

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

Background for the table:

- A set of objectives, results and indicators was developed for EU support to civil society, which allows the measurement of progress at country level as well as across the enlargement region
- The Guidelines are developed for the period of 2014 – 2020, however, one needs to have in mind that most of the objectives in the guidelines cannot be achieved in the period of 6 years, since the realization of objectives includes legislative changes and their proper implementation
- For the purpose of the Monitoring and Evaluation and Proposed Results Framework we used following definitions of benchmark and target:
 - **Benchmark:** That which is attainable under ideal conditions; it is a standard or reference point. Building on a definition that a benchmark is “a quantitative target which represents what can be achieved by the best”, the benchmark in this framework is an **optimum situation**, measured through EU member states average. Since some of the indicators are qualitative, also corresponding benchmarks are qualitative as well. All benchmarks, except of some under CSO capacity (see: notes for participants of the mid-scale workshops), are based on analysis of secondary sources (such as Global Civil Society Index, Comparative Nonprofit Sector Publication, JHU, 2004; Volunteering in the European Union, EAC-EA, DG EAC, February 2010; www.usig.org, etc.).
It is very important that the benchmark is measurable, even though it is qualitative. For example, if the indicator is “quality of *something*”, it is not advisable that the benchmark would be “better quality”, since one would then never know when the benchmark is reached. Therefore, when defining the benchmark one needs to define what exactly and concretely would better quality mean in each specific case, e.g. indicator 1.2.c Quality of (labour) legislative framework → Benchmark: Labour legislative framework is not discriminative towards CSOs (since that is one of the definitions of quality legislation from the point of view of CSO development).
 - **Target:** a specified level of performance for an indicator at a predetermined point in time. Since benchmarks for indicators cannot be achieved until 2020, **national targets represent a step towards achieving the benchmark and are set to 2020**. In other words, targets represent a mid-term goal towards achieving benchmarks. When setting the national target, stakeholders need to have in mind *national specifics*, e.g. baseline for each indicator in 2014. Participants at the mid-scale workshops should agree on quantitative target, where appropriate (when national quantitative target is need, the target is marked in yellow)
 - **Baseline:** the level of performance at some specified starting point. Provides the initial point of comparison for the future measures of performance. When setting the national target one needs to have in mind a baseline – the current state of affairs (in 2014) and what can be realistically achieved till 2020. In the cases of higher baseline, national target (2020) can be the same as the benchmark.
For determining a baseline we recommend to use TACSO country baseline report which is based on the BCSDN’s country report on the Monitoring matrix for enabling environment for civil society development and IPSOS report from the survey on population and survey with CSOs.

				<p>without discrimination and hindering conditions, and for accessible, timely and inexpensive registration of CSOs</p> <p>The indicator should be divided into several more specific ones (ex. number of violations to the freedom of expression and assembly; number of cases of prevented registration ...) or to add new one(s)</p>	<p>organisation (according to the law, 5 days are needed for approval and 3 days for sending the decision).</p>	
	<p>1.2. The policies and legal environment stimulate and facilitate volunteering and employment in CSOs</p>	<p>1.2.a. Number of employees in CSO (permanent and part-time)</p>	<p>1.2.a., 1.2.b. and 1.2.c. BCSDN</p>	<p>1.2.a. 5,4 % of total workforce is employed in CSO sector (EU average)</p> <p>For Macedonia there is a need for clarification or redefining because many of the engaged people in CSOs are not employed (freelance, temporary)</p> <p>Additionally: workforce=employed + unemployed</p>	<p>1.2.a. In 2013 there were 1839 employees in CSOs, whereas the total number of employees in 2013 was 678838, the percentage is 0,27%</p>	<p>1.2.a. 1% of the employees to be employed in CS sector.</p>

