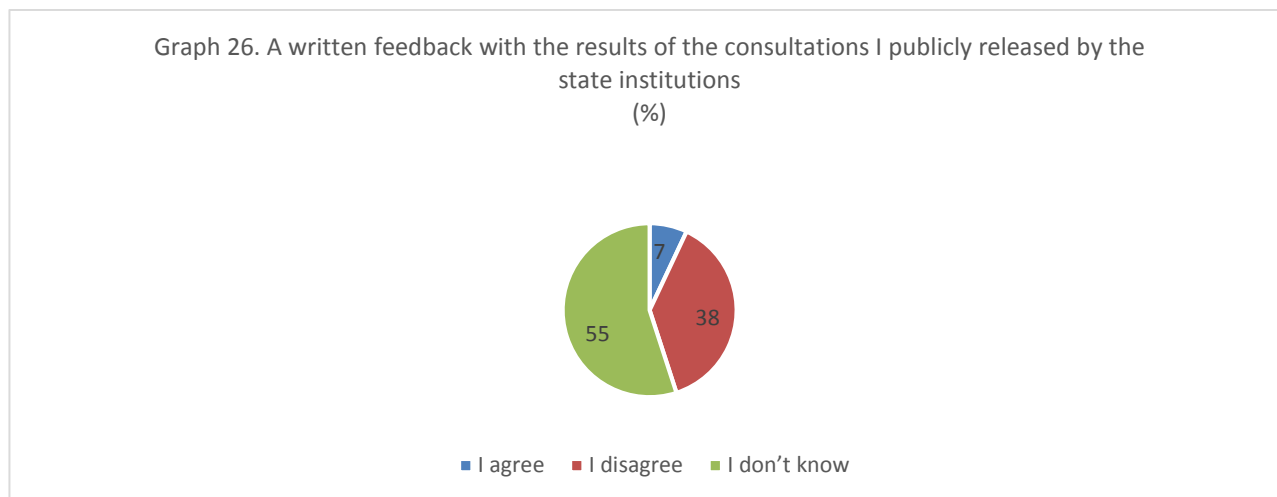


CSOs were asked to assess the level of involvement of the organizations in these processes. The perception of the CSOs is in line with the recorded lack of consultations, and they too assess the level of involvement of the CSOs in the process of policy or law making in 2016 as low (41%) and very low (29%), while 26% responded that they did not know. The organizations think that this assessment of the level of involvement is a result of their current and past experience with these decision making processes, lack of involvement in early stages and lack of information. Mostly consultations are organized when the documents are already prepared. There is also a lack of public debates, a general lack of consultations for over 10 years, numerous draft-laws being enacted over night, discouragement due to the lack of success in accepting comments during consultations, and a lack of dialogue and trust with the institutions. The activities of CSOs are marginalized and viewed as politically partisan, there were numerous initiatives rejected by CSOs, and for some this perception is also based on their experience with witnessing a lack of initiatives by the CSOs.

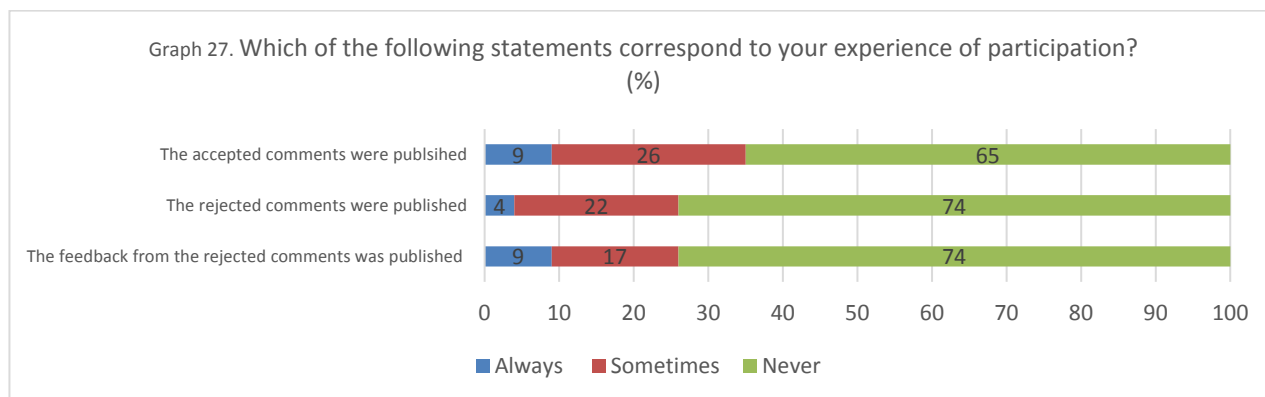
¹⁷⁹ Ministry of informational society and administration (2016) Open Government National Action Plan 2016-2019; Address: <https://goo.gl/zwpNAJ>.

