

Macedonian

Synthesis of the baseline brief

Component 1: Conducive environment

Objective 1: An enabling legal and policy environment for the exercise of the rights of freedom, expression, assembly and association

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

	The Law on Associations and Foundations (LAF) is a very good base for a progressive legal framework on freedom of association. The law is not fully implemented, however, because bylaws are not adopted (related to public funding) and not amended (adjusted) to tax laws.
	LAF meets international standards: 1) independency of CSOs; 2) provisions for termination and prohibition of the work of CSOs; 3) basis for protection from interference; with isolated cases of indirect state interference, minimal cases of invasive oversight in practice, few cases of unjustified and disproportionate sanctioning of CSOs.
	Indirect laws (the Law on Prevention of Money Laundering and Other Proceeds of Crime and Financing of Terrorism and the Law on Lustration) contain rules that are not proportional to the size, type or scope of activities of CSOs and create additional pressure.
	CSOs are free to engage in economic activities and there are no restrictions in practice and relatively it is not burdensome.
	CSOs are free to receive funding from individuals, corporations and other sources. Receipt of funding from individuals, corporations and other sources is easy, effective and without any unnecessary cost or administrative burden.
	The legal framework for freedom of assembly is in line with international standards, and it's increasingly practiced, as recorded in recent years. However, daily political abuses and isolated cases of restriction of peaceful protests by the police have been registered.
	CSOs enjoy the right to freedom of expression on matters they support or are critical of, and are not being punished for that. Restrictions are clearly prescribed and in line with international law and standards. Libel and insult are not crimes. In general, there are no cases of encroachment of the right to freedom of expression for all.
	The legal framework provides the possibility to communicate via and access any source of information, including the Internet and ICT. Unjustified monitoring of communication channels or collecting user information by the authorities (in case of one exception) is prohibited.

Result: 1.2. The policies and legal environment stimulate and facilitate volunteering and employment in CSOs

	Regular statistics on the number of employees in the non-profit sector can be obtained from the Central Registry of the Republic of Macedonia, but they are not free of charge. Number of employees in the civil sector in Macedonia is limited 88.5% percent of CSOs operate on a voluntary basis. Majority of CSOs (41%) stated that they do not have employees
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	Only a very limited number of organisations, including the larger, well-established, fully professional CSOs, employ staff in full accordance with the Labour Relations Law, covering full social insurance and health benefits
	Only ten percent of the citizens volunteer in CSOs. Majority of CSOs neither conclude any volunteering contract with volunteers, nor any other contract with volunteers.
	Employment law and policies equality treat CSOs as other employers and have no special advantages. State incentive programmes for employment do not treat CSOs like all other sectors, and do not perceive civil society sector to be source of potential employment.
	Legislation includes the best regulatory practices and, at the same time, it enables spontaneous volunteering practices. There is a national strategy including the action plan, and National Council for development of Volunteerism for promotion and development of volunteering. Incentives and programmes are transparent and easily available to CSOs. The policies, strategic documents and the laws are implemented, monitored and evaluated periodically in a participatory manner. CSOs believe that the administrative procedures for engaging volunteers are complicated and they complain of slow responses from state institutions.

Result 1.3. National and/or local authorities have enabling policies and rules for grassroots organisations and/or civic initiatives.

	Legal framework enables grassroots organisation and civic initiatives.
	Registration of organisation is not mandatory. Registration rules are clearly prescribed and allow for easy, timely and inexpensive registration and the appeal process. Every individual or legal entity, in practice, can form associations, foundations or other non-profit, non-governmental organisations offline or online.
	The law recognises and does not restrict spontaneous, simultaneous and counter-assemblies. The exercise of the right is not subject to prior authorisation by the authorities, and the notification procedure is not complex. The legal framework provides the possibility to communicate via and access any source of information, including the Internet and ICT. Legal restrictions are based on international human rights law. There are no cases of police harassment of members of social networking groups.

Objective: 2. An enabling financial environment, which supports sustainability of CSOs.

