

# Macedonian

## Synthesis of the monitoring year 1 brief

### Component 1: Conducive environment

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**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**

	<p>According to the Law on Associations and Foundations (LAF, 2010) any person can establish associations, foundations and other types of non-profit, non-governmental entities (e.g., non-profit company) for any purpose (legally allowed). Both individual and legal persons exercise the right to associate without discrimination. For minors and persons with disabilities it is required support from their guardians. Every individual or legal entity in practice can form associations, foundations or other non-profit, non-governmental organizations offline or online. In the last three years there are only two cases of registration rejection.</p>
	<p>Registration is not mandatory. Registration rules are clearly prescribed and allow for easy, timely and inexpensive registration and appeal process. Individuals and legal entities are not sanctioned for not-registering their organizations, informal association is practiced. Still the legal system dominantly supports formal organizations. Registration is truly accessible within the legally prescribed deadlines; isolated cases are being recorded on different interpretation of the LAF by different state officials working at the registration organ (especially concerning the name of the organization).</p> <ul style="list-style-type: none"> <li>-84% organizations described the registration process of associations and foundations in most cases as fast, easy, and simple</li> <li>-43% of the surveyed organizations answered that they spent between 5 and 10 days for registration procedure, and each fifth organization answered less than 5 days.</li> <li>-For 28% of surveyed organizations the registration procedure lasted more than 10 days.</li> </ul>
	<p>Networking is allowed, without prior notification in the country and abroad. Individuals and CSOs can form and participate in networks and coalitions, within and outside their home countries</p>
	<p>Article 10 of LAF defines independence, emphasizing that CSOs are independent in managing, determining and realizing the goals and activities determined in their statutes. The CSOs activities are obligation to the CSOs themselves according to LAF, and also there are precise provisions for termination and prohibition of the work of the CSOs, what defines the basis for protection from interference. Sanctions provided by LAF are appropriately formulated, focusing on personal versus collective (organizational) responsibility. Limitations to prohibition and termination of work determined in LAF meet the international standards. There are isolated cases of state interference in internal matters of CSOs (direct membership in the Management Board, imposing conditions for cooperation with public institutions, etc.) There are cases of imposing pressure in 22% of CSOs (e.g. allegations and attacks in the media on grounds of working against state interests, obstruction of the right to submit civic initiative, etc.). Visit/inspection by a state administration body in 30% of CSOs, which all of them, except one, could initiate procedure</p>
	<p>Potential threat poses the Program on protection from corruption and conflict of interests (2011-2015) suggested amendments to relevant laws requiring from the members of the bodies of CSOs to report their property and assets and to declare conflict of interest.</p>
	<p>The legal framework provides the right for freedom of assembly for all without any discrimination and it is based on international standards. Foreigners have the obligation to announce their assembly</p>

	and receive permission by Ministry of Interior The exercise of the right to assembly is not subject to prior authorization by the authorities, and the notification procedure is not complex. Peaceful assembly has been practiced more often and it was enabled in most of the cases (e.g. student protests), and small number of CSOs use it as a method of work, still they support the initiatives in different ways. Freedom of assembly is practiced without prior authorization.
	The law recognize and does not restrict spontaneous gatherings
	Cases of violation of freedom of assembly are registered (e.g. restricting the right to assemble at the desired place of the assemblies in Skopje, of association of bankrupted workers – UNIT Kumanovo by using excessive police force, and restricting their protest in town Kriva Palanka). Two cases of restricting the freedom of assembly without explanation, and one case of untimely reporting were recorded.
	In most of the cases, the police officers successfully and professionally enabled peaceful assemblies, except protests of UNIT-Kumanovo, demonstrations in Gjorce Petrov, the Protest against Poverty when the police has legitimized the crowd, there
	The access of media in peaceful assemblies is enabled; still there are cases with seizure of equipment and reassurance of the recorded materials in the case of the protests in Gjorce Petrov municipality, and when participation of media representatives was restricted at UNIT protests.
	The legal framework provides freedom of expression for all. CSOs enjoy the right to freedom of expression on matters they support or are critical of, and are not being punished for that, yet the freedom of expression in general is jeopardized under political influence on the media that reflects CSOs visibility. In general, there are no cases of encroachment of the right to freedom of expression for all. Mostly the litigations are private, where the defendants are mostly journalists or the media.
	Restrictions are clearly prescribed and in line with international law and standards. Libel and insult are not crimes; the same are regulated with separate law (Law on Civil Liability for Insult and Defamation). There are isolated cases of persecution for critical speech of representatives of CSOs, still the critical ones frequently face difficulties, or are subject to verbal attacks and different labels, informative talks, initiating court procedures on defamation and slander. There is no sanction for critical speech.
	The legal framework (Law on Free Access to Public Information, Law on Electronic Communications and Law on Interception of Communications) 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. The Internet is widely accessible and affordable, but there is a low level of usage of social media.
	The legal framework prohibits unjustified monitoring of communication channels, or collecting users' information by the authorities. In general there is no publicly available information or examples of cases of unjustified monitoring by the authorities of communication channels, including the Internet or ICT, or of collecting users' information. Still there is a case of deleting FB groups, related to Stop Policy Brutality protests.
	There are no cases of police harassment of members of social network groups.