		<p>1.2.b. Number of volunteers in CSOs per type of CSO / sector</p> <p>1.2.c. Quality of legislative framework</p>		<p>1.2.b. The contribution of volunteers to GDP is 1,3 % (EU average)</p> <p>1.2.c. - Labour legislative framework (including active employment policy) is not discriminative towards CSOs¹; Not to be in negative form. For instance, to be like: the legislation is harmonised and/or equal for all entities.</p> <p>- Legislative framework is stimulative towards</p>	<p>1.2b. There are no data on the number of volunteers. There is information that 10% of the citizens are volunteering. There is a need for survey (or State Statistical Office) for the data.</p> <p>1.2c There are examples for discriminative provisions for CSOs i.e. benefits only for companies (firms) but not for CSOs – to be listed.</p> <p>80-90% of the legislation is harmonised.</p>	<p>1.2.b. 0,2-0,3%? To implement the legislation regarding voluntarism.</p> <p>1.2.c There are no discriminative articles for CSOs in labour legislation (including active employment policy) 100% - legislation enables tax-free reimbursement of travel expenses and per diems to volunteers 100% harmonised</p>
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¹ While labour law as such probably is not discriminative (= does not put CSOs as employers in a different position as other employers. e.g. with different conditions or demands), this may happen with other labour connected legislation and its implementation, especially active employment policy. Labour legislation would be discriminative, if, for example, subsidy for employment of people registered as unemployed would be available only for public institutions and/or business sector and not for CSOs.

				promotion of volunteering		legislation
	<p>1.3. National and/or local authorities have enabling policies and rules for grass-roots organisations* and/or civic initiatives.</p> <p>*A grass-roots organisation is a self-organised group of individuals pursuing common interests through a volunteer-based, non-profit organisation. Grassroots organisations usually have a low degree of formality but a broader purpose than issue-based self-help groups, community-based organisations or neighbourhood-associations.</p>	1.3.a. Quality of the enabling environment for grass-roots organisations and/or civic initiatives	1.3.a. BCSDN	1.3.a. Registration of grass-roots is not mandatory; unregistered organizations can freely operate and receive financial support	1.3.a. This has already been achieved in Macedonia (there are no legal obstacles for the non-registered CSOs or movements to operate, however, with respect to funding it is not clear (i.e. 50% achieved)	1.3.a. 100% fulfilment. If there are EU practices of funding non-registered CSOs those practices should be shared.
2. An enabling financial environment which supports sustainability of CSOs.	2.1. Easy-to-meet financial rules for CSO, which are proportionate to their turn-over and non-commercial activities	2.1.a. CSOs' perception of the ease and effectiveness of financial rules and reporting requirements (disaggregated by type / size of CSO)	2.1.a. 2.1.b. BCSDN	2.1.a. 80 % of CSOs perceive financial, including tax, rules as reasonable, clear, proportionate to CSO turn-over; in their opinion, an efficient support system is in place (clear instructions, knowledgeable financial public officers)	2.1.a. IPSOS survey: Stipulated financial regulations, obligations for book-keeping and accounting are assessed as relatively clear and understandable by CSOs' representatives in	2.1.a. 80 % of CSOs perceive financial, including tax, rules as reasonable, clear, proportionate to CSO turn-over; in their opinion, an efficient support system is in place (clear instructions, knowledgeable financial public officers)

