Republic of Macedonia
Needs Assessment Report

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Technical Assistance for
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INTRODUCTION

This study is the initial activity within the second phase of the EU-funded project - Technical Assistance to Civil Society Organisations (TACSO) in IPA beneficiaries, conducted by SIPU International from August 2013 to July 2017. The aim of the study is to provide a comprehensive assessment of civil society in Macedonia and the environment that it works in, including its strengths and weaknesses, and challenges it faces in its further development. The study is based upon a combination of desk research embracing all relevant documentation, including legal and financial legislation applicable to civil society, previous civil society mappings and evaluations, situation analyses, policy documents and academic literature, and a consultative stakeholder analysis carried out by means of focus groups and interviews with civil society organisations (CSOs), government actors, donor organisations and other institutional players. The study is an integral part of the project inception and it provides the premise for the majority of other project activities by serving as the basis of the development of regional as well as national work plans to be implemented during the project's duration.

In line with the project's Terms of Reference the study understands civil society as:

1. citizen associations and foundations, grass-root community-based organisations through which citizens are able to participate in local and municipal life; religious communities, cultural, artistic clubs, media and other business associations.
2. trade unions and employers associations; consumers' organisations; producers' associations;

The paper is composed of three sections:

- Section one provides an analysis of the civil society environment, including the legal framework governing CSOs and their work, the current donor opportunities and other sources of civil society funding, the government mechanisms for cooperation with and support of civil society and the policy framework determining government-civil society relations and public perceptions and support for civil society and its activities.

- Section two gives an overview of the main features of civil society: the types of organisations and their key organisational characteristics, the types of activity they carry out and their main sectoral interests, their geographical distribution and way they are structured within the overall civil society architecture. CSOs are assessed according to their technical, organisational and institutional capacities, including human resources and technical skills, strategic strengths, analytical capabilities, external relations with other stakeholders, and material and financial stability and resilience.

- Section three sums up the most important institutional and organisational capacity needs of civil society in the country and identifies key strategic issues for the implementation of the project. By way of conclusion, recommendations are made for project's work plan.

1. CIVIL SOCIETY ENVIRONMENT

1.1. Legal frame – analysis of the relevant laws and financial regulations

The principal law governing the environment in which the national CSOs operate is the Law on Associations and Foundations which addressed the weaknesses that the previous relevant law had. Although the Law brought progress in terms of liberalization of association, the introduction of the status of public interest organizations and regulating the economic activity of CSOs; however, the Law implementation remains to be a challenge and in particular its harmonization with other laws, especially those related to the tax frame for CSOs and mobilizing local funds so that the positive Law provisions could be used in practice.

Law on Associations and Foundations

Law on Associations and Foundations was passed in April 2010 and replaced the Law on Citizens' associations and foundations which was in force since 1998.
This Law foresees several benefits for the organisations and positive changes related to the previous law:
- Increased liberalization of association, since the Law facilitates not only physical and legal entities to establish associations and foundations, but foreigners and under-aged also to associate, which was not the case with the previous law, which prescribed that an association of citizens could be established only by five adult citizens of the Republic of Macedonia;
- The introduction of the status of organisation with public interest should stimulate organisations to act in the field of public interest, under the conditions that they receive certain benefits.
- The Law provides for organisations to earn profit that is to be used for the organisations' purposes, set with the statute, which promotes economic activities of the organisations and contributes for their sustainability.
- Division of managing from executing functions in the organisations and impossibility for linking these functions, in particular with respect to the organisations of public interest.
- Stressing of the exposure and transparency of the organisation's operation and acting not affiliated to any political party

After the adoption of the Rulebook for selection of members in Committee for organisations of public interest, a Committee was established in March 2012 comprising representatives from several line ministries and two CSOs' representatives. The Committee is responsible for giving proposals for granting and terminating the status of organisations of public interest to the Government of the Republic of Macedonia; reviewing and giving opinion about reports from the operation of the organisations of public interest and giving proposals to initiate misdemeanour proceedings. In 2012, the Committee passed all the required by-laws for its successful operation (Rules of Procedure; Application form for obtaining status of organisations of public interest and List of required documents for obtaining status of organisations of public interest) and established its web-site within the web-site of the Unit for cooperation with NGOs. Yet, despite this, not a single organization obtained status of organisation of public interest and only two CSOs submitted requests. The reason for the low CSOs' interest for getting status of organisations of public interest is due to the fact that the Law does not define clearly the benefit from this status, but merely states that organisations will have additional tax and customs exemptions pursuant to the Law. However, in practice, these organisations do not receive specific benefits but the Law imposes increased obligations regarding organisational structure and reporting.

This indicates the need for further interventions in the legal frame, i.e. harmonization of the other laws, so that the possibilities foreseen by the Law become applicable in practice and a reality for CSOs.

Tax frame

In practice, there are no useful tax incentives and benefits available for CSOs. 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. CSOs are also treated equally with other legal entities under the Personal Income Tax Law, since there are no tax exemptions with respect to payments made to physical entities. Hence, they face situations when personal income tax needs to be paid on different types of expenditures (catering services, accommodation, travel costs) for volunteers and for beneficiaries of their services. This creates additional financial burden because it is difficult to justify these expenditures to foreign donors, and some donors do not even recognize these costs as eligible.

The Law on Donations and Sponsorships for Public Activities (adopted in April 2006) introduced tax exemptions and deductions to give incentives to companies and individuals to support CSOs undertaking activities of public interest. The Law foresees tax incentives in: 1) personal income tax, 2) profit tax, 3) Value Added Tax and 4) Property tax. The Law 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. Still, the Law 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[1]. For instance, many enterprises decide not to use the Law 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. Further on, in the case of some taxes, deductions are insignificant thereby militating against applying for them.

Perceived challenges in the implementation of the Law on Donations and Sponsorships are mainly due to the actual provisions of the Law and how they are understood and interpreted; in particular due to unclear definition and interpretation of the key terminology and harmonisation with other laws; lack of objective criteria for determining public interest; complicated procedure for implementation of the tax exemption; and allocated competences in several intuitions[2].

Voluntarism

In June 2007 a **Law on Volunteering** was adopted aiming at defining this area of work in relation to paid employment and defining rights and obligations of volunteers and the entities that organise volunteering. By recognising volunteer practice as valid work experience within the paid employment sector, personal tax exemption on the costs related to volunteering as well as maintaining the unemployment rights for unemployed persons that are volunteering, the Law aims to encourage voluntarism and is of potentially great benefit to CSOs and the not-for-profit sector. Nonetheless, even besides this stimulating legal frame, surveys and data exemplify a low level of utilizing volunteering (37% of the population have volunteering experience in organisation[3]). Furthermore, CSOs which are mainly

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[1] „Law on Donations and Sponsorships for public Activities, Implementation and main challenges", Konekt, June 2010.
[2] Ibid.
[3] http://civicengagement.mk/

based on voluntary engagement (88.5% act on voluntary bases[4]), insufficiently promote volunteering in the broader community (mainly ask for voluntary engagement from their own members). Having this situation in mind, the Government of the Republic of Macedonia amended the legal frame with other measures which are to create favourable environment for promotion of voluntarism:

- The Strategy for promotion and development of voluntarism, adopted in October 2010, aiming at promoting voluntarism among the broader public, stimulating volunteering culture within the educational system; increasing the level of volunteering in the civil society sector and establishing system for institutional support of volunteering.
- Action plan with specific measures for implementation of the strategy
- Establishment of a 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. The Council was established at the beginning of 2011. Besides representatives from the ministries and the Government the Council comprises of representative from ZELS and 4 CSOs' representatives.
- 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 via three measures:
  - o Cooperation with civil society representatives in the implementation of teaching subjects and activities in schools related to the topics democracy and civil society sector.
  - o Linking with measures from the Strategy on promotion and development of volunteering
  - o Stimulating volunteering activities of adults.