**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. The number of employees in the civil sector in Macedonia is limited. 88.5% percent of CSOs operate on a voluntary basis.
	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 equally treat CSOs as other employers and have no special advantages.

	There are documents (law, operational plan, etc.) which clearly exclude or they are hindering the work of CSOs (excluding CSOs of the possibility to obtain compensation for hiring an unemployed person under 29 years for internship position according to the operational plan for employment of MLSP, than difficulties imposed by the Law on Free Legal Aid, than the amendments in the Law on fringe benefits in the area of mandatory social insurance). Most organizations (64%) considered the existing employment policies in civil society as not stimulating at all, 13% thought they were partially stimulating and 7% assessed them as stimulating. Not a single organization considered them to be very stimulating and 16% of respondents did not know how to assess them.
	Legislation includes the best regulatory practices and, at the same time, it enables spontaneous volunteering practices, there are efforts for stimulating volunteering. There is a national strategy for the promotion and development of volunteering. There are clearly defined contractual relationships and protections organized volunteering. Difficulties in administrative procedures for organizers of volunteering activities or volunteers are minimal (procedures for foreign volunteer, unclear guidelines and lack of information on the insurance procedure, volunteering cards). Volunteering can take place in any form; there are no cases of complaints of restrictions on volunteering.
	The 'Action Plan with specific measures for implementation of the strategy'. National Council for development of volunteering, competent for: promotion and development of volunteering as socially useful activity, planning of more specific measures and monitoring of the development of volunteering was established at the beginning of 2011. The National Council for the Development of Volunteerism failed to meet in 2014, due to the prolonged duration of the procedure for changes of the members. This prevented the implementation of the annual regular activity for promotion and development of volunteerism National Award for Volunteerism.
	New objectives related to volunteering are set in the Strategy for cooperation of the Government with the Civil Society 2012-2017 aiming at raising awareness among youth and their more active participation in civil society and stimulating citizens' involvement in civil society and the social changes including promotion and fostering volunteering. <sup>1</sup>
	65% of the surveyed CSOs point out that the existing legal regulations are not stimulating, while 27% state that they are.

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

	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. In the last three years there are only two cases of registration rejection.
	Individuals and legal entities are not sanctioned for not-registering their organizations, informal association is practiced. Still the legal system dominantly supports formal organizations. Registration is truly accessible within the legally prescribed deadlines; isolated cases are being recorded on different interpretation of the LAF by different state officials working at the registration organ (especially concerning the name of the organization). The problems organizations face are usually related to the name of the organization, provision of additional documents, differences in the interpretation of law by civil servants, definition of activities in accordance with the National Classification of Activities and ambiguities arising from the amendments to the law <sup>2</sup> .
	The law recognises and does not restrict spontaneous gatherings. The exercise of the right to assembly is not subject to prior authorisation by the authorities, and the notification procedure is not