FEEDBACK

The legislation determines the feedback as part of the consultative process in Article 71 of the Rulebook of the Government¹⁸⁰, where it is stated that “each ministry in charge should prepare a report on the obtained opinions, which will give the reasons for the comments and proposals not being accepted, and it should be published on the Internet page of the appropriate ministry and ENER”. Additionally, the Guidelines on the process of regulatory impact assessment¹⁸¹ in Article 25 give the elements that the report for regulatory impact assessment should contain. The practice of providing feedback from the ministries on suggestions and comments made by the civil society sector declined.



To see the practices of providing a written feedback by the institutions on the results of the consultations, CSOs were asked about their level of agreement. Half (55%) of the organizations agree that written feedback on the results of the consultations was publicly released, but more than one third (38%) think that the institutions did not publish a written response with the results of the consultations.



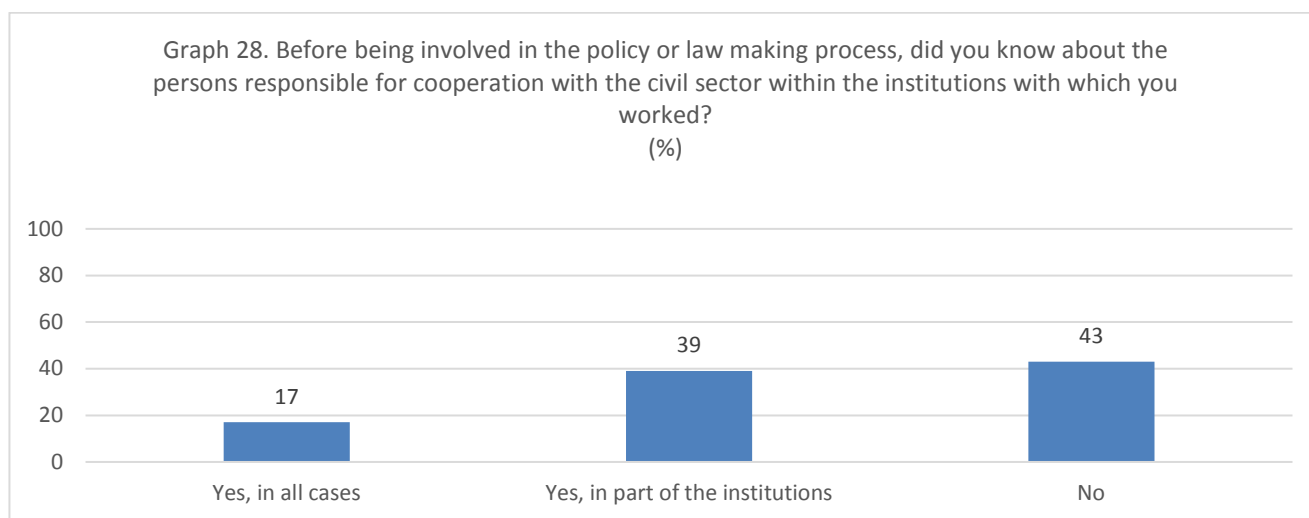
The majority (74%) of the organizations responded that their rejected comments were never published. Most (74%) of the organizations never saw published feedback after their comments had been rejected. For two organizations it happened always, for four sometimes, while for 17 organizations the feedback was never published.