Result: 2.1. Easy-to-meet financial rules for CSOs, which are proportionate to their turn-over and non-commercial activities

	72% of CSOs assessed that prescribed financial rule, obligations of bookkeeping and accounting, referring to their organisations are clear and understandable
	For 59% of CSOs is simple to implement prescribed financial rule, obligations of bookkeeping and accounting
	Indirect laws (the Law on Prevention of Money Laundering and Other Proceeds of Crime and Financing of Terrorism and the Law on Lustration) contain rules, which are not proportional to the size of the CSO, the type/scope of the activities, and are opposite of the essence of the civil society sector. There are few cases of invasive oversight in practice.
	LAF allows CSOs to engage in economic activities and to receive foreign funding. LAF and LDSPA allow CSOs to receive funding from individuals, corporations and other sources. Legislation on CSOs engaging in economic activities is implemented and is not burdensome, but there are cases that require fiscalization. The new tax system is sufficiently liberal for CSOs without limitations or tax

	burdens on income from economic activities. The revenue and income from passive investments at CSOs is non-taxable.
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Result: 2.2. Donations are stimulated with adequate legislation and regulations

	The law provides tax deductions for individual and corporate donations to CSOs, but is almost non-functional, especially for individual giving.
	The Law foresees tax benefits for those receiving funding for a project of public interest. The tax deduction procedure comes after the procedure for approval of public interest for a concrete project, which is unnecessarily complex.
	Small and medium sized enterprises and citizens do not even use the law since the procedure is too complicated and receipt of tax exemptions is not certain. Law Amending the Law on Donations and Sponsorship in public activities was adopted in February 2014, precisising the provisions related to tax encouragements and expanding the ability to seek verification of public interest for donations for which signing of contract is not obligatory if the recipient is association of foundation that has obtained the status of public benefit organization under the Law on Associations and Foundations, or when the recipient of donation is association of foundation which according to the initial act is established for specific financial support related to public interest as defined by law.

Result: 2.3. Financial (e.g. tax or in-kind) benefits are available

	CSOs do not receive significant tax benefits. They are equal to the profit entities concerning tax laws.
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Result 2.4.: Government support to CSOs is available. It is provided in a transparent, accountable, fair and non-discriminatory manner

	The Government allocates funding for CSOs each year through the budget line 463, between EUR 3.8 and EUR 6.2 million are allocated to CSOs annually, but the amount of this funding actually going to the CSOs is very small (4.4% for 2013).
	Majority of municipalities have budget lines for CSOs in the amount of one percent of the municipal budget, which is regarded as very important for the sustainability of small grassroots CSOs.
	Potentials of the games of chance and entertainment games as a source of revenue for CSOs is not sufficiently utilised.
	Although the Government allocates funds for CSOs continuously, the public funding still does not represent a significant resource vis-à-vis other resources for the sustainability of CSOs in a situation of reduced donor support.
	Following the procedure for distribution of public funds is not legally binding. There is a Code for Good Practices for Funding, which provides transparent procedure, with clear and equitable criteria, for allocation of state budget funds to CSOs, and accountability of CSOs in spending the grants. The General Secretariat of the Government and the Secretariat for implementation of the Ohrid framework agreement publish open calls and conduct the procedure in compliance with the Code, other state administrative bodies (Ministry of Culture, Ministry of labour and social policy ...) publish open calls, but conduct procedure adapted to their specific activities. Ministry of labour and social policy has internal act – Bylaw for the manner and the procedure for allocation of funds to associations for performing certain activities in the field of social protection. The decision on distribution of funds to CSOs is publicly available in the Official Gazette and on the web sites of the institutions. However, despite of the good practices in some institutions, there are many that rarely allocate support to CSOs in a transparent manner in line with the Code. Very often funds are allocated to arbitrarily pre-selected beneficiary organisations. Applications are not too burdensome.

	The code provides measures for accountability, monitoring and evaluation. Very rarely monitoring of the allocated funds is carried out, and very rarely is monitoring based on predetermined and objective indicators. There are no prescribed sanctions for CSOs that misuse funds.
	State institutions are allowed to allocate non-financial support and no limitations exist. Usually, non-financial support is awarded upon CSOs' request and self-initiative. There are isolated cases of discrimination or attempts to revoke non-financial support because of being critical.
	A functioning system for social service provision exists, but needs to develop in other fields as well.
	Foundations are excluded from this possibility, and only associations have the right to be licensed as organisations that work in the field of social protection.
	Existing legislation does not add additional burdensome requirements on CSOs that do not exist for other service providers. Pre-registration and licensing is not complex. There are no legal barriers to CSOs receiving public funding for the provision of different services. CSOs can sign long-term contracts for provision of services.
	The budget provides funding for various types of short-term services (up to six months), but it should be extended in order to enable continuity in provision of such services. Funds are insufficient for covering operational and indirect costs, they are sufficient only for direct costs. Payments are often delayed.
	Clear and transparent procedure through which the funding for services is distributed exists, including clear guidelines for transparency and avoid conflicts of interests. There is a right to appeal.
	Not many CSOs are contracted for service provision. Competitions are considered fair and conflicts of interest are avoided (the information refers to the field of social protection). State officials have the capacity to organise the procedures.
	There is legal possibility for monitoring both the spending and the quality of service providers. There are clear quality standards and monitoring procedures. CSOs are not subject to excessive control. Monitoring is performed on a regular basis, and mostly based on pre-announced procedures and criteria. Possible existing evaluations are not publicly available.