The Report on implementation of the Government Strategy for cooperation with CSOs for 2012 points out to certain activities of Ministry of Education in cooperation with CSOs (such as civic education, eco classes, clubs for prevention etc), whereas on the Day on Voluntarism a promotional event was organised and prizes for voluntarism were awarded.

However, having the set framework and the established structures for supporting voluntarism, but taking into consideration the inactiveness of the National council and the monitoring of the strategy implementation, it can be concluded that not enough has been done in the area of promotion and fostering voluntarism.

1.2. Donors and funding opportunities (local and international)

The vast majority of CSOs in Macedonia continue to be dependent on international donor funds. Collectively, foreign funding streams remain the single largest source of financial support for CSOs. The EU funds, principally through the Instrument for Pre-accession Assistance (IPA), are now the main focus of interest for CSOs. Other larger civil society supporters are Swedish Development Cooperation (SDC) and USAID.

The only significant domestic source of civil society funding is central government, which targets a broad range of civil society organisations, of which associations and foundations are just one category. Policies for distribution of these funds, as well as transparency improved in the recent years, however further steps should be done particularly regarding the funds distributed through line ministries and lottery funds. Funds provided by the ULSG to CSOs although small are becoming more and more important source for the small grass-root organizations and their sustainability. Practices of individual and

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[4] „CIVICUS Civic society index – Long way to greater citizens' engagement", Macedonian Center for International cooperation, March 2011.

corporate giving although now emerging with increasing pace still could not be considered as significant source of founding.

EU IPA and other EU funds

Civil society development and dialogue is defined as one of the major cross-cutting issues under the IPA instrument[5]. Consequently there are funds allocated to the support of democratization and civil society development (under the IPA component 1 - institutional building). Part of these are intended for large technical assistance projects for capacity building of state institutions mediating government-civil society relations (Unit for Cooperation in the General Secretariat, units of local self-government), and part are intended for direct support of CSOs and their activities. In addition to 0.7 million EUR IPA 2008 grant scheme which was disbursed in 2010, to 15 CSOs projects, IPA 2009 provides amount of 1,5 million EUR for CSOs' projects.

Further support to CSOs is envisaged under IPA component 4 (Developing Human Resources) for CSOs' projects aiming to enhance social cohesion. Multi-beneficiary IPA funds under Civil Society Facility are also available to CSOs as well as part of the Community programmes.

However current EU funding opportunities are relatively difficult to be accessed by majority of CSOs. Major reasons for this are relatively high thresholds of the available grants, which require proof of high financial management capacities, as well as the level of co-financing that should be provided. In addition, there are concerns within the CSO community in Macedonia that the EC application process is complicated technically and imposes many financial and administrative conditions on organisations and so effectively excludes the greater majority of CSOs.

Current EU funding opportunities include:
 1. National IPA programme 2009

Grant Contracts 1,5 M EUR *launched in October 2012 t*o strengthen the capacity of Civil Society Sector through grant projects in:
- Fight against corruption and organised crime (including fight against trafficking of human beings and fight against illegal substances)
- Strengthening the CSO management and networking, including joint implementation of community based activities and social services, resource mobilisation, mobilising voluntary work, institutional cooperation CSOs/Government.
- Protection of human rights, with a focus on vulnerable groups, victims of family violence, mobilization of the municipalities for prevention of HIV/AIDS/STI amongst the most at risk including activities within the Decade for Roma inclusion 2005 – 2015.

Approximately 20 grants are expected to be signed, ranging from min 30.000 to max 150.000 Euro. This grant support is implemented via the Decentralised Implementation System, thus The Units for cooperation with NGOs and the Central Financing and Contracting Department have prime responsibility for awarding grants. As of November 2013, a decision has not been made yet regarding these funds and there are treats that the funds might be lost.

2. European Instrument for Democracy and Human Rights - EIDHR

Grant Scheme in support of human rights and democratisation activities of CSOs. The call for proposals announced at the beginning of 2013 covered two thematic priorities:
- Enhancing the role of civil society organisations in developing and promoting public policies aimed at furthering democratic reforms, transparency and accountability, freedom of

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[5] „ Multi-annual Indicative Planning Document", European Commission, 2008.

expression and independent media, fighting against corruption, increasing political representation of civil society, based on joint cooperation among civil society organisations and building coalitions across different communities.

- Pursuing common agendas for human rights and promoting non-discrimination, social inclusion and social rights, in particular the rights of vulnerable groups, including Roma and the other minorities below 20%, women, children, people with disabilities and LGBT.

For each thematic priority 600.00 Euros were allocated, whereas the maximum amount of the grants was 150.000 for the first and 120.000 Euros for the second thematic priority.

3. Cross-Border Cooperation (IPA 2) Grants to CSOs and municipalities for a range of socio-economic two-country partnership projects, with all EU and potential EU member countries. The following programmes are being implemented: Macedonia – Bulgaria, Macedonia – Albania, Macedonia – Greece, Macedonia – Kosovo.

4. IPA Civil Society Facility – strategy for civil society development in the IPA region which besides the TACSO project also comprises the People to People (P2P) programme and the Partnership programme which consists of grant support to regional networks. Eighteen grants were awarded at the last open call announced in March 2012 aiming at supporting regional CSOs' networks to pursue shared objectives regarding good governance and the fulfilment of the political criteria for EU accession. The total budget for the projects is 11 million Euros.

5. Other EU funded programs. Macedonian CSOs may apply to the following **EU Community programmes[6]:**

Progress Programme: For the period 2014-2020, the 'Progress' element of EU programme for Employment and Social Innovation (EaSI) will continue its current activities (analysis, mutual learning and grants) and will have a specific budget for **social innovation and social policy experimentation**. The total proposed budget for 'Progress' is around €500 million for the period 2014-2020.

As of 2014, the new **Erasmus+** will replace seven existing programmes with one. It brings together the existing Lifelong Learning Programme (Erasmus, Leonardo da Vinci, Comenius and Grundtvig), Youth in Action and five international cooperation programmes (Erasmus Mundus, Tempus, Alfa, Edulink and the programme for cooperation with industrialised countries). It also includes sport.

Europe for Citizens 2014-2020. The current 7-year programme ends in 2013. For the next round of funding, to 2020, the Commission proposes to focus its budget of €229m on promoting a better understanding of the EU, its shared values, history and culture. Funds will also help people engage in civic activities through debates and discussions on the impact of the EU in their daily lives.

The three main funding schemes for research and development (Competitiveness and innovation programme, seventh framework programme and the European Institute of Innovation and Technology) will be brought together under **Horizon 2020**. It will combine all research and innovation funding currently provided through the [Framework Programmes for Research and Technical Development](#), the innovation related activities of the Competitiveness and Innovation Framework Programme ([CIP](#)) and the European Institute of Innovation and Technology ([EIT](#)).

Other international donors

Swiss Agency for Development and Cooperation (SDC) has been an important supporter of citizens' participation and civil society development.

Since 2006, the programme Community forums is being implemented within which citizens and local government officials discuss issues of common interest and come to solutions in the form of projects whose implementation is then funded by SDC and the respective municipality. Fifty nine municipalities

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[6] http://eeas.europa.eu/

are involved in the programme. Currently, the third phase of the programme is being implemented and it will last until August 2014. The total budget for the three phases of the programme is 9,7 million CHF.