<sup>1</sup> Ibid 1 pg. 6

<sup>2</sup> Dimiškova S. (2011) Limitations of the Freedom of Association and Operation of CSOs. In Civic Practices. Skopje, Macedonian Center for International Cooperation.

	complex. The legal framework (Law on Free Access to Public Information, Law on Electronic Communications and Law on Interception of Communications) 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.
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**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 the surveyed CSOs evaluated the prescribed financial rules, obligation of bookkeeping and accounting as relatively clear and understandable
	59% of the surveyed CSOs evaluated the prescribed financial rules, obligation of bookkeeping and accounting as simple
	CSOs were exempted from the obligation as legal persons to undertake measures and actions to prevent money laundering in the Law on Prevention of Money Laundering, other Proceeds of Crime and Financing of Terrorism. There are cases of imposing pressure in 22% of CSOs (e.g. allegations and attacks in the media on grounds of working against state interests, obstruction of the right to submit civic initiative, etc.). Visit/ inspection by a state administration body in 30% of CSOs, which all of them, except one, could initiate procedure.
	LAF allows CSOs to engage in economic activities, but some CSOs still have difficulties (need for fiscal register, registration of CSO as VAT payer). Even though the legislation is enabling, still small number of CSOs engage in economic activities (33%)
	LAF and Law on Donations and Sponsorships in Public affairs (LDSPA) allow CSOs to receive funding from individuals, corporations and other sources.
	CSOs are free to receive funding from individuals, corporations and other sources and the receipt of this funding is easy, effective and without administrative burden. However, some CSOs face: high expenditures for obtaining data from the CRM necessary for application process, dysfunctional department for international cooperation in the Ministry of Local Government, etc. While there are no restrictions in practice for CSOs to receive foreign funding, there are however, some difficulties faced by the CSOs such as: long and complex procedure for VAT exemption, decentralized IPA management, different interpretation of PRAG, etc.
	Most CSOs do not have financial possibilities to generate income through reserve funds (endowments) (91%).

**Result: 2.2. Donations are stimulated with adequate legislation and regulations**

	The law provides tax deductions for individual and corporate donations to CSOs. Provision for tax deductions for individuals is not clear (and in practice almost not enforceable). The procedure to claim tax deductions for corporate donations (from profit tax) is functional, as well as the procedure for VAT. But the procedure of tax deductions for individual donations is completely dysfunctional. -26.7% of surveyed organizations received funding from individuals and corporations -14.7% received only from corporations -4% received donations from individuals
	The Law on Donations and Sponsorships in the Public Activities (LDSPA) (2006) 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.
	The LDSPA foresees tax incentives in: 1) personal income tax, 2) profit tax, 3) Value Added Tax and 4) Property tax. The LDSPA prescribes harmonisation of domestic with foreign donors with respect to

	eligibility for tax exemptions regarding VAT. Such approach ensures solid basis for utilizing the potential of the local resources in the areas of public interest and for stimulating philanthropic culture in the Republic of Macedonia. <sup>3</sup>
	The LDSPA implementation in practice shows that there are very few benefits for CSOs, whereas small and medium-sized enterprises and citizens almost do not even use the Law <sup>4</sup> - many enterprises decide not to use the LDSPA since the procedure is too complicated and demands huge engagement of the employees in activity that is not their primary focus and at the same time they are not absolutely sure that they will receive the exemption. In the case of some taxes, deductions are insignificant thereby militating against applying for them. <sup>5</sup>
	There are no special tax deductions for special type of categories of CSOs. In principle there are no obstructions for usage of tax deductions for any organization.