¹⁸⁰ Rulebook of the Government of the Republic of Macedonia (“Official Gazette of the Republic of Macedonia”, no. 36/08)

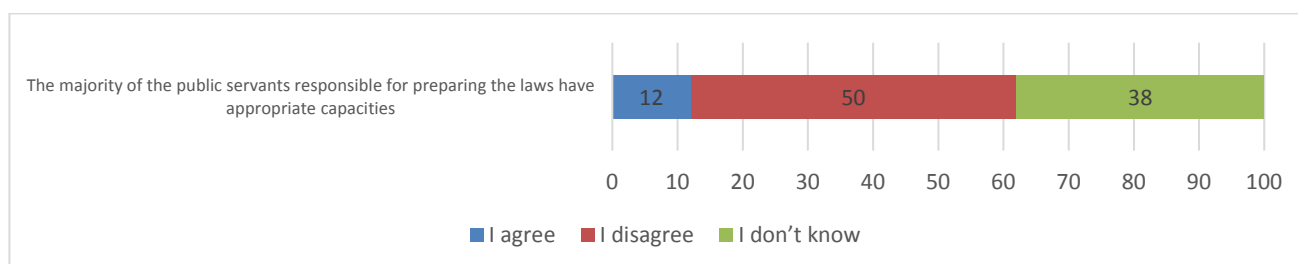
¹⁸¹ Guidelines for the ministries on the way to proceed in the process of regulatory impact assessment (“Official Gazette of the Republic of Macedonia” no. 106/13);

CAPACITIES OF CIVIL SERVANTS TO INVOLVE CIVIL SOCIETY ORGANIZATION

The strengthening of the capacities of the civil servants to involve the CSOs has its legal basis. In the Law on Administrative Officers¹⁸² and the Law on Public Sector Employees¹⁸³ precisely define the competencies of MISA when it comes to preparing and adopting the annual Programme for generic training of administrative officers.¹⁸⁴



In practice, the organizations (23) that had been included in the policy or law making processes were asked if they had known which persons were responsible for cooperation with the civil sector within the institutions. Out of them, half (13) of the organizations had information on the persons responsible for cooperation with the CSOs within the institutions before they were involved in the policy or law making process.



The capacities of the public servants in the law-making and policy creation processes are crucial in providing meaningful involvement of the organizations. Half of the CSO respondents (50%) think that the majority of the public servants who are responsible for preparing laws do not have appropriate capacities, while over a third (38%) responded that they did not know what their capacities were. However, if we consider the rate with which legislation is adopted and amended directly in the Parliament, it is of course evident that the capacities of the public servants, or the number of trainings they obtained is not the key contributor to the lack of quality involvement of the public in decision-making processes.

¹⁸² Law on Administrative Officers (Official Gazette of Republic of Macedonia no.27/14, 199/14, 48/15, 154/15);

¹⁸³ Law on Public Sector Employees (Official Gazette of Republic of Macedonia no.27/14, 199/14)

¹⁸⁴ Ministry of Informational Society and administration (2016) Annual Programme for generic training of administrative officers for 2016, Skopje. Address: <https://goo.gl/HW8zMy>;

CONSLUSIONS AND RECOMMENDATIONS

INVOLVEMENT IN THE POLICY AND DECISION MAKING PROCESSES

The legislation provides the basis for CSO's involvement in the law making and policy creation processes on Government and Parliament level. However, in 2016, the gap between the legislation and its implementation in practice deepened, particularly considering the trend of adopting draft-laws in a shortened procedure (79%) without at least providing electronic consultations with the public as it is legally provided. Besides the continued closure of the state institutions, a downward trend was noted in the willingness of state officials to communicate with the civil sector. Despite the continuous promotion and improvement of ENER and trainings for the public servants, only 21 draft laws were published for consultation, and for 16 of them the minimal deadline of 10 days were not respected. The dynamics and quantity of amending and adopting laws directly in the Parliament clearly leads to the conclusion that the activities for strengthening on the civil servant capacities are not crucial for the lack of quality inclusion of the public in the decision-making processes. The findings from the questionnaire confirm these conditions in practice. Namely, only 23 organizations from 156 that responded in 2016 were included in the law making and policy creation processes. Most of them express their dissatisfaction with the processes.