In 2009 SDC launched a new mechanism to support building capacities of CSOs: **Civil Society Support Facility – CIVICA Mobilitas** a three-year programme (2009-2011) implemented by local CSO, the Centre for Institutional Development (CIRa). The programme provided institutional and project grants to assist CSOs to exercise critical oversight of equitable, non-discriminatory and efficient public service delivery, as well as oversight of budgeting and financial management of public expenditure and private sector practices[7]. The programme was continued in 2012, and the next phase of the programme also started and it will be implemented in the period 2014-2018 with the total budget of 8 million CHF.   The programme will be focused on turning CSOs into agents of social change with regards to values and constituency, while using grants instruments (institutional and ad-hoc grants) to enable the CSOs to implement their annual programmes accordingly.

USAID is implementing **Civic Advocacy and Partnership Activity Programme** through the local partner Foundation Open society Macedonia. The total budget of the programme is 2,5 million dollars and it includes grants for CSOs and capacity building programme. Objectives of the programme are to stimulate civic activism and participation at national and local levels, to support CSOs to conduct government oversight, advocate, and provide input into public policy and to establish sustainable mechanisms for regular and ad-hoc CSO cooperation -and mobilization on democratic reform issues[8]. The programme will be implemented until August 2014.

Since June 2013 USAID has been implementing Anti-Corruption Programme aiming at supporting civil society organisations, improving the integrity of state institutions and holding them accountable to the people. Within this programme, trainings on anti-corruption will be provided for CSOs but also their cooperation on this topic will be supported, i.e. establishment of CSOs' platform for anti-corruption.

U.S. Embassy in Macedonia is running small grants programme whose purpose is to award small grants for specific projects that support the development of democratic institutions in the Republic of Macedonia.

Soros funds in Macedonia are implemented mainly through its local foundation Open Society Macedonia, or directly through the Soros office in Budapest. International programmes[9] available to CSOs include:

1. East-East Programme: Cross-Border Partnership supports international cooperation between the civil society and NGOs for exchanging experiences, expertise and knowledge in order to internationally enhance the principles of open society.

2. Think-tank fund supports independent policy centres that help strengthen democracy by identifying and analyzing policy options, advocating for their adoption, and consulting with governments. The fund provides institutional and project grants in Central and South Eastern Europe. The fund complements its grant making by developing activities to enhance networking among think tanks and to build their capacity to conduct research and use their findings and recommendations in advocacy.

3. Roma Initiatives grant making to foster and promote the principles of democracy, accountability, human rights, gender equality, and active Roma leadership and participation in public affairs.

Central government funding sources

Government may be considered as important source of CSO funding. On average, between 3.8 and 6.2 million EUR are allocated to CSOs annually[10]. However, following the allocations under the budget line

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[7] www.swisscooperation.org.mk
[8] http://macedonia.usaid.gov
[9] www.soros.org
[10] "Financing of the CSOs form the state budget", Macedonian Center for International Cooperation, 2010

aimed to NGOs, one could find that the funds are disbursed not only to associations and foundations, but also to trade unions, religious communities and political parties. Government funds are available through the individual line ministries and state institutions. Having the objective in its Strategy for cooperation with CSOs to provide more favourable conditions for sustainability of the civil society sector including creation of better fiscal frame and state financing for CSO, Government introduced several measures to improve the process of disbursement and management of these funds. In 2007 a Code of Good Practices for the Government financial support to citizens' associations and foundations was adopted and set following: basic criteria that should be fulfilled by CSOs in order to receive state funding, obligation of the Government to prepare annual programmes for funding of CSOs and announce the same on the NGO Unit web page, obligation to announce open call and decide on the disbursement within one month after the deadline for application, obligation to prepare contract with the selected CSOs and perform control over the funds spending etc. However, 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. Ministry of Labour and Social Policy and Agency for Youth and Sports are positive examples that apply the Code and announce open calls[11]. In the last years the proportion of the Central Government civil society allocation (around 10% of the total state funds) has been subject to a more transparent procedure, following the guidelines set out in the Code of Good Practices. Since 2009, this allocation has been named Programme for financing of programme activities of associations and foundations, worth 15,000,000 MKD (approx 245,000 Euro), and has been disbursed according to set priority objectives. By ensuring programme criteria and transparent procedures, including clearly defined scoring of applications, the programme is a major step forward in ensuring transparency and standards in the allocation process. However, what is still missing in the process is monitoring of the project implementation and evaluation of the results. In addition, many CSOs still claim that political parties and affiliation of CSOs with the authorities have significant influence on the decisions.

Situation is worse in the case of distribution of the lottery funds where lack of transparency appears to be particularly acute. There is neither open call nor criteria for applying for these funds. The greater part of these resources is shared between a very small number of predetermined beneficiaries. Furthermore, even besides the legal provision 50% of the revenue from lottery to be allocated to CSOs, the allocated amounts most frequently were significantly lower i.e. 7%-15.2%[12].

Local government funding sources

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[13]. 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.

The allocation of funds for CSOs is made in various ways – open call, but also direct initiative and upon request sent to the Mayor or the municipal Council, and the Council reaches a decision. Generally, there is no unified system, application procedure and clearly defined criteria for allocating funds to CSOs from the municipal budget. Recent analysis[14] conducted in 17 municipalities reveal that 67% of the municipalities announce open call and 56% have criteria for allocation of funds. It seems that in the past

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[11] ibid

[12] ibid

[13] „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.

[14] ibid

several years there is a trend of increasing the number of municipalities that allocate funds competitively via open call, although there are still CSOs' reactions about lack of transparency, partiality, and political affiliation in the allocation of funds.

In addition to funds allocated via open calls, some municipalities allocate funds for CSOs for co-financing projects obtained from other donors. This model is not fully practiced (it is familiar that only two municipalities use the model: Bitola and Skopje) and insufficiently promoted (few organisations requested to use this opportunity). Yet, it seems that it has significant potential in surpassing one of the key threats for the local CSOs when they apply for funds (particularly EU funds) and have to ensure certain funds for co-financing the project.

Private and corporate giving

Due to the poor economic situation in the country, as well as due to the underdeveloped culture for giving, the support to CSOs from individual donors can be assessed as modest. The periodical research Social responsibility of citizens (MCIC) in the past years did not show changes in the trends of giving, whereas, the last survey in 2011 even illustrated 5% decrease in number of citizens that gave in the past 12 months. This is not encouraging information for CSOs which should continue to work on raising the awareness and culture for giving. Perhaps, instead of being focused on stimulating donations in cash, CSOs should focus more on donations in time and promotion of volunteering. According to this research, organisations working in the area of health, humanitarian support, disabled, and children have higher likelihood to mobilize individual donations.

According to the data from the Central Register for businesses that informed about donations and sponsorship the total amount on annual level in the period 2007-2009 is approximately 7 million Euros. Herewith, it needs to be taken into consideration the fact that this amount also includes sponsorship (more preferred by companies), support to individuals, as well as the support for sports clubs. The corporate giving and the amount that companies allocate for CSOs to great extent depend on the demand and on the CSOs. This is illustrated also with the analysis[15] where it is stated that many enterprises donate ad-hoc upon certain request for donation. Further on, it is emphasised that significant portion of enterprises have not been approached at all and asked to donate (only 63% of enterprises were asked to donate). This fact points out that enterprises are willing to donate, but that potential is not fully utilized. Preferred areas for donations are: health (one quarter of enterprises that donated), disabled (16%) and children and their protection (14%). This analysis shows that enterprises give regardless of their size, but the size is important for the level/amount of donations. Although enterprises are open for providing one-time donations, small percentage of enterprises (only 14%) is prepared to ensure long-term support. Principle cause for this is the insufficient budget for such purposes and the lack of tax incentives.