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

	Donors are VAT exempted for all grants and donations supporting CSOs activities that bring public benefit to society. There are no hidden taxes on donations. There are difficulties in exercising the right to obtain public interest when giving donations and sponsorship according to the LDSPA.
	Amendments in the rulebooks on the procedure for VAT exemption, thereby simplifying it
	There are no tax benefits for economic activities of CSOs, but there are no restrictions related to the level of incomes generated from economic activities vs. total income of the organizations. There was an initiative from CSOs to amend the Law on Personal Income Tax and Law on Profit Tax.
	Changes were introduced to the Law on Donations and Sponsorships in Public Activities (LDSPA), still they did not contribute significantly to its functionality
	The law does not provide tax benefits for passive investments of CSOs. Most CSOs do not have financial possibilities to generate income through passive investments (92%).
	There is no clear and separate legislation for endowments. Most CSOs do not have financial possibilities to generate income through reserve funds (endowments) (91%).
	The novelties introduced by the Law on Associations and Foundations cannot become a reality without the proper changes in the tax frame. In several tax laws there is no distinction between CSOs and commercial businesses, but they coincide and have equal treatment. Thus, although the Law on Associations and Foundations defines non-profitability of CSOs, the Law on profit tax does not state that CSOs are exempt from profit taxation. CSOs should not fall under the scope of the Law on profit tax as taxpayers since they use the profit solely for organisation's purposes. <sup>6</sup>

**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). The amount of this funding actually going to the CSOs is very small in comparison with the total amount of distributed funds from the budget line 463. On annual level, they amount to 243.805,00 EUR (15.000.000 MKD) awarded to average number of 50 or more CSOs, which is for example, 195.045,00 EUR (12.000,000 MKD) or 4.4%, from the budget line 463 for 2013. <sup>7</sup> However, following the allocations under the budget line aimed to NGOs, one could find that
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<sup>3</sup> Ibid 1 pg. 5

<sup>4</sup> „Law on Donations and Sponsorships for public Activities, Implementation and main challenges”, Konekt, June 2010.

<sup>5</sup> Ibid 1 pg. 5

<sup>6</sup> Ibid 1 pg. 5

<sup>7</sup> Ibid 1 pg. 9

	the funds are disbursed not only to associations and foundations, but also to trade unions, religious communities and political parties.
	The Law on Units of Local Self-Government provides for allocation of portion of the municipal budget for support of CSOs. Pursuant to this, in practice majority municipalities have budget line for CSOs. Nonetheless, in most cases the amount is not more than 1% of the municipal budget <sup>8</sup> . Although relatively small in quantity the financial support for CSOs by municipalities may be considered as very important for sustainability of small grass-root CSOs and more importantly as impetus for more close cooperation of LSG and CSOs in addressing community problems. <sup>9</sup> The funding from games of chance and entertainment games could represent significant source for CSOs
	The funding is not distributed according to the originally foreseen percentage of 50% of the total income of game of chance and entertainment. Usually, the annual amount is 120.000 EUR (75.000.000 MKD), which is between 7% - 12% of total annual income. Still this is in the frame of the threshold given in the law, apart from originally envisaged 50%, there is another administrative limitation, which is not less than 970.000 EUR (60.000.000 MKD) and not more than 1.940.000 EUR (120.000.000 MKD).
	Separate law that regulates state support does not exist. State support is regulated with bylaws (annual decisions or annual programs). Available public funding does not respond to the needs of the CSO sector (from 30.000 MKD (500 EUR) to 300.000 MKD (5000 EUR) were awarded to CSOs on central level).
	Draft decision on the conditions for the allocation and use of funds from the Budget of the Republic of Macedonia for financing the program activities of associations and foundations was prepared, and it's in process of public consultations.
	There is a Code for Good Practices for Funding of Associations and Foundations from the national budget, which contains guidelines for distribution of public funds.
	There is predictable amount in the budget item 463 on annual level. Funding is predictable, but is not always easy to identify the size of the budget for CSOs per institutions, especially because the budget item 463-transfers to CSOs include other organizational forms besides associations and foundations.
	Besides direct funding by the Government, through the General Secretariat and the Unit for Cooperation with CSOs within the Government, few more ministries and other state bodies (MEPP, MLSP, SIOFA) individually allocate funds for CSOs through public call. The procedure and criteria are not always sufficiently clear.
	There are no procedures for CSO participation in all phases of the public funding cycle and CSOs do not participate in the public funding cycle.
	The procedure for distribution of public funds is not legally binding (Only Code for Good Practices for Funding is prescribed) still it would become binding when the draft decision on the conditions for the allocation and use of funds from the Budget for financing the program activities of associations and foundations is adopted.
	Criteria for selection/ choice according to the Code are clear and available to the CSOs. The Code addresses conflict of interest, but the procedure is left to the individual regulation of the ministries. Code of Good Practices is not obligatory act for state bodies, thus government institutions rarely allocate support to CSOs in a transparent manner according to clear and equitable criteria. Very often funds are allocated to arbitrarily pre-selected beneficiary organisations and only a very few state institutions distribute funds through open calls to tender. <sup>10</sup>