- Accessibility and contents of the draft laws should be promoted by obligatory and updated publishing of documents on ENER and the web sites (even when they with the shortened procedure);
- State institutions should introduce other available mechanisms for consultations (working groups, public debates);
- State institutions should organize consultations with CSOs in the early phase of the analysis to determine the needs and preparation of the policies/legal initiatives;
- State institutions should respect the minimal duration of the consultations (10 days) and provide up to 30 days for consultations;
- State institutions should provide obligatory feedback on the comments that they have received and make it publicly available;
- CSOs should use the possibility for electronic consultations through ENER, as well as influence the Program for work of the Government through submitting proposal to the website of the Unit for Cooperation with NGOs;
- State institutions should continuously improve their capacities for involvement of different stakeholders in the policy creation and law-making processes.

Sub-area 3.3. Collaboration in social provision

ENGAGEMENT OF CSOs IN SERVICE PROVISION

The legal framework in Macedonia regarding CSOs as service providers is generally enabling and sets preconditions for the CSOs to be involved in service provision in many areas, such as social protection and help, free legal aid, and education. Depending on the law that determines the work of CSOs, there are various ways for involvement in service provision. Within the Law on Social Protection¹⁸⁵ and the Law on Free Legal Aid¹⁸⁶ there are mechanisms for financing and support of the work of CSOs in these fields in detail. Still, in some areas such as education, health, environment still is there a lack of clearly defined support mechanisms. According to the Law on Public Procurement¹⁸⁷, they can participate with offers for public procurement within the work that they do to generate income without limitations. Although service provision by the organizations is not limited, still the current legal regulations do not stimulate it, nor define it more closely.

In addition, the potential of establishing partnerships based on service provision is recognized in the Strategy for Cooperation of the Government with the Civil Society 2012-2017.¹⁸⁸ Even though the measures concerning service provision in the national strategy lacked progress in their implementation, progress in the strategic approach at the local level was noted. Three municipalities (Centar-Skopje,¹⁸⁹ Struga¹⁹⁰ and Strumica¹⁹¹), have introduced social cards that provide information on the socio-economic and demographic characteristics of their communities to create local policies based on the scope and needs of its inhabitants. These social cards can be of interest to CSOs that provide social services.

In practice, there is a noticeable trend of using the services of the CSOs, mostly for social protection and prevention (social protection of victims of domestic violence, protection of persons with special needs).¹⁹² CSOs in 2016 undertook their humanitarian role of supporting and giving services to the people in need during the Balkan migration route, and after the floods in Macedonia that resulted in 22 fatalities and over 60 injured persons as well as large material damage. A significant part of the support in the flooded region was managed by the CSOs. Using social media (Facebook and Twitter), they organized local points where food, water, clothes and materials were donated. The solidarity led to an increased civic engagement through volunteerism mainly by donating money, but also by provision of a work force.

In terms of involvement of the CSOs in defining the priorities for financing of the service provision, no specific progress was noted, particularly considering the general situation with the lack of dialogue and involvement of CSOs in law making and policy creation processes. CSOs were engaged at the local level in the phase of creation of social maps in the municipalities, which can lead to increased coverage of the needs for many service users and connecting the municipalities with the CSOs that are providing services.

In 2016, the Ministry of Labour and Social Policy and the Ministry of Justice and the Centre for Adult Education continued to use their registers for involving CSOs. The MLSP register of CSOs that work on social protection contains 77 organizations.¹⁹³ Even though the registration process for CSOs is quite simple, that is perceived as a shortcoming since the approach lacks a guarantee for the quality of the service provided to the target groups, something that would be provided if standardized licencing were necessary. CSO service provision activities are financed through grants and projects through the MLSP, which are not specifically intended for service provision. When it comes to the register in the Ministry of Justice, organizations consider the registration to be burdensome¹⁹⁴ mainly due to the requirement to employ a lawyer that has passed the judiciary exam. That is difficult having in mind the sustainability challenge CSOs are facing. The funds for free legal aid are granted for every case of previous legal aid provided, after previous approval by the Ministry of Justice. The register of the Center for Adult Education¹⁹⁵ includes numerous organizations as certified trainers.