Having in mind these data, CSOs need to build their skills how to approach corporations and generate resources locally. However, changes to the Law on Donations and Sponsorships for Public Activities are necessary to provide more incentives to the businesses to donate.

1.3. Government mechanisms for civil society – government cooperation and the policy framework that determines government-civil society relations

The Unit for Cooperation with Non-governmental Organisations is responsible for facilitating government cooperation with civil society. The Unit developed its first Strategy for Cooperation with NGOs in 2007, whereas in 2012 it adopted the second Strategy which should be implemented until

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[15]Nikica Kusinokova, Citizens' practices No. 13, 2011

2017. The Unit has the main responsibility with respect to coordination of the Strategy implementation. The establishment of the Units and the adoption of the strategies appropriately raised the expectations of CSOs from the Unit. Nevertheless, the Unit could not entirely fulfil the expectations due to several reasons: structural/organisational limitations in its operation, insufficient capacity and deficient resources for implementation of the Strategy. This led to partial implementation of the measures planned with the first Strategy and delays in the implementation of part of the measures from the second Strategy.

Unit for Cooperation with Non-governmental Organisations

The Unit for Cooperation with Non-governmental Organisations was established in November 2004 under the Sector for Policy Analysis and Coordination within the General Secretariat of the Government, and commenced active work in March 2006.

According to the Rulebook on internal organisation of the General Secretariat within the Government the Unit is responsible for: preparation of Government strategy and programme for cooperation with CSOs; maintaining cooperation with CSOs; preparing a review of the legislation on CSOs and its continuous updating, proposing initiatives to the Government and relevant ministries in order to instigate drafting of new legislation for the civil society sector; allocation of financial resources for partially financing projects of public benefit; mediation of the inter-ministerial cooperation, as well as of other state authorities and civil society sector etc.

Since November 2006, the Unit has undertaken significant capacity-building activities implemented through three TA projects funded by EU. These included study trips abroad and comprehensive trainings in the key areas of civil society, CSO management and social research and analysis. Staff number of the Unit is considered to be adequate, however; the Unit appears to be constrained in its ability to fully carry out its mandate owing to its position under the General Secretariat of the Government. The Unit lacks sufficient autonomy to allow it to work flexibly and take proactive measures towards implementing the Strategy for Cooperation with NGOs, and to establish direct communication with civil society.

The Unit's ability and coordination system to synchronize the work of the Ministries with civil society are not effective enough due to frequent changes of the persons assigned as responsible for cooperation with CSOs, as well as result of the complicated procedure for communication among the Government Unit for Cooperation with NGOs and involved government units.

Since 2008, in addition to the abovementioned Unit's responsibilities, the Unit has been responsible for administration and evaluation of project proposals submitted by CSOs at open calls for allocation of part of the budget for CSOs (funds allocated via the General Secretariat of the Government in the amount of approximately 20 million MKD annually), as well as for monitoring of the awarded projects. The Unit was given such a role also within the Decentralized implementation system of EU funds regarding grant schemes from the national IPA programme for CSOs. The first grant scheme that the Unit was in charge of is the open call for CSOs from IPA 2009.

Strategy for cooperation

The policy framework of the civil society-government relations was set by the Strategy for Cooperation of the Government with the Civil Society. The first Strategy was being implemented in the period 2007-2011, whereas in 2012 a new Strategy was adopted with new Action Plan covering the period 2012-2017. The preparation of both strategies was supported by two EU-funded projects for technical assistance. This support enabled the provision of adequate expertise for the preparation of the documents as well as CSOs' involvement in working groups and public debates which contributed for the priority needs of CSOs to be reflected in the strategies.
Even in the first Strategy, the Government has committed to many important steps for civil society progress, including: upgrading the legal frame; participation of the civil society sector in the

decision-making process; involvement of the civil society sector in the EU integration process; creation of favourable conditions for financial sustainability of the civil society sector; and continuous development of the civil sector[16]. However, these ambitiously set objectives in the first Strategy were only partially fulfilled. There is no significant progress in several areas including[17]:

- there is no centrally established system i.e. clear and comprehensive participatory mechanism for CSOs' participation in policy making, particularly in the preparation and adoption of the state budget;
- there are no significant improvements of the financial support to CSOs from state funds;
- there are no measures undertaken for development of CSOs in the rural areas.

Most of the objectives which were not achieved in the first strategy are contained in the second strategy and the accompanying action plan. Furthermore, new objectives are added in the new strategy that refer to "participation of CSOs in the economic and social development and cohesion, strengthening civic activism and community support and enhanced institutional framework and practices of cooperation."[18] The achievement of these objectives requires serious Government's commitment and resources. After a year from the implementation of the second strategy, there is no significant progress regarding the key issues defined in the strategy. The report prepared by the Unit for cooperation with NGOs indicates progress in some of the measures, however, although the deadlines have not passed still there is no progress in several key issues for CSOs: tax incentives, adoption of binding Act on allocation of funds for CSOs from the Budget, establishment of advisory body for cooperation with CSOs.

Local self-governments

In local self-governments the most common approach for structuring communication and cooperation with CSOs is through the appointment of a person responsible for cooperation with CSOs who often in his/her description of the work has other ongoing responsibilities[19]. Exception to this is the City of Skopje with a separate Unit for cooperation with CSOs.

The most commonly practiced forms of cooperation of the units of local self-government (ULSG) with CSOs are: financial support for projects; involving CSOs in the preparation of strategic documents of the municipality and various working groups; as well as providing working premises for the operation of CSOs. Most ULSG have a register of organisations operating in that municipality.

However, majority of the municipalities don't have planned approach to cooperation with CSOs and human capacities allocated to such task. This is confirmed with the analysis[20] of 17 municipalities, which showed that 71% of these municipalities don't have strategy for cooperation with CSOs. Specific strategic documents on cooperation exist in few municipalities which are mainly urban. The most frequent reasons for the nonexistence of strategic document are lack of finances (30% of the surveyed municipalities) and insufficient human resources (24%).

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[16] „Strategy for cooperation of the Government with civil society sector (2007-2011)",General Secretariat of the Government of Republic of Macedonia, Skopje, January 2007

[17] „Report on the progress of the implementation of the Strategy for cooperation of the Government with civil society sector (2007-2011) for period January 2007 – September 2010", Macedonian Center for International Cooperation, Skopje, 2011

[18] „Strategy for cooperation of the Government with the civil society 2012-2017", General Secretariat of the Government of the Republic of Macedonia, Skopje, June 2012

[19] According to „Overview of the legal frame and practices of cooperation and involvement of CSOs in decision making on local level", (MCIC, June 2011), 53% of the municipalities have appointed person for cooperation with CSOs

[20] „Overview of the legal frame and practices of cooperation and involvement of CSOs in decision making on local level", Macedonian Center for International Cooperation, June 2011.

1.4. Government (local and national) institutional capacities for involving civil society

The basic framework for participation of the CSOs in the policy-making is set out in the Constitution and the Strategy for Cooperation of the Government with the Civil Society. One of the Strategy objectives is *Participation of the Civil Sector in the Decision-Making Process.* Having this in mind, the Government started with the implementation of the measures set in the action plan of the Strategy regarding the establishment of mechanisms for increasing the participation of citizens and CSOs in policy creation. The experiences from their implementation are diverse.

On local level, the further decentralization process of the municipalities raises the awareness on both sides (CSOs-ULSGs) regarding the needs for cooperation. Nonetheless, consistent and planned approaches of cooperation and CSOs' involvement by ULSGs are still rare. More structured approach to cooperation with CSOs exists in the urban municipalities.