<sup>8</sup> „Overview of legal frame and practices of cooperation and involvement of CSOs in decision making on local level”, Macedonian Center for International Cooperation, July 2011.

<sup>9</sup> Ibid 1 pg.10

<sup>10</sup> Ibid 1 pg. 10

	The funding procedure is described in the Code which is publicly available. However, only few state bodies follow the procedures and criteria set in the Code. And in the cases when they do follow the Code irregularities are being observed for certain issues (e.g. prescribed deadlines are not being respected).
	Hardly any of the state bodies publicly announces available information related to the procedures for funding and information of the awarded CSOs (Unit for cooperation with NGO, SIOFA, MC and MLSFP).
	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. Mostly, non-financial support is awarded upon CSOs' request and self-initiative. There are examples of CSOs that use non-financial support which usually consist of giving free space. There are isolated cases of discrimination or attempts to revoke non-financial support because of being critical.
	Existing legislation allows CSOs to provide services in various areas: social prevention, but dominantly functional is the system for provision of social protection services. CSOs have no barriers to providing services that are not defined by law ("additional" services). Existing legislation does not impose additional burdensome requirements on CSOs that do not exist for other service providers
	Competition between CSOs and other service providers exists in rare number of cases. Competitions are considered fair and conflicts of interest are avoided (the information refers to the field of social protection). The most common are cases in the field of education, social protection, legal and health services. There are clear guidelines on how to ensure transparency and avoid conflict of interests. There is a right to appeal against competition results.
	The process of re-registration/licensing is not complex in practice (MLSP)
	The budget provides funding for various types of short-term services (up to six months); however, not many CSOs are contracted for service provision. There are no legal barriers to CSOs receiving public funding for the provision of different services and flexibility in funding exists. CSOs are recipients of funding for services (mostly in the area of social protection).
	CSOs can sign long-term contracts for provision of services. Organizations emphasize that continuity is still needed in the state support, taking into consideration that the contracts are signed for short period of time (six months), and the services CSOs provide need to be available all the time. They receive enough money to cover the main expenses for the services, but not sufficient for covering operational and indirect costs, so these are provided with co-financing. Payments are often delayed.
	From the available information only in the Ministry of Labor and Social Policy (MLSP) do clear and transparent procedures exist through which the funding for services is distributed among providers.
	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**

	Currently the second Strategy for Cooperation of the Government with the Civil Sector for the period 2012-2017 is being implemented. The strategic document includes goals and measures and clear allocation/ schedule of the responsibilities (action plans with indicators), but does not include available funding. The process of developing measures in the first, as well as in the new Strategy is participatory. 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. After a year from the implementation of the second strategy, there is no significant progress regarding the key issues defined in the strategy: tax incentives, adoption of binding Act on allocation of funds for CSOs from the Budget, establishment of advisory body for cooperation with CSOs. <sup>11</sup>
	CSOs participated in developing both strategies, but less in implementing. The evaluation of the first strategy was prepared by CSOs. There are examples demonstrating improvement of the formal cooperation according to the document, still additional efforts for substantial cooperation with CSOs are needed.
	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. Public institutions actively publish draft and adopted laws and policies, web-site ENER and the Assembly contain all the necessary information.
	The explanations on the reasons for refusal of the requests are often not clear, but they are included in the response. There is a lack of respect for the time frame in which it has to be responded to the request by the large number of government bodies. Despite the numerous training for the civil servants their unresponsiveness was ground for submitting 2.711 complaints <sup>12</sup> . The form of communication between those requesting and those holding information was not respected, resulting in unclear and/or too general information. The time of waiting for receiving an answer is quite long but still within the legally prescribed time limit. -66% (830) <sup>13</sup> of information holders (public institutions) are responsive to the majority of requests for disclosing public information (98%) <sup>14</sup> 4-4% of the registered information holders did not submit reports on the situation with usage of free access to information As it was earlier stated there are no known cases of sanctioned individuals. There are cases in which the appeal was approved by the Agency or the Administrative court
	Provisions exist in certain laws and bylaws on the need to include CSOs in existing or temporary bodies (Government rulebook, Methodology for regulatory impact assessment etc.), but without