		<p>2.1.b. Quality assessment of financial rules (with the focus on built-in mechanisms that financial rules and obligations change as the turn-over and non-commercial activities change).</p>		<p>2.1.b. Financial, including tax, rules are clear, understandable and proportionate to CSOs' turn-over (at least 3 different formats)</p>	<p>Macedonia (72%). The simplicity of implementation of these rules is assessed as low (59%). 2.1.b. In Macedonia there are three different forms of financial reporting in accordance with the CSOs' size, i.e. smaller CSOs with less than 2500 EUR are not obliged to submit end-of-year financial report, other CSOs are obliged to submit end-of-year financial report and public benefit organisations need to submit special forms (however at the moment there are no such organisations thus this is not</p>	<p>2.1.b. To have three formats for reporting. Law on accounting for non-profit organisations, tax laws To take into account: organisations' size, the essence of civil society; and the proportionality of penalties.</p>
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					being implemented).	
	2.2. Donations are stimulated with adequate legislation and regulations	2.2.a. Quality and applicability/practice of the legal framework for individual and corporate giving	2.2.a. BCSDN	<p>2.2.a Legislation provides for stimulating tax incentives for corporate and individual giving:</p> <ul style="list-style-type: none"> - tax relief in the amount of 5 % of taxable income for corporations, - tax relief in the amount of 10 % of taxable income for individual persons <p>OR 2 % tax allocation for public benefit purposes (for the countries with % law system)</p> <p>There is no unified EU tax system, thus, there is a need for more general benchmark (see comments).</p>	<p>2.2.a. In line with the Law on donations and sponsorship, 5% of donations, 4% sponsorship. Pursuant to the Law, not more than 20% of the annual personal income tax, but maximum 24.000MKD. (* not very much compatible with the proposed... Actual percentages are more or less OK, but the administrative burden and limitation are problem).</p>	2.2.a. Same % (alternatively double) or new national targets if the benchmark is changed.

	2.3. Financial (e.g. tax or in-kind) benefits are available	2.3.a. Quality of the system of tax benefits for the CSOs' operational and economic activities	2.3.a. BCSDN	2.3.a. Income from CSOs mission-related economic activity ² , is tax free.	2.3.a. This is achieved in Macedonia. However it needs to be clarified whether the situations will remain as such due to the new law on profit tax.	2.3.a. If a limit is set, it needs to be linked with the % of income.
	2.4. Government support to CSOs is available and provided in a transparent, accountable, fair and non-discriminatory manner	2.4.a. Ratio of amount sought vs. amount approved/disbursed annually through state funding to CSOs. (this proves availability of funds)	2.4.a. and 2.4.b. BCSDN	2.4.a. State provides funding for the implementation of 80 % of public policies, identified in policy documents, for which CSOs are identified as key actors for implementation	2.4.a. In line with the EU example, the State finances policies where CSOs are key stakeholders. Such examples in Macedonia are: Decision on financial support to associations and foundations from the state budget, from lotteries, pursuant to Law on social protection etc.	2.4.a. It should be: - % of the budget for CSOs - % of the total budget for identified policies (CSO part) - indirectly – via number of projects in Government programmes where CSOs are involved or CSOs implement the projects
		2.4.b. Quality of state funding frameworks for civil		2.4.b. Legal framework for public funding includes:	2.4.b. We can include all elements of the	2.4.b. Legal framework for public funding

² Mission-related economic activity is economic activity, implemented by CSO, which is directly connected to CSO's mission and the income from it is solely used for the realization of such mission.

		society organisations (focusing on procedural document)		public funding on the basis of policy papers, inclusion of beneficiaries in programming of the tenders, clear criteria published in advance, deadlines for decision, merit decision with arguments, evaluation of achieved outputs and outcomes on the project and program level, possibility of prepayments and multi-annual contracts.	procedure. Such elements have been foreseen by the Codex, which is a non-binding document, rarely obeyed by the State administration, except for the Unit for cooperation with NGOs and to some extent Ministry of Labour and Social Policy, Youth and Sports Agency have good practices.	includes: inclusion of beneficiaries in programming of the tenders, clear criteria published in advance, deadlines for decision, merit decision with arguments Neutralised political influence Monitoring of results.	
Changing relations CSOs and government							
3	Civil society and public institutions work in partnership through	3.1. Public institutions recognise the importance of CSOs in improving good governance through CSOs' inclusion in decision making processes	3.1.a. Percentage of laws/bylaws, strategies and policy reforms effectively* consulted with CSOs * in terms of:	3.1.a. and 3.1.b BCSDN	3.1.a. 80 % of laws/ bylaws, strategies and policy reforms effectively consulted with CSOs	3.1.a. There is no single % for this target. It should be additionally discussed what	3.1.a. 80% of laws/ bylaws, strategies and policy reforms effectively ³ consulted with CSOs