Central government and Ministries

The Government strategy envisages civil society participation in decision-making to be achieved through: improving the conditions for participation in policy creation and law drafting; enhancing the process of information and consultations with the civil society by promoting ICT technologies in the processes; strengthening the partnership in European integration processes and cooperation in drafting reports submitted to contracting bodies upon ratified international conventions and participation in initiatives to which the Republic of Macedonia has acceded. Therefore, the Strategy envisages and the Government is undertaking more measures to reach these goals.

One of the key measures was introduced in July 2011 when the Government adopted and announced Code of good practices for participation of CSOs in policy creation with intention to introduce regular and systematic approach to involvement of CSOs in policy making. The Code foresees 4 forms of CS involvement: informing, consultations, dialogue and partnership, which should be implemented by the following instruments: interactive web page; central national electronic registry of regulations available as a web page; FAQ section available at the web page; conferences and public debates; involvement of CSOs representatives in working groups; policy analysis and proposals submitted by CSOs etc. Proposals of the CSOs could be submitted at any period of the year and General Secretariat is obliged to announce the received proposal on the web page of the Government Unit for cooperation with NGOs, provide response of the relevant ministry within 30 days and announce the same on the web page. In addition, according to the Code, General Secretariat during the last week of August each year should announce open call for CSOs to contribute and submit policy proposals that should be taken into consideration for the preparation of the Government work plan for the next year.

Single national electronic register of regulations (ENER), introduced in 2008, is an electronic system that provides a consolidated overview of the existing and proposed laws that are under preparation and offers interested parties the opportunity to submit electronic comments and suggestions directly to the relevant institutions. Although all ministries use ENER to publish draft legislation, stakeholders do not perceive it as a tool for involvement in the preparation of legislation which is reflected in the very small number of comments.[21] One of the essential problems in the application of ENER is the fact that in 59%[22] of the cases the stakeholders were not in a position to react because the proposals to the laws were published once they were discussed in the Government and adopted in the Assembly.

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[21] Participation of the public in the processes of law preparation, MCIC, 2012
[22] ibid

E-democracy portal is another tool used by the Government to increase the public participation in decision making. However, its utilization, especially by CSOs is minimal. As on December 2012 there are 216 registered public users (physical entities) on the portal and 6 registered advanced users (legal entities) – out of this number only 3 are CSOs[23].

Regulatory impact assessment implies evaluation of the laws in the drafting process i.e. before their adoption, in terms of analysis and evaluation of all economic, financial and social impacts of the regulations on the business community, the environment, consumers, employees and other relevant stakeholders. The intention of the introduction of the regulatory impact assessment is to improve the performance and accountability of the Government and Ministries – that propose legislation through mandatory consultations with stakeholders affected by the regulation, regardless of whether they are entities within or outside the state administration.

Republic of Macedonia is member of the global initiative for Open Government Partnership. The implementation of the concept Open Government implies that each institution that possesses public data needs to take specific steps and measures in order to ensure accessibility of the public data in open format. On 1st June 2012 the Government adopted the Action plan of the Republic of Macedonia for membership in the initiative Open Government Partnership and it is foreseen for it to be implemented within two-three years.

With respect to the mechanisms used by the ministries, it should be noted that they fully meet their obligations arising from the Regulatory impact assessment[24], thus, they have appointed coordinator who assesses the regulation impact and publishes information about initiated procedures about law on the relevant web-site (ENER, E-Democracy and the web-site of the relevant ministry). The ministries have appointed persons responsible for cooperation with CSOs and involve CSOs in the working groups, consultative bodies and ministries' committees. Additional (relevant for the specific ministries) written rules and regulations on selection and involvement of stakeholders in policy creation of the ministries are missing[25]. Solely Ministry of Justice and Ministry of Labour and Social Policy have document (guidelines) for CSOs' involvement, whereas, Ministry of Environment and Spatial Planning and Ministry of Defence have foreseen procedure on selection of CSOs' representatives in cases when the number of CSOs' representatives is limited. Although mostly ministries (91%) monitor and evaluate the implementation of the relevant acts, only few of them i.e. 18% publish the reports from the monitoring and evaluation. Although pursuant to the Government Rules and Procedures ministries should prepare report about the received opinions stating the reasons for rejecting those proposals, however, ministries rarely give feed-back and opinion on the proposals and comments received by CSOs. In cases when such information is provided most often it is joint information and only on some occasions ministries provided opinion on each proposal separately. Ministry of Environment and Spatial Planning, Ministry of Justice and Ministry of Labour and Social Policy can be singled out as positive practices for openness in the process of drafting legislation.

Special area of the Strategy is the CSOs' inclusion in the EU integration process. There are many practical examples for CSOs' involvement in defining policies and monitoring pre-accession funds. Since 2009, the Secretariat for European Affairs (SEA) started with timely informing of and consultations with the CSOs regarding the priority projects funded from IPA. Furthermore, SEA, in their regular practice, organises informative meetings with CSOs. Apart of mutual informing about activities, meetings are also organised to review the updated version of the National programme for adoption of the EU *Acquis Communautaire.* CSOs are involved in committees for monitoring the operational programs and

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[23] Report on implemented measures and activities from the Strategy for cooperation of the Government with civil society 2012-2017 in 2012, Unit for cooperation with NGOs, General Secretariat of the Government of the Republic of Macedonia, March, 2013

[24] „ Participation of the public in the processes of law preparation", MCIC, 2012

[25] ibid

participate in other bodies and structures related to EU issues (Economic and Social Committee of the EU). Still improvement is needed regarding more timely and substantial involvement of civil society in the preparation and harmonization of national development plans, operational programs and other strategic documents.

Local government

The Law on Local Self-Government foresees several forms of participation in the decision making process on local level: civic initiative, citizens' assembly, referendum, complaints and proposals, public tribunes, surveys and suggestions. Although formally these possibilities exist, in practice this is difference from municipality to municipality. There are positive examples: in several municipalities (Veles, Bitola etc) via public debates, attending of the meetings of the municipal council, participation in committees when drafting documents and in their implementation; established committees on gender issues in 10 municipalities; regular meetings with CSOs (Municipality of Tetovo). However, often the positive practices are motivated by external stakeholders (mainly donors) and they are carried out as a one-off event. It is a challenge for them to become systematic and regular practice of the local-self government. Such an example that stimulates these processes are the Community forums implemented in more than 50 municipalities which facilitate capacity building for participative decision making and inclusion of citizens in deciding about priorities for projects that are implemented by SDC funds, whereas the municipality ensures matching funds.

Apart of the inconsistent practices of participation in decision making, additional problem are the various expectations and perceptions on both sides CSOs-ULSG: the CSOs are not pro-active (ULSG) and ULSG do not create sufficient possibilities for participation or do it only pro-forma (CSOs). The research "Cooperation between LSGU and CSOs" (MCIC, July 2011) illustrates that 47% out of 17 municipalities involved in the research have formal procedures for including CSOs in decision making process, but only 17% of the CSOs in the relevant municipalities are familiar with these possibilities. According to the same research, procedures such as organising public tribunes, conducting surveys or collecting suggestions from the citizens when developing regulations by the municipality, Council or the Mayor are practiced in 88% of the municipalities. However, majority of the surveyed CSOs (67%) consider that such practice does not exist. It is obvious that there is a gap in the perceptions of ULSG and CSOs, where ULSG believe that they create sufficient possibilities for CSO participation, opposite to the CSOs' belief. There is a need for further dialogue for bridging this gap and establishing mechanisms that will facilitate effective and substantial participation in decision making.