Changing relations; CSOs and government

Objective 3: Civil society and public institutions work in partnership through dialogue and cooperation based on willingness, trust and mutual acknowledgment around common interests

Result: 3.1. Public institutions recognise the importance of CSOs in improving good governance through CSOs' inclusion in decision-making processes

	Solidly placed institutional framework and policy for civil dialogue are not fully functional and not consistently implemented.
	Currently the second Strategy for Cooperation of the Government with the Civil Sector for the period 2012-2017 is being implemented. The implementation of the new strategy has had slight progress. The implementation of the strategic document is monitored, evaluated and revised periodically. State policies are based on reliable data.
	Existing legislation obliges public institutions to make all draft and adopted laws and policies public, and exceptions are clearly defined. Clear mechanisms and procedures for access to public information and documents exist. There are clearly prescribed sanctions for civil servants and units for breaching the legal requirements of access to public information. A large number of government bodies lack respect for the time frame in which requests must be responded and explanations of the reasons for refusals of the requests are often not clear.

	Provisions exist in certain laws and bylaws on the need to include CSOs in existing or temporary bodies, but without clear guidelines on how to ensure appropriate representation from civil society. CSO representatives in these bodies can freely present and defend their positions without being sanctioned.
	The Government Unit for Cooperation with CSOs was established in 2004 with a limited mandate to facilitate cooperation with CSOs as part of the General Secretariat of the Government. There are legally binding provisions on involving CSOs, which concern all institutions as well as the decisions taken by the unit.
	The Office for Cooperation with NGOs lacks institutional independence and does not operate as a separate government authority.
	The Unit for Cooperation between the Government and NGOs has no allocated funds for programme activities and implementation of the Strategy for cooperation with NGOs.
	There are clearly defined standards on the involvement of CSOs in decision-making processes, but the process is not fully in line with best regulatory practices, prescribing minimum requirements. Fewer CSOs are consulted in the early stage in the preparation of policies and legal initiatives. There is a lack of genuine consultations and of awareness raising campaigns. There are good practices in providing CSOs with adequate information on the content of the draft documents and details. Still, it is necessary to improve the length of time for giving opinion and comments. Written feedback on the results of consultations is rarely publicly available. Most of the state institutions have units or officers coordinating and monitoring public consultations that are functional with sufficient capacity. There is not a standardised form for receiving feedback from the ministry.

CSOs Capacities

Objective 4.: Capable, transparent and accountable CSOs

Result 4.1.: CSOs' internal governance structures are transparent and accountable to members/constituents/beneficiaries

	43% of CSOs stated that decision making in their organisation is in compliance with prescribed rules and laws of the organisation, 14% stated that decisions are made by some individual or top management, 43% that decisions are made with prescribed rules including consultations with the employees and volunteers
	88% of CSOs stated that they have prescribed obligations to inform the members, or Managerial or Supervisory Board, customers or general public about the results of your work
	97% CSOs inform members of their organisation about the results of their work, 92% inform founders of their organisation, 93% inform management board, 79% inform beneficiaries of their organisation, 82% inform general public, 28% general assembly, and 83% inform supervisory board

Result 4.2.: CSOs are able to communicate the results of their activities to the public

	47.4% of surveyed trust to NGOs in their country, general population trust the most to the police 61.3% of surveyed, and the least to unions 29.1% of surveyed
	50.6% of general population do not trust to NGOs, 64.6% of surveyed do not trust to political parties, and 57.9% of surveyed do not trust to judiciary
	45.9% of the general population believes that NGOs support dealing with problems in their country, President of the state presidency supports the most in dealing with problems 63%, and unions support the least 33.6%