³ For the purpose of Guidelines and monitoring effective consultations are those when minimum standards of consultations, as follows, are respected:

1. there is a legal obligation to publish draft laws on the Internet and drafts are regularly published,
2. sufficient time to comment: minimum 15 **working** days,
3. if there is a working group or other advisory body established for the preparation of specific draft, the working group members represent various stakeholders and criteria for appointment of the representatives are transparent, open, inclusive and known in advance,
4. there is an obligation to publish a feedback report with a summary of consultation process, list of involved stakeholders, summary of received comments/proposals, their impact on the draft law and justification of rejected comments/proposals.

<p>dialogue and cooperation, based on willingness, trust and mutual acknowledgment around common interests</p>		<ul style="list-style-type: none"> - adequate access to information - sufficient time to comment - selection and representativeness / diversity of working groups - acknowledgement of input - degree to which input is taken into account - feedback / publication of consultation results <p>3.1.b Quality* of structures and mechanisms in place</p>		<p>3.1.b. Mechanisms for dialogue are clear, open, accessible and</p>	<p>does “effectively” mean.</p> <p>3.1.b. The Council has not been established yet. The Unit for</p>	<p>3.1.b. There is a designated body⁴, institution or contact point for</p>
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⁴ For the purpose of Guidelines and monitoring the existence of a designated body for cooperation can be acknowledged if:

1. there is an equal representativeness of Governmental/public and CSO sector,
2. criteria for appointment of CSO representatives are transparent, open, inclusive and known in advance,
3. among CSO representatives, different types of CSOs are represented (according to the type, scope, missions of the CSO sector in the respective country)
4. The work of the body is open and transparent: there is a designated web-page, on which all documents and minutes of meetings are published, CSOs and other interested can send different proposals for discussion at the body’s session and they receive feedback after the respective session,
5. The body meets regularly (at least 3 times per year) and discusses current issues.

In the case of ministerial contact point established, above criteria do not apply. The contact point may be acknowledged if:

1. the contact point is published on the ministerial web-page,
2. CSOs can access the contact point through various communication mechanisms (email, phone, etc.),
3. the contact point is actively engaged in solving proposals and issues raised by CSOs (there is a reaction and further action upon CSOs’ proposals/issues raised),
4. the contact point provides feedback on the proposals and issues raised by CSOs.

		<p>for dialogue and cooperation between CSOs and public institutions * in terms of:</p> <ul style="list-style-type: none"> - CSO representation in general - representation of smaller/weaker CSOs - its visibility and availability - government perception of quality of structures and mechanisms - CSOs perception of structures and mechanisms 		efficient (issues are resolved in timely manner) on governmental and ministerial level	cooperation with NGOs coordinates the ministries and the other institutions and the network of civil servants (published on the Unit's web-site)	dialogue (Unit for cooperation with NGOs with network of civil servants responsible for cooperation with CSOs and the still not established Council) on governmental and at least __ % of ministries has such a body with continuous and constructive cooperation
CSOs Capacities						
4. Capable, transparent and accountable CSOs	4.1. CSOs' internal governance structures are transparent and accountable to members/constituents/beneficiaries	4.1.a. Percentage of CSOs publishing their governance structure and internal documents (statutes, codes of conduct etc.)	4.1.a. independent survey run by TACSO	4.1.a. 80 % of CSOs regularly publish and updates their governance structure and internal documents (statutes, codes of conduct etc.) % of CSOs that publish their status on their web-site % of CSOs that publish on their web-site their	4.1.a. 43% of CSOs publish their status on their web-site (source: IPSOS)	4.1.a. - 55% of CSOs that have web-site publish their status - 25% of CSOs with web-site publish organisational structure and list of members in their organisational bodies