1.5. Public perceptions and support of civil society and its various segments

Public perception of CSOs in the last few years shows positive trends. This is indicated by the survey on public perception conducted in June 2013 by TACSO in cooperation with MCIC. The results show that majority of citizens – 54,2% have trust in the civil society sector, which signals trend of moderate increase in the trust in civil society when compared to 48,1% in 2010 and 41,7% in 2008. CSOs enjoy the highest trust by citizens in comparison to all other sectors (business sector 47,7%; state 47,5%; international community 43,5%; media 37,4% and political parties 27,9%).

Trust in associations and foundations increased by almost 17 percentage points in comparison to 2010 and it is 59,3%. With respect to the other civil society stakeholders, there is an increase in the trust in trade unions by 10% compared to 2010. The biggest supporters of CSOs are students with 77% trust in CSOs and the youth of age 18 to 29 years (69%).

Apart of the improvement in the level of general public trust in CSOs, in the past years there is a trend of certain predominance of positive attitudes towards CSOs over negative attitudes and stereotypes. Half

of citizens (50.5%) believe that organisations are founded by citizens in order to enforce their local interests which is an increase of 16% when compared to 2010. However, with respect to transparency of CSOs, the perception that CSOs are not transparent and accountable dominates (44,2%).

Recognition and approval of civil society is even higher when talking about specific sectors and organisations. Organisations dealing with issues related to children, youth and students earned citizens trust of 74.4%; organisations for/of persons with disabilities 68.4%; organisations with a focus on gender issues 67.7 %; environmental organisations 67,5% etc.

However, despite the positive trends the participants in survey agree that the public support and trust is still insufficient in order for the civil society to be established as significant factor on the social scene. One of the reasons for this situation is the perception that the civil society proved to be insufficiently effective until now. A possible cause for such situation perhaps might be the unsatisfactory effectiveness in the operation of some CSOs and the deficient addressing and resolving of key challenges for the whole society (corruption, poverty). Still, to a great extent, this situation is due to the lack of citizens' familiarity with the results and successes achieved by CSOs. This is a result of the insufficient presence of CSOs in the media. The media often do not consider themes related to CSOs as attractive, but mainly are focused on the daily political issues, and an exception to this is mainly when they need to point out CSOs as negative example or should be criticized.

2. CSOs' ORGANISATIONAL CAPACITIES

2.1. Types of organisations, size and presence on the ground

The number of registered associations and foundations in Macedonia according to data from Central Registration Office in April 2012 was 3,732[26]. It is estimated that 40% of all the registered associations are sports clubs and cultural associations.

In Macedonia civil society is predominantly located in urban areas. CSOs are poorly represented in rural areas, where organisations are less developed organisationally and tend to be less active than those in urban areas. The ratio of urban to rural CSOs is 10:1 indicating that there are approximately five CSOs per 1,000 citizens in the towns, while only 0.5 CSOs per 1,000 citizens in rural areas[27]. A corollary of this uneven distribution is that many of the poor and socially marginalised are insufficiently directly represented by civil society. There is still cleavage within civil society along ethnic lines, with a large proportion of CSOs, even in multi-ethnic localities, mobilising according to ethnicity or national ascription.

Regarding the level of development, there are only a small number of fully professional CSOs operating at the national level. These are well-developed, non-membership-based NGOs, usually located in the capital, working in the fields of socio-economic development, good governance and civil society strengthening through a range of capacity building activities, advocacy and lobbying. They are larger organisations with high levels of organisational capacities, technical skills and specialist know-how and are well prepared to compete for and manage large grants and service contracts available from international donors, such as the EC. The greater mass of other CSOs consists of smaller, semi-professional or voluntary membership-based organisations, working at the local level. They cover a wide range of special interests and target groups, and provide services to the community and their members including, in many cases, local-level advocacy on social policy, as well as raising awareness on certain issues and capacity building by means of education.

Trade unions form a distinct type of CSOs based on mass membership. There are 3 trade unions active on national level and 8 other registered independent trade unions that are not considered as representative by the Government and thus do not participate in collective bargaining[28]. Functioning of the trade unions is continuously accompanied with attempts of the political parties to influence their activities. Public trust in the trade unions is much lower than the trust in CSOs (35,9% versus 59,3% for CSOs), however there is a trend of increase in the past few years (increase of 18 percentage points in comparison to 2007 when this percentage was 17,9%[29].

Despite civil society's clear community orientation, it is poorly supported by the public and there is a low level of active participation by citizens in the local CSOs. 27,7% of the citizens are members in CSOs, and only part of them are active, i.e. engaged on voluntary base (approximately 10%)[30]. More spontaneous forms of association and collective voluntary action are less frequent; informal groups are poorly represented in civil society.

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[26] Data taken from the Strategy for cooperation of the Government with civil society (2012-2017), Government of the Republic of Macedonia, June 2012, pg.21

[27] "An assessment of Macedonian civil society: 15 years of transition, CIVICUS Civil Society Index", Macedonian Centre for International Cooperation, 2006, pg. 40

[28] "Report on mapping the social partner organisations", TA to Support Employment Policy, 2008

[29] „Trust in civil society", MCIC and TACSO, 2013.

[30] „Long way to greater citizens' engagement: CIVICUS – Index of civil society" MCIC, Skopje, March 2011

2.2. Human resources and technical skills

The majority of CSOs in Macedonia are insufficiently funded to employ full-time staff, relying mainly on part-time or temporary staff and volunteers, usually engaged to carry out short-term projects. According to organisational survey for the purposes of the CIVICUS Index Report (2011) 88,5% of CSOs operate on voluntary base. 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.

Although majority of CSOs operate on voluntary base, having in mind that only 10% of the citizens volunteer in CSOs[31] it can be concluded that insufficient use is made of volunteer labour, except for certain sectors in which there is a tradition of volunteer mobilisation and mutual solidarity (such as, pensioners, women's organisations, youth and environment). Volunteering is a concept that is still poorly accepted among CSOs.

Although CSOs mainly do not have professionally engaged staff they have developed some HR systems for the employees and the volunteers. These systems involve certain transparency in hiring people, whereas some organisations have rewarding and motivation systems which however are not applied consistently due to problems with (un)stable funding. Although most organisations do not have formal capacity building plans, nor do they allocate specific budget for that, still they care about capacity building of their staff. As a matter of fact, CSOs offer opportunities for building personal capacities and competencies of people, especially because there are still many possibilities for informal trainings and other type of education which do not have fiscal implications on the organisations, i.e. programmes in which they can be involved and the costs for the organisations are minimal (certain fee and the time that the participants need to allocate). Therefore, capacity building is intensively used among CSOs as one of the motivation tools and non-monetary reward.

Staff competencies, skills and experience within the CSO sector often lie at two extremes. Employees in the more developed, professional organisations generally have high levels of capacity and skills. Those working in the more community-oriented CSOs, however, are more likely to have few technical abilities and to possess insufficient specialist knowledge of their field of work.

The consultations carried out for this study revealed areas in which CSOs agreed that they lacked the required level of proficiency: preparation of project applications, especially for EC funds; knowledge of specialist policy areas including: anti-discrimination, anticorruption, disability, EU accession; advocacy and lobbying; research and analytical skills (think-tank skills); financial management; and knowledge and understanding of the tax regulations relevant to CSOs.

An area of capacity shortfall which appears to affect the sector more generally is in public relations. Smaller CSOs do not have capacity (human and financial) and knowledge to carry out public relations. On the other hand, CSOs in general agree that they have to improve their image. In most cases, public relations are carried out on an ad *hoc basis* within short-term projects, usually as a response to donor's demands for project visibility.