¹⁸⁵ Law on Social Protection (Official Gazette of Republic of Macedonia no. 79/09; 36/11; 51/11; 166/12;15/13; 79/13; 164/13; 187/13; 38/14, 44/14; 116/14; 180/40);

¹⁸⁶ Law on Free Legal Aid (Official Gazette of Republic of Macedonia no. 161/09);

¹⁸⁷ Law on Public Procurement (Official Gazette of Republic of Macedonia no. 136/07, 130/08, 97/10, 53/11, 185/11, 15/13, 148/13, 160/13, 28/14, 43/14, 130/14, 180/14, 78/15, 192/15);

¹⁸⁸ Government of the Republic of Macedonia (2012) Strategy for Cooperation of the Government with the Civil Society (2012-2017), Government of the Republic of Macedonia. Address: <http://goo.gl/vv3xNg>;

¹⁸⁹ Municipality Center- Skopje (2016) Social map of Municipality Center- Skopje. Address: <https://goo.gl/xwQbHj>;

¹⁹⁰ Municipality Struga (2016) Social map of Municipality Struga. Address: <https://goo.gl/091MVN>;

¹⁹¹ Municipality Strumica (2016) Social map of Municipality Strumica. Address: <https://goo.gl/091MVN>;

¹⁹² Municipality Strumica (2016) Social map of Municipality Strumica. Address: <https://goo.gl/091MVN>;

¹⁹³ Ministry of Labor and social policy (2016) Registers; Address: <https://goo.gl/0YtkbO>;

¹⁹⁴ Akademik (2016) Recommendations to the new law on free legal help: Equal access to justice and to comply with the LLP, with the CPC and the Law on Notaries; Address: <https://goo.gl/dTmSrY>;

¹⁹⁵ Public Institution for Adult Education (2016) Registry: <https://goo.gl/7AjA8T>;

CONSLUSIONS AND RECOMMENDATIONS

ENGAGEMENT OF CSOs IN SERVICE PROVISION

The legislation sets the basic preconditions for the work of CSOs in the area of service provision, as well as for delegation of the obligation to provide services by the central and local government. CSOs have no obstacles in providing services in various fields, such as social protection and aid, health care, education, and free legal aid. Although service provision by CSOs is not limited, still the current legalization does not stimulate it, nor define it more closely. In 2016, there has not been any significant progress towards the state recognizing the role of CSOs in service provision in different areas. However, CSOs continued to deliver services to their target groups, and they showed flexibility and dedication in giving humanitarian support (e.g. the refugee crisis and the floods).¹⁹⁶

- An overall legal regulation on CSOs as service providers is needed, such as a separate law that would provide a definition of the terms: “social services” and “service provider”; mechanisms for delegation of the social services to CSOs and other private entities; mechanisms for financial support to non-state service providers; as well as a methodology for recognizing the civil involvement in service provision that would be based on registration and/or licensing as the basis for service delegation;
- The existing legislation regulating the engagement of CSOs in service provision should be improved and not impose burdensome provisions through consultations with CSOs, users and relevant institutions (Law on Social Protection, the Law on Free Legal Aid);
- To have more quality services by the CSOs, the state should conduct a process of registration and/or licensing of CSOs that are “service providers”;
- The relevant state institutions, should include CSOs service providers in all stages of developing and providing services (needs assessment, determining the services that best address the needs, monitoring and evaluation).