				organisational structure and list of members of the organisational bodies		
4.2. CSOs are able to communicate the results of their activities to the public	4.2.a. External perception of importance and impact of CSOs activities.	4.2.a. independent survey run by TACSO	4.2.a. 70 % of respondents can list at least 10 positive CSO achievements It is more adequate to monitor public trust in CSOs and the perception about CSOs' efforts to address problems	4.2.a. 47% of citizens trust in CSOs 46% of citizens believe that CSOs make efforts in addressing problems (source: IPSOS)	4.2.a. - 51% (alternatively 55%) of citizens trust in CSOs - 51% (55%) of citizens believe that CSOs make efforts in addressing problems	
4.3. CSOs are transparent about their programme activities and financial management	4.3.a. Percentage of CSOs making their (audited) financial accounts and annual reports publicly available	4.3.a independent survey run by TACSO	4.3.a. 80 % of CSOs make their (audited) financial accounts and annual reports publicly available To be divided into 3 parts: - % of CSOs that publish narrative annual reports on their web-site - % of CSOs that publish financial reports on their web-site - % of CSOs that published audited financial reports on	4.3.a. – 39% of CSOs publish their narrative annual reports on their web-site - 29% of CSOs publish their financial reports on their web-site - 18% of CSOs publish audited financial reports on their web-site (Source: IPSOS)	4.3.a. - 51% of CSOs that have web-sites publish narrative annual reports - 40% of CSOs with web-sites publish their financial reports - 30% of CSOs with web-site that do financial auditing publish the audited financial reports	

				their web-site		
	4.4. CSOs monitor and evaluate the results and impact of their work	4.4.a. Share of CSOs that monitor and evaluate their projects and programmes using baselines and quality indicators	4.4.a. independent survey run by TACSO	4.4.a. 80 % of public benefit CSOs (public benefit status/implementing activities in public benefit) ⁵ monitor and evaluate their projects and programmes using baselines and quality indicators It should not refer to public benefit organisations but to all CSOs. It should be divided into two parts: - Monitoring and evaluation of programmes/ organisational strategies - Monitoring and evaluation of projects with baselines and	4.4.a. There are data in the IPSOS survey, however, according to the consulted group they deviate a lot from the reality therefore they cannot be considered as relevant (73% of CSOs do evaluation, and 80% have monitoring and evaluation systems)	4.4.a. - 30% of CSOs do programme/strategy evaluation and monitoring - 40% of CSOs do project evaluation with baselines and quality indicators

⁵ For the purpose of Guidelines and monitoring we used broader definition of public benefit organizations: not only those with officially recognized status (by the law or administrative decision), but also those that perceive themselves as active in public interest (they are active in one of the public interest fields, their services are not membership based), but cannot from different reasons gain the public benefit status (e.g. there is no legal basis for their legal type of CSO to gain such status).

				quality indicators.		
5. Effective CSOs	5.1. CSO activities are guided by strategic long-term organisational planning	5.1.a. Share of CSOs which have developed strategic plans including human resources development activities in order to attract and retain talent	5.1.a. independent survey run by TACSO	5.1.a. 80 % of professional CSOs (with at least 1 employee) develop strategic plans, including human resources development activities, in order to attract and retain talent It is not adequate It should be changed so as to refer to all CSOs (not only to those that have one employee) In addition, to be divided into two parts: - % of CSOs that have strategic plan - % of CSOs that have HR development plan	5.1.a. - 64% of CSOs stated that they have strategic plan - 28% of CSOs stated that they have HR development plan	5.1.a. - 70% of CSOs have strategic plan - 35% of CSOs have plan for HR development
	5.2. CSOs use research and other forms of evidence to underpin their activities	5.2.a. Number of CSOs' who use adequate argumentation and analysis for achieving advocacy	5.2.a. independent survey run by TACSO	5.2.a. 80 % of advocacy CSOs use adequate argumentation and analysis for achieving advocacy goals	5.2.a. 58% of advocacy CSOs use adequate argumentation and analysis for achieving	5.2.a. - 70% of advocacy CSOs use adequate argumentation and analysis for achieving advocacy