2.3. Type of activity (e.g. service delivery, advocacy, self-help etc) and sector of operation

Macedonian civil society covers a wide and varied range of target groups and fields of operation. Apart from the numerous sports and cultural clubs, among the most active are women's associations, which commonly work on raising awareness of gender issues and advocating of the mainstream of gender in public policy. Youth associations and human rights organisations are increasing in number and profile,

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[31] "Social Responsibility of Citizens", Macedonian Center for International Cooperation, 2011

while farmers' associations are emerging as an important niche lobby. There is also a new generation of young environmental associations. There is large number of organisations working expressly for the benefit of children and those with disabilities, as well as the relatively high numbers of professional associations.

According to the report CIVICUS Civil Society Index (MCIC, 2011), in the last 5 years CSOs have been most active in the field of human rights and equality, and the least active in influencing the national budget. Regarding activities to influence policy-making, again, highest activeness exists in human rights and equality, then the processes of decentralization and the Ohrid Framework Agreement.

According to public perception, which is examined within the CIVICUS report, most organisations are working on citizens' empowerment, raising their awareness in various areas and provide services.

According to the survey conducted by TACSO and MCIC in 2013 about citizens' trust in CSOs, citizens mostly recognize CSOs that contribute towards democracy, strengthening civil society and combating poverty. Citizens recognize the least number of CSOs in the area of anti-corruption and European integration. An increase in citizens' recognition is noticed for CSOs in the area of local and rural development and economic development, which points out that these organisations have become more active and/or more efficient in these areas.

2.4. Strategic strengths

Strategic planning is a concept that is not widely understood or accepted by CSOs in Macedonia. Although it is understandable that the majority of smaller organisations with low budget do not practice strategic management, however, even the developed organisations do not use strategic management to a full extent. Organisations have particular focus on strategic planning, they are less directed towards strategy implementation, but they pay the least attention to evaluation of strategies. Something that should be particular concern for most organisations is tendency to not accept the concept of strategic management in the practice as a paradigm of the whole organisation and they do not develop capacities on organisational level regarding strategic thinking and assessment. However, this is due to the fact that often organisations after the strategic planning phase, which is frequently imposed by some stakeholders (donors, managing board members etc), stop with the systematic implementation of the next phases of the strategic management. On the other hand, for many organisations it is obvious that in situations when the organisation was facing significant challenges important strategic decisions were made that proved to be crucial for the organisation's operation and even for its survival. This leads to the conclusion that they make good judgements and generally they make appropriate strategic decisions. However, it is obvious that this is not done in an established strategic management system involving all stakeholders, but mostly on ad-hoc basis and based on experience, intuition and the leadership skills of the organisation's management, and often even it is based only on one person. The essential aspect that affects the strategic positioning of organisations is the environment in which they operate. It is obvious to CSOs that the environment in Macedonia is very inconvenient for a whole range of reasons: lack of understanding and general support on social level, unfavourable legal and institutional framework for action, few measures to support CSOs, difficult access to finance etc. CSOs are aware of the adverse environment because they are faced with it every day. They need to set more adequate strategies for more successful addressing of challenges imposed by the environment; they need to seek more alternatives, to take on more risk and to experiment in order to find the right solutions. Even the well-developed CSOs no longer have comfortable positions to afford the "business as usual" approach. It is necessary for CSOs to overcome this and to change and constantly seek new solutions and strategies; however, this refers to many areas and aspects. For many organisations this even refers to their mission. Although the data from the TACSO analysis of the organisational capacities of 20 developed organisations points out that the missions for the developed organisations are clear and accepted in the organisation (they know very well why their organisation exist and they strive to achieve

that), the indicator that the public is experiencing CSOs as insufficiently effective (they do not address sufficiently the crucial social issues) imposes the need for CSOs to reassess their mission and role primarily in terms of how much they address real needs. For many organisations the change of the mission will change the whole paradigm on which they rely, and this will cause many internal changes that they will need to deal with, including changes in structure, need for change in organisational culture, need for new staff or development of new skills etc. All this brings organisations in a turbulent period and the management needs to be appropriately skilled to lead the process of creation and implementation of strategies and strategic changes.

On average there are still few organisations with strategic plans where they define their long-term programmes and organisational objectives. Instead of long-term programming and organisational planning, organisations are more focused on external relations and implementation of ongoing activities. Furthermore, if there are systems of PCM, they are not used to contribute to the broader perspective of the organisation, but they are mainly focused on writing proposals and implementing projects at the expense of a full analysis of the needs and monitoring and evaluation practices. From an organisational point of view, due to the general lack of human resources, there are rarely established systems for short-term and long-term planning, monitoring and evaluation etc.

A minority of organisations in Macedonia have a fully functional formal structure in which a governing body provides strategic oversight and holds the organisation to its mission and vision in the long run. More often, there is no division of the executive and governing structures, leading to the conflation of daily management and long-term governance and leadership functions. Very often there is a concentration of power in a single person who occupies overlapping positions as head of both the governing and executive body. Many smaller organisations are over-dependent on strong, highly motivated leaders, in many cases the organisation's founder. A related consequence of poor governance is that CSOs are insufficiently transparent and accountable. Transparency and accountability are mainly focused on international donors and then on their constituencies and the general public.

Due to the most organisations' dependence on limited short-term project financing and accompanying uncertainty, it is extremely difficult for CSOs to devote energy and resources to determine their long-term future and strategic planning.

The minority of organisations that have strategic plans face challenges in the strategy implementation due to the many problems. This is understandable given that the plan is only desired state and reality poses challenges and assumptions which were not met for the plan to be implemented successfully. The solution lies in the strategic management and the leadership's skill to ensure conditions for proper implementation and to adjust the strategies upon demand. Furthermore, the strategy implementation is difficult, as it require participation of the whole organisation, however, there are organisations whose members do not even know the organisational strategy or do not support it. Nevertheless, the management has the greatest responsibility in the strategy implementation and this implies multidisciplinary approach comprising familiarity with the specific issues that the organisation deals with, project management, financial management, team coordination and management, setting up appropriate systems etc. In the local context, generally, there are not enough professional managers – people who are educated to this end, and they are even less present in the CSOs. Therefore, trainings in management are still needed for them.

Regarding the strategy implementation, particularly pronounced problem is the operational planning, i.e. how to align the annual plan with the strategic plan adequately. Often the annual plans are unrealistic (too optimistic) or they comprise activities which are inconsistent with the strategy and do not lead towards achievement of the strategic goals. There are cases when the annual plan is only a compilation of the existing projects. The organisations should raise awareness that the process should take place in reverse order: first to define strategy and then to develop programmes and projects which in a way are small steps towards achieving strategic goals. This again leads to the need to incorporate the concept of strategic management in the organisations and to accept the strategy and the strategic goals as guidance in the overall operation.

Special area where CSOs experience problems, but which is of strategic importance to them is fundraising. This issue is one of the most problematic, and CSOs rarely plan the needed funds for the longer term, fundraising is done on ad hoc basis and only occasionally they undertake activities of planned fundraising. However, the capacity for fundraising is limited and the funds come from a small number of homogenous sources. There are many reasons for this: generally unfavourable context for fundraising, inappropriate fundraising approaches of CSOs, i.e. lack of fundraising strategies, inadequate capacities for implementation of the selected fundraising approaches etc.

2.5. Analytical capacities

Consultations with CSOs for this study reinforce the impression that analytical capacities among Macedonian CSOs are not developed enough. Ordinary organisation does little regarding social and economic research for purposes such as mapping constituency needs, developing projects or undertaking advocacy campaigns. It also lacks the capabilities necessary for building relevant strategy for lobbying, approaches to stakeholders and understanding the complexities of organisational development.