	56% of CSOs believe that the reason for lack of public presence of CSOs is insufficient interest of the media in reporting on CSOs activities, while 40% of CSOs believe it is due insufficient (or inadequate) CSO activities
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Result 4.3.: CSOs are transparent about their programme activities and financial management

	43% CSOs stated that they publish their statute on their web page, 36% stated that the statute is not accessible to the public
	16% of CSOs stated that they have a rulebook and it is available on their web page, 46% stated that have a rulebook, but it is not accessible to the public, and 30% stated that they do not have a rulebook
	70% organisation publish Annual Program Statement of Work
	29% of CSOs stated that they have financial reports accessible to public and published on the web page, while 46% stated they do not have financial reports available to the public
	18% of CSOs stated that they have audited financial reports accessible to the public by publishing it on their web page, 70% of CSOs stated that they do not have audited financial reports available to the public

Result 4.4.: CSOs monitor and evaluate the results and impact of their work

	26% of CSOs evaluate their projects pro forma, while 73% evaluate projects with the purpose of establishing efficiency and drawing a lesson for further projects
	42% of CSOs use external evaluation for realisation of their projects
	16% use external evaluator for assessment of implementation of their organisational strategy
	80% of CSOs have established system for assessment of efficiency for realisation of conducted projects
	63% of CSOs have established system for assessment for implementation of organisation's strategic plan

Objective 5.: Effective CSOs

Result 5.1.: CSO activities are guided by strategic long-term organisational planning

	64% of CSOs have developed strategic plan, 11% do not have a strategic plan.
	92% use internal evaluation when employing staff in their organisation
	52% of CSOs neither have established system for assessment of efficiency of employees in their organisation, nor system internal assessment of strategic plan dealing with these issues.
	28% of CSOs stated that they have a human resources development plan aimed at attracting and keeping talented associates, while 27% stated that they are developing such plan
	73% of CSO stated that they manage to keep talented associates, and 79% believe that they manage to attract quality new people

Result 5.2.: CSOs use research and other forms of evidence to underpin their activities

	58% of CSOs active in public advocacy uses research for their advocacy actions, while 42% of them rarely use research
	82% of CSOs believe that they have enough information at their disposal

	40% of CSOs use official data of national statistical offices, ministries, 26% conduct their own studies, 16% use sources form international institutions such as the World Bank, UNESCO, EBRD, 7% use academic studies
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Result 5.3.: CSOs regularly network within and outside country borders and make use of coalition-building for increased impact in campaigning and advocacy

	31% of CSOs indicated that they do not belong to any international network, 24% stated that belong to one international network, 19% stated that they belong to 2 international networks, 26% belong to more than 3 international networks
	24% of CSOs indicated that they do not belong to any national network, 34% stated that belong to one national network, 13% stated that they belong to 2 national networks, 29% belong to more than 3 national networks
	54% of CSOs indicated that they do not belong to any local network, 24% stated that belong to one local network, 7% stated that they belong to 2 local networks, 14% belong to more than 3 local networks
	36% of CSOs do not find CSO networks efficient, while 64% find them efficient
	43% of CSO stated that their contributed in terms of the exchange of experience/knowledge from being member of a network, 40% gained in terms of greater visibility, 26% gained in having joined projects/activities/cooperation

Objective 6.:Financially sustainable CSOs

Result 6.1.: Fund-raising activities are rooted in CSOs' long-term strategic plans and the core mission of the organisation

	67% of CSOs believe that CSOs in Macedonia mainly adopt to donors' priorities and collect funds also for other activities not in line with their organisational strategic plan,
	78% of CSOs stated that they mainly stick to their strategic plans and collects fund for activities in line with its strategic plan

Result 6.2.: CSO have a diversified funding base, including membership fees, corporate/individual giving and social entrepreneurship

	17% of CSOs stated that they did not have any donors in the past year, 15% had one donor, 30% had between 2-3 donors, 17% had 4-5 donors, and 16% over 6 donors
	46% of CSOs had income from membership fees, 26% had from citizens, 28% form local self-government and/or regional administration, 42% from other foreign private or state resources, 36% form the EU funds, 19% form governments/ministries/state administration bodies, 29% from private companies operating in the country, 8% from public companies