¹⁹⁶ Foundation Open Society Macedonia; Access to justice in Macedonia (2015); Available at: <https://goo.gl/4P1yuZ>;

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Sakam da kazam(2016) SPO has 6 months left to open investigations and bring charges. Address: <https://goo.gl/mAEy6O>;

Telma (2016) Protest against the student elections; Address: <https://goo.gl/WieTqa>; [Visited at:21.7.2016]

Telma (2016) The ombudsman is asking the PRO to answer why in the same time 20 organizations were subject for inspections; Address: <https://goo.gl/eGJQ2n>;

Telma TV (2016) The civil sector on impact of Public Revenue Offices; Address: <https://goo.gl/uWZgs0>;

USA Today (2016) Macedonian police: At least 15 dead, 6 missing, 22 injured in floods after storm hits capital; Address: <https://goo.gl/fmZGrY>; [Visited at:10.8.2016]

Utrinski vesnik (2016) Protests and counter-protests - NEW TEST FOR DEMOCRACY; Address: <https://goo.gl/H1AtUo>; [Visited at:11.5.2016]

ANNEX 1. LIST OF CSOs THAT RESPONDED TO THE QUESTIONNAIRE

1. ACI Makedonija Zdruzenie na Finansiski Pazari
2. Adcom Association of providers of utilities RM
3. Alpine Club Ploca Radovis
4. Art Lofe
5. Association Center for Intercultural Dialogue Kumanovo
6. Association Konekt Skopje
7. Association for Civic Tolerance and Cooperation, Prilep
8. Association for counseling, treatment, reintegration and resettlement of people
9. Association for culture and development of creative industries - Tranzen
10. Association for Democracy Together Macedonia
11. Association for Equal Opportunities
12. Association for equal representation of persons with disabilities
13. Association for equitable development "Solutions for Development" / Development Solutions (DeSo)
14. Association for hiking tourism and ecology Pozarane, Vrapciste
15. Association for Independent Initiatives "Cngi" - Kratovo
16. Association for motivation and development of communications Dialogue Skopje
17. Association for Policy Research Analytics - Gostivar
18. Association for promotion of multimedia art IN-VI IDEA
19. Association for protection and assistance to socially marginalized and disadvantaged individual
20. Association for Protection and Promotion of Environmental Eco Life Kavadarci
21. Association for protection of environment, historical sights and health "Izvor"- Kratovo
22. Association for Regional Cooperation 22 Nentori
23. Association for Rural Development Local Action Group PELAGONIJA Novaci
24. Association for Rural Development, Local Action Group Abera 2015 Staro Nagoricane
25. Association for scientific and cultural promotion and presentation Primaver
26. Association for Social Development Enhalon Struga
27. Association for Support of Persons with Disabilities Solem - Skopje
28. Association for the development of critical thought LIVADA Skopje
29. Association for the unification of the Macedonian unique culture Macedonian voznes
30. Association for Youth Development FACTOR Kicevo
31. Association Forum - Centre for Strategic Research and Documentation Skopje
32. Association Healthgrouper Summit Skopje
33. Association HOPS-Healthy Options Project Skopje
34. Association Institute for European Policy Skopje
35. Association Local Development Agency Struga
36. Association of advanced modern education Volvox
37. Association of Agrarians of Macedonia
38. Association of Albanian Woman - Kicevo (AAW)
39. Association of Assistive Technology Open the Windows
40. Association of Business Women
41. Association of Citizens Institute for research on policies and good governance
42. Association of culture, art, tradition and fun Asterio
43. Association of Economics Researchers Stoke Skopje