		goals			advocacy goals	goals.
	5.3. CSOs regularly network within and outside country borders and make use of coalition-building for increased impact in campaigning and advocacy	5.3.a. Share of CSOs taking part in local, national, regional and international networks	5.3.a. independent survey run by TACSO	5.3.a. 80 % of CSOs are taking part in at least 1 local, national, regional or international network	5.3.a. – 67% of CSOs are members of national networks - 50% of CSOs are members of international networks - 48% of CSOs are members of local networks (Source: IPSOS) To calculate aggregate data for membership in networks regardless of the type of network in line with the benchmark	5.3.a. - 70% of CSOs are members of at least one network (on local, national or international level)
6. Financially sustainable CSOs	6.1. Fund-raising activities are rooted in CSOs' long-term strategic plans and the core mission of the organisation	6.1.a. Percentage of CSOs that confirm that they are able to raise funds according to their strategic plans	6.1.a. independent survey run by TACSO	6.1.a. 80 % of CSOs are able to fundraise at least 70 % of their strategic plan	6.1.a. No data available.	6.1.a. - 30% of CSOs are able to fundraise at least 70% of their strategic plan
	6.2. CSOs have a diversified funding base, including membership fees, corporate/individual giving and social entrepreneurship	6.2.a. Diversity in CSO sources of income	6.2.a. independent survey run by TACSO	6.2.a. Sources of Income of 80 % of CSOs are derived from: one third public funding, one third economic	6.2.a. No data available.	6.2.a. - 80% of CSOs have at least 2 different sources of funding (out of the listed in the benchmark)

				<p>activities and one third donations, including membership fees.</p> <p>This benchmark should be changed, with respect to the three different sources of income for CSOs (not percentage of use of each source):</p> <ol style="list-style-type: none"> 1. public funding 2. economic activities 3. donations, membership fees 		<p>- 60% of CSOs have 3 different sources of funding (all the stated sources in the benchmark)</p>
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Comments:

General:

- Do we need to take as benchmarks the average EU values or it would be more adequate to use the best EU practices?
- It is unusual that most of the quantitative indicators for the benchmarks are defined at 80% (under the Capacity building part this is the case for all indicators except for one). Is this the desired ideal situation that is proposed by an expert? If that is EU average based on analysis, references are needed for the data sources (which countries are analyzed, which research etc.)
- Proposal: to lobby to the Unit for cooperation with NGOs for the State Statistical Office to change the form for collecting statistical data, sent together with the end-of-year financial report, in order for the form to provide the date needed for the national targets.

Specific comments:

- 2.2.: Tax benefits for donations in EU countries (and on the Balkan) are different due to the differences in their tax systems and there is no unified good practice. Therefore, the question is whether it is adequate to set precise benchmark in terms of the percentage, and also with respect to whether certain tax credit or debit to donations is provided (whether the actual tax debt or the income before tax is decreased). For instance, in Macedonia, for the companies the income before tax is decreased (same as in the benchmark), however, for the physical entities the actual tax debt (personal income tax) is decreased which is entirely different from what is proposed in the benchmark. Therefore, it is proposed for more general benchmarks to be introduced such as:
 - There are tax incentives for legal and physical entities that donate and they are stimulating for the local context.
 - The benefits should be used by wider range of CSOs (not only for small number of selected CSOs)

- In view of the Balkan economy, we could recommend that it would be good for the tax incentives for companies to be limited based on their turnover, and not the profit (income before tax) because in our country the number of companies that record profit is very small.
- Tax benefits are easily used without administrative burdens for providers and without legal uncertainties (this is the biggest problem with our law). This aspect is nowhere mentioned in the benchmarks.