<sup>11</sup> Ibid 1 pg. 13

<sup>12</sup> Annual report on the work of the Commission for protection of the right to free access to public information (1th of January - 31st of December 2012) (2012) Skopje, Commission for protection of the right to free access to public information

<sup>13</sup> Annual report on the work of the Commission for protection of the right to free access to public information (1th of January - 31st of December 2012) (2012) Skopje, Commission for protection of the right to free access to public information

<sup>14</sup> Annual report on the work of the Commission for protection of the right to free access to public information (1th of January - 31st of December 2012) (2012) Skopje, Commission for protection of the right to free access to public information

	<p>clear guidelines on how to ensure appropriate representation from civil society. There are several advisory and decision-making bodies where CSOs are involved (NCDV, CPBO, sectorial committee for IPA, NSEI, etc.). Generally the processes of selection are considered as transparent; still an equal method for selection is needed. CSO representatives in these bodies can freely present and defend their positions without being sanctioned. CSOs are free to use alternative ways of advocacy and promoting alternative stand-points which are not in line with the position of the respective body.</p>
	<p>The Unit for Cooperation with CSOs within the General Secretariat of the Government was established in 2004 tasked for facilitating the cooperation between the Government and CSOs. Decision is drafted on establishment of Council for promotion of cooperation, dialogue and stimulating the development of civil sector, which is in process of public consultation with CSOs. There are no binding provisions for the involvement of CSOs in the decision making of the CSO Unit.</p>
	<p>The Unit does not have enough resources, primarily financial, for appropriate implementation of its mandate (the Government does not allocate budget for direct activities of the Unit). The Unit continues to function with lack of human resources because of their allocation to other units. CSOs during the year, were involved few times, but not sufficiently, and an example offers the Unit for cooperation with NGO by inviting CSOs to comment the Annual program for work of the Government), than the involvement in preparation of the action plan on Open government partnership. On the other side, CSOs have shown insufficient interest to be involved in the processes.</p>
	<p>There are clearly defined standards on the involvement of CSOs in decision-making processes, but the process is not fully aligned with best regulatory practices. State policies provide trainings for civil servants on CSO involvement in the work of public institutions. Internal regulations require special units or officers in the government, line ministries or other governmental agencies to coordinate, monitor and report CSO involvement in their work. The majority of civil servants in charge of consultations with the public (coordinators for RIA or responsible for cooperation with CSOs), participated in trainings for cooperation and communication with CSOs. Most of the state institutions have units/officers for coordinating and monitoring the public consultations that are functional with sufficient capacity.</p>
	<p>Fewer numbers of CSOs are consulted in early stage in preparation of politics/ legal initiatives and there is a lack of genuine consultations and only acceptance of technical suggestions. In addition, written feedback on the results of consultations is rarely publicly available.</p>
	<p>There are good practices in providing CSOs with adequate information on the content of the draft documents and details, but still it is necessary to improve the length of time for submitting opinion/ comments.</p>
	<p>The surveyed CSOs were consulted for the following processes: 36% for strategies on the national level; 35% for strategies on the local level; 32% on programming of IPA financial support; 31% on policy documents; 30% on action plans on the local level; 29% on action plans on the national level; and 27% on specific laws</p>
	<p>73% of the surveyed CSOs state that they had adequate access to information during the processes</p>
	<p>69% of the surveyed CSOs claim to have had enough time to make comments</p>
	<p>Of the surveyed CSOs which participated in the consultation processes during the last three years on the local or national level, 15% of their comments and suggestions were not taken into account at all; 5% had all their proposals and suggestions taken into consideration; 18% claim that this was the case with the majority of their proposals and suggestions. Observe the CSOs which had a positive experience (comments were taken into consideration in the majority or all cases) – it is 23%, which seems to be the worst situation, except in Albania</p>
	<p>Of the surveyed CSOs, three out of 10 (29%) claim that there was no feedback information and that the results of the consultations were not published; 11% state that government institutions gave detailed enough feedback information and the results were easily accessible to all interested parties; 60% claim to have received feedback information and that the results were published, but not in all consultation processes.</p>