44. Association of Educators and protecting the rights of women and children LIL
45. Association of Independent house workers DORA DOM Novo Selo
46. Association of Local Democracy (ALDA), Branch Office in Skopje
47. Association of pedagogues and psychologists Veles
48. Association of people with physical disabilities from Ohrid and Debarca MOBILITY OHRID
49. Association of Producers of Ecological Fruit,, Japan Apple", Valandovo
50. Association of Social Workers of the City of Skopje
51. Association of Women Sirma Kumanovo
52. Association Titoisti Ohrid
53. Association to promote and protect the rights of workers with dignity Dignified
54. Association training center for personal development, communication and counseling LUNA- TP
55. Association Women's Forum Tetovo
56. Association Young European Federalists - Macedonia
57. Associations of citizens with the local community. Leunovo Mavrovo and Rostuša
58. Breeders of autochthonous breed goats' Home Balkan goat "
59. CELOR Association - Center for Local Development
60. Center for Culture, Communication and Education of Roma "Svetla idnina" Kocani
61. Center for Development and Education
62. Center for Economic Analysis - Skopje
63. Center for information and logistics support citizens NEW CONTACT - Skopje
64. Center for Integrated Development - Ohrid (Ciro)
65. Center for Regional Studies and Cooperation "Studiorum"
66. Center for support of persons with intellectual disability Message - Strumica
67. Center for Sustainability and advanced education
68. Center for sustainable development PROCIVIC
69. Centre for development of the Roma community "Bairska svetlina" Bitola
70. Centre for Sustainable Community Development
71. Citizens Association 6th Star Skopje
72. Citizens Association Center for Development of Agriculture Eco product Tetovo
73. Citizens Association Center for Sustainable Development Egri
74. Citizens Association Ekovita
75. Citizens Association Hotla
76. Citizens Association Institute 4R
77. Citizens Association Partridge hunting association LD 2015 Skopje
78. Citizens Association ZIP Institute for policies and good governance
79. Civic initiative of women GIW Sveti Nikole
80. Civil - Center for Freedom
81. Coalition of Civil Associations All for Fair Trials Skopje
82. Cultural Innovation Club Novaci - Novaci
83. Cultural research and documentation Center Mariovo "Kales Anga"
84. Dreni
85. Ecological Society Zdravec 2002
86. Ecology Association Rosa
87. Engineers Without Borders Association of Macedonia
88. Federation of Mountaineering Sports of Macedonia
89. First Children Embassy in the World Megjashi - Republic of Macedonia

90. First Scout Squad of Skopje
91. FLOROZON Citizens Association Center for Ecological Democracy Skopje
92. Foundation Agrobusiness Innovation
93. Foundation for Media and Civil Society Macedonian Institute for Media
94. Foundation Ivote Foundation Skopje
95. Foundation Open Society Institute - Macedonia
96. Global Association Bitola
97. Harvest of knowledge
98. House of Houp - Lence Zdravkin
99. Human Rights Center AMOS Bitola
100. Humane Society for help and support to people with disabilities Bravura K
101. Humanitarian Aid Organization for handicapped and poor
102. Humanitarian and Charity Association of Roma intelligence-Anglunipe
103. Institute for Democracy Societas Civilis Skopje
104. Institute for Social Analysis
105. Institute for Social Research and Innovation - Impact
106. Institute for Social Research and sustainable development
107. Institute of Social Sciences and Humanities - Skopje
108. Internet Hotline Provider Macedonia
109. Journalists for Human Rights
110. Library Association of Macedonia
111. M.Z. Florens Najtingejl
112. Macedonian association for protection and rescue in mountain and inaccessible terrain
113. Macedonian Association for the History of Medicine (Mahm)
114. Macedonian Donor Registry (MKDR)
115. Macedonian Enterprise Development Foundation (MEDF)
116. Macedonian Montessori Association
117. Mozaik - build future horizons
118. NGO Kham Delchevo
119. Organization of Women of the Municipality of Bitola - Bitola
120. Planet-M Skopje
121. Ready for Europe 2020
122. Regional Centre for Sustainable Development
123. Regional Geographic Society Geosphere
124. Regional Roma Educational Youth Association
125. Research Society of Biology Students - Skopje
126. Resource Center for single parents MINUS and PLUS - Skopje
127. Roma association "AVENA"
128. Roma Community Center "DROM" - Kumanovo
129. Roma cultural and educational center Ternipe MK Delcevo
130. School sports club Dimitri Cupovski - Veles
131. Scout squad "PHOENIX" Prilep
132. Society Ecological Society Planetum - Strumica
133. Society for Mountain Sports Transverzalec Skopje
134. Sumnal Association for development of the Roma community in Macedonia
135. The Association for assistance to homeless and socially disadvantaged families