	81% of the surveyed CSOs are aware of the structures and mechanisms on the state level, however 56% think that they exist only pro-forma and only 25% of the CSOs think they are useful
	% of the surveyed CSOs are aware of the structures and mechanisms on the local level, however 54% think that they exist only pro-forma and only 24% of the CSOs think that they are useful.

## 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 the surveyed CSOs claim that in their own CSO, the decisions are made in the majority of cases in compliance with the prescribed rules and include consultations with employees and volunteers.
	17% of the surveyed CSOs believe that the majority of the CSOs in Macedonia are managed in compliance with the prescribed rules and include consultations with employees and volunteers.
	88% of the surveyed CSOs believe that there is, by internal act prescribed obligation to inform the members, Managerial or Supervisory Board, customers or general public about the results of their work.

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

	The surveyed citizens have the most confidence in the police (61%); president of the state (58%); and government (54%).
	The surveyed citizens have the least confidence in trade unions (29%); political parties (35%); and the media (41%) Surveyed citizens, almost one in two (47%) trust NGOs.
	The surveyed citizens believe that the police are trying the most to solve the country's problems (63%), followed by the president of the state at the same percentage and then the government at 60%. Surveyed citizens perceive that trade unions (34%); political parties (43%); and the judiciary (45%) are trying the least to solve the country's problems. While 46% of the surveyed citizens believe that the NGOs are trying to solve the country's problems.
	Of the surveyed CSOs, 66% believe that CSOs in Macedonia are not sufficiently present in the public; 1% point out that they are too present and 30% believe that the presence is just right. Among those who consider the presence of CSOs as insufficient, 56% believe that the key reason for this is insufficient interest of the media in Macedonia to report on CSO activities; while four out of 10 believe that CSOs are responsible, or that they are not working sufficiently or adequately on increasing their presence in public.
	Surveyed citizens believe that the most important topic areas are employment, 84%; education, 81%; and fight against corruption, safety and the fight against drug abuse and alcoholism all at 79%. The least important topic areas are animal protection, 51%; culture and arts, 54%; and overseeing government and local governments at 56%.
	Surveyed citizens believe that the CSOs are most active in the areas of rights of women, 66%; human rights at 64%; and education at 61%. They are least active in employment, 37%; rural development, 43% and fight against corruption at 48%.
	The surveyed CSOs believe that the most important topic areas are employment, 84%, education, 76% and fight against corruption, 75%. The least important topic areas are animal protection, 33%; culture and arts, 40%; and rights of women 54%.
	The surveyed CSOs believe that the most active topic areas are: human rights, 78%; ecology, 74%;

	and rights of women, 72%. The least active areas are safety, 33%; rural development, 38%; and employment, 39%.
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**Result 4.3.: CSOs are transparent about their programme activities and financial management**

	Of the surveyed CSOs, one out of three (36%) state that the statute of the organisation is not available to the broader public
	Of the surveyed CSOs, three out of 10 state that they do have a rulebook; 46% claim to have a rulebook, but it is not accessible to the public.
	The surveyed CSOs believe that 68% of the organisations in the NGO sector do not publish or make publicly available their Annual Program Statement of Work
	70% organisation publish Annual Program Statement of Work
	37% of the surveyed CSOs claim that the organisation in which they are engaged does not have an Annual Program Statement of Work which is accessible to the public in any way.
	Surveyed CSOs believe that 64% of the organisations in the sector do not publish their financial reports
	46% of the surveyed CSOs openly admit that they do not publish their financial reports
	Surveyed CSOs believe that 80% of the organisations in the sector do not publish their audited financial reports
	70% of the surveyed CSOs openly admit that they do not publish their audited financial reports

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

	Of the surveyed CSOs, one fourth (26%) openly claim that project assessments are done only pro-forma; 73% claim that the projects are evaluated only in order to determine the effectiveness and draw lessons for further projects
	Of the surveyed CSOs, 38% use the services of external evaluators when they evaluate the realization of conducted projects
	Of the surveyed CSOs, on in five (24%) state that they do not have an established system for the evaluation of the realization of conducted projects

**Objective 5.: Effective CSOs**

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

	Of the surveyed CSOs, only 6% outsource an external evaluator for the evaluation of the employees' performance
	Of the surveyed CSOs, 52% do not evaluate the performance of their employees
	Of the surveyed CSOs, 28% have a plan for the development of human resources available; 46% openly admit that they do not have this plan; and 27% say that they are currently preparing this plan. For those CSOs with a plan, one in eleven (9%) claim that they are not able to keep talented associates, while those without a plan (34%) claim that they are not able to keep talented associates. Those with a plan, one in ten (10%) say that they fail to attract new associates, whereas as those without one, (40%) claim that they are not able to attract new people.
	Of the surveyed CSOs, four fifths say that their organizations succeed in attracting new members (79%) and a somewhat smaller number say that they succeed in keeping talented associates (73%).
	Of the surveyed CSOs, 1 out of 10 state that they use an external evaluator to evaluate the implementation of the organisation's strategic plan (11%)
	Of the surveyed CSOs, one half (48%) do not evaluate the implementation of the organisation's

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

	Of the surveyed CSOs, 6 out of 10 (58%) state that they use this type of information (research results and analysis) often; while four out of 10 (42%) rarely use this research.
	Of the surveyed CSOs, 13% state that Macedonia lacks relevant statistical data that should be provided by the census; 9% state that they lack information about the organisation's target groups; and 9% believe that there is information missing in all activity areas
	The surveyed CSOs indicated the following as the most frequently used sources of information: 40% official data of national statistical offices, ministries; 26% conduct studies; 16% international institutions; 7% for academic studies and various data sources; and 2% other sources

**Result 5.3.: CSOs regularly network within and outside country borders and make use of coalition-building for increased impact in campaigning and advocacy**

	Of the surveyed CSOs, one in two representatives (50%) says that they are not members of any international networks. CSOs which belong to at least one international network are active in 1.90 international CSO networks on average
	Of the surveyed CSOs, one third (33%) are not members of any national network. CSOs in Macedonia which belong to at least one national network are active in 2.67 national CSO networks on average.
	Of the surveyed CSOs, 52% say that their organisations are not members of any local network CSOs which belong to at least one local network are active in 2.50 local CSO networks on average
	63% of the surveyed CSOs have a positive attitude towards the efficiency of CSO networks
	Surveyed CSOs point out the major benefits of belonging to CSO networks: 43% exchanging experiences and knowledge; 40% greater visibility, influence and strength of NGO sector; 26% opportunity for cooperation and joint projects; and 20% access to information and its exchange

**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**

	Surveyed CSOs believe that two thirds (67%) of the organisations in the NGO sector mainly adapt to the donors' priorities and collect means for other activities not in line with their strategic plan
	22% of the surveyed CSOs state that their organisation mainly adapts to the donors' priorities and collects means for other activities not in line with their strategic plan

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

	On average, CSOs in Macedonia have 2.3 sources of financing per CSO, which is on the average level compared to the region
	Surveyed CSOs note the most common sources of financing as: 46% organisations' members; 42% Other FOREIGN resources; 36% EU funds; 29% private companies; 28% local self-government/regional administration; 26% citizens; 19% government/ministries/state administration bodies; and 8% companies