136. The Association for contemporary art and curatorial practices Project space Press
137. The Association for Development of Civic Education and Civil Society - GINAMED - B
138. The Association for Economic Research and Development Progress plus Skopje
139. The Association for Protection of Civil Rights Non Passarant Skopje
140. The Association for Social Innovation and Sustainable Development RADAR
141. The Association of Farmers' Plackovicki Yoruk "- Kuchica-Karbinci
142. The Association of professional consultants
143. The Association of Roma Women Organization from Macedonia "Daja" – Kumanovo
144. The Foundation for Local Community Development Stip
145. Tomslo Humanitarno Zdruzenie na Zeni KHAM Kumanovo
146. Transparency Association Skopje
147. Transparency International-Macedonia
148. Tree Day - Plant Your Future
149. Union-National Council for Gender Equality
150. USK Goce delcev 2014
151. Women's civil initiative "Klea" Bitola
152. Youth Association IMKA Bitola
153. Z.U. Art Decor -Tetovo

ANNEX 2. QUESTIONNAIRE SAMPLE STRUCTURE

SAMPLE STRUCTURE	%
Position in the organization	
President	51%
Director	17%
Head of Unit	4%
Project coordinator	14%
Project assistant	4%
Other	10%
Type of association of the organization	
Association	92%
Foundation	5%
Alliance	1%
Organization type of foreign organization in the Republic of Macedonia	1%
Other	1%
Primary area of work	
Good governance (democracy, human rights, rule of law)	11%
International relations and European integration	3%
Decentralization	1%
People with special needs	4%
Civil society development	9%
Women and gender issues	8%
Employment	2%
Environment and natural resources	10%
Migration	1%
Education, science and research	13%
Culture	7%
Health and health care	5%
Children, youth and students	8%
Information, communication and media	4%
Other	15%
Location	
Skopje	47%
Outside Skopje	53%
Year of registration	
Before 1990	3%
1991-2000	19%
2001-2005	21%
2006-2010	22%
2011-2016	35%
Number of employees	
No employees	58%
1	10%
2-5	24%
6-10	6%
11-20	1%
21-50	1%
Volunteers	
No volunteers	15%
1-5	37%
6-10	19%
11-20	17%
21-30	5%
31-40	3%
41-80	2%
Over 81	3%
Annual revenue for 2016 in EUR	
Less than EUR 5,000	50%
EUR 5,001-10,000	16%
EUR 10,001-50,000	14%
EUR 50,001-100,000	8%
EUR 100,001-500,000	10%
EUR 500,001-1,000,000	1%
More than EUR 1,000,000	1%

ANNEX 3. Standards for monitoring the enabling environment for civil society development in Macedonia 2016

Area 1: Basic Legal Guarantees of Freedoms
Sub-area 1.1.: Freedom of association
2. CSOs operate freely without unwarranted state interference in their internal governance and activities
3. CSOs can freely seek and secure financial resources from various domestic and foreign sources to support their activities
Sub-area 1.2.: Related freedoms
1. CSO representatives, individually or through their organization, enjoy freedom of peaceful assembly
2. CSO representatives, individually or through their organizations enjoy freedom of expression
3. Civil society representatives, individually and through their organizations, have the rights to safely receive and impart information through any media
Area 2: Framework for CSOs' Financial Viability and Sustainability
Sub-area 2.1: Tax/fiscal treatment for CSOs and their donors
1. Tax benefits are available on various income sources of CSOs
Sub-area 2.2.: State support
1. Public funding is available for institutional development of CSOs, project support and co-financing of EU and other grants
2. Public funding is distributed in a prescribed and transparent manner
Sub-area 2.3: Human resources
2. There are enabling volunteering policies and laws
Area 3: Government – CSO Relationship
Sub-area 3.1.: Framework and practices for cooperation
1. The State recognizes, through policies and strategies, the importance of the development of and cooperation with the sector
2. The State recognizes, through the operation of its institutions, the importance of the development of and cooperation with the sector
Sub-area 3.2: Involvement in policy- and decision-making processes
1. There are standards enabling CSO involvement in decision-making, which allow for CSO input in a timely manner.
Sub-area 3.3: Collaboration in service provision
2. The state has committed to funding services and the funding is predictable and available over a longer-term period