The analysis of the organisational capacities of 20 developed CSOs done within TACSO in 2012 shows that although the assessed organisations are fully recognised by the public as leaders in the civil society, still the assessment of their capacity for advocacy and lobbying suggests that only some people in the organisations have certain knowledge of advocacy, there is no further upgrading and the knowledge is used to limited extent in the program activities of the organisations. Furthermore, the assessment of their analytical capacities and skills is even lower and indicates that the organisations have insufficient analytical capacities and partly possess skills for writing effective analysis. Analytical capacities are crucial to their role of lobbyists, advocates of citizens' interests and their watchdog role. Thus, one of the primary tasks for the organisations in the future will be to strengthen these skills in research and analysis, preparation of policy analysis, but also more serious connection, involvement and closer cooperation with the academic community.

There is a small group of professional think tank NGOs which apply qualitative research to policy issues and may be considered as experts in their specific field. The tendency is for these think tanks to work on a broad range of social and economic issues, and they make use of experienced and trained researchers. It would be useful to design and implement training course for grassroots CSOs on how to do high-quality research to help their own advocacy goals, while for the advanced monitoring and advocacy watchdog organisations to design and implement a training course on quality of research design and thus link research with advocacy[32]. Another approach could be to motivate think-tank and advocacy organisations in partnership projects, thus utilizing to maximum extent their existing capabilities, as well as motivating sharing and mutual learning.

2.6. Relationships with other stakeholders, including networks and coalitions, social partnership with business sector and media

Structurally, civil society is well organised and internally integrated in Macedonia. A notable facet of Macedonian civil society is the great extent to which CSOs of all types join together to form networks, many of which are then registered as CSOs in their own right. There are over 200 assorted CSO networks, umbrella organisations and unions[33]. In most cases, networks are formed around target groups and specific social interests or sectors, such as women, environment, Roma etc. However, many

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[32] TACSO Training Report: Implementation of national trainings in "Strengthening analytical capacities for watchdog role of CSOs", 2011
[33] "CSOs networks and coalitions in Macedonia" Civic Platform of Macedonia, 2007

of the most active networks exhibit very low levels of activities during last few years. Most often explanation for this is lack of funds, however reasons for passivity of at one time most prominent networks should be further explored, particularly due to the fact that the individual members of these networks are very active organisations and engage intensively in other non-formal partnerships.

In general Macedonian CSOs increasingly are recognising the advantages of cooperation, especially with regard to their growing interest in advocacy and policy dialogue. There is a trend for CSOs to form programme-oriented coalitions or partnerships around single policy issues, lending expertise and "weight" to a concrete agenda of practical activities. According to the last CIVICUS Civil Society Index report (MCIC, 2011), two thirds of the CSOs are members of networks on national or international level. The CSO interest to become member in networks is due to: opportunity for improved promotion of common interests to third parties, organisations and the state; improved exchange of information; increased awareness of issues of common interest and development of joint projects and stronger project applications. The assessment of organisational capacities made in 2012 shows that building partnerships and networks are highly valued by organisations. Additionally, the assessment shows that they are aware of the need for partnerships with institutions and other CSOs; they try to maintain regular contacts, to network and to identify partners; they have some capacity to work in partnership in planning and in implementing joint activities. It seems that in the absence of financial capital organisations try to compensate for that by building social capital and by working in partnership in order to achieve common goals.

Coalitions where the expertise of national well-developed CSOs will be maximally exploit and those that are based locally are in their infancy and occur mainly motivated by donor calls that address local issues. This type of cooperation should receive natural flow and partners on both sides should understand the benefits of working together.

There is little significant cooperation with the private sector, and the two sectors should be considered as being mutually indifferent. According to the analysis „Relations of CSOs with business sector" Citizens' practices No. 13 (Nikica Kusinikova, 2011) cooperation between business and civic sector is based on individual initiatives from several enterprises and associations which understood the mutual benefit and interest from the cooperation. In general, CSOs rarely put pressure on the business sector regarding their influence on the environment and the community and they do not consider themselves as significant actors in the social responsibility in the country. The underdeveloped dialogue is due to lack of awareness of the business sector about the work of CSOs and the lack of strategy and CSOs' fundraising activities in relation to the enterprises.

Within the Media, with a few exceptions, there is little interest in civil society and CSOs' activities rarely attract much attention from journalists. CSOs should reconsider their PR approaches and particularly relations with media and invest more efforts and time in creating more close relations with media. This is becoming more relevant particularly with the increased interest in advocacy and lobbing and influencing public policies, which wouldn't be possible without having media as partners and close collaborators.

2.7. Material and financial stability

On average, CSOs in Macedonia have modest finances. Most of the associations and foundations (85%) have an annual budget of up to 100,000 MKD (around 1.600 EUR) (Central Registry, 2011). The analysis of the structure of financing shows that CSOs are still largely funded by international donors (63.6% of organisations). This is followed by membership fees which are source of funding for 52% of organisations, 34% of the organisations rely on municipalities, funds from sales and services support

29% of the organisations and the same percentage receive funds from the Government. EU as a donor occurs in 26% of the organisations, and citizens for 21%[34].

The larger, fully professional CSOs tend to enjoy relatively high levels of financial stability owing to their ability to access funds from multiple international donors. Their high levels of capacity, both technical and financial, place them in a privileged position regarding the increasing amounts of available EU funding. Organisational size and technical skills effectively exclude a majority of CSOs in Macedonia competing for EC funds.

Considering the situation regarding CSOs' funding, there is a need for new strategic approaches for mobilising resources and funds, not only for the small CSOs but also for the developed ones. Even for the developed organisations, although there is a stability in the budgets over the years, some risks can be identified such as making financial projections for a year or completely unclear projection for the next period, ensuring funds from homogeneous sources, for instance only from donors, or even worse, only from one donor etc. Often organisations do not have proper analysis of the fundraising opportunities and to what extent they are realistically applicable to their organisations. Consequently, they often resort to the approach (usually one and rarely more) in which they are the most skilled and most comfortable for them (e.g. writing project applications or collecting membership fees) i.e. they continue with the usual practice although it is no longer appropriate and fruitful. Others, who are aware of this, undertake radical changes and entirely new approaches which afterwards prove to be inappropriate because prior analysis had not been done about the applicability of those approaches for that particular organisation (e.g. organisations cannot expect to generate large funds from individual giving due to the current economic situation of the population). Another very common blunder is the fact that strategic planning is not fully completed with the assessment of the necessary budget for the planned strategic objectives and with the appropriate fundraising plan. Thus, there are rarely strategic plans comprising a part for fundraising strategies, part for setting objective to diversify funding sources and how the organisation plans to do so. The approach of defining minimum, optimum and optimistic scenario in terms of budget, and consequently making priorities in terms of strategic goals is rare and almost completely unknown opportunity for most organisations. The result is that many organisations often end up with unrealistic plans i.e. unconsciously chose optimal or optimistic scenarios for which there are not enough opportunities or not enough capacity to ensure funds alone. All this ends with failure to meet the set strategic objectives and to achieve agreed results.

Resource mobilisation requires huge experimenting by CSOs and attempting of different approaches. However, organisations need to approach cautiously, analysis based and strategically with good assessment of the approaches that could function in the local context and to what extent they are appropriate for the given organisation. While some organisations may believe that they can generate funds from individual giving, others should be fully aware that the approach may be a very limited opportunity for them. Pursuant to the adopted fundraising strategies, organisations should be aware that they need to develop skills needed for that type of fundraising. For instance, the fact that an organisation estimates that it is in a good position to apply for EU funds (has accessible funds/open call on specific topic, the organisation can present adequate financial capacity and stability in the previous year etc.) does not mean that it can expect success right away, especially since the preparation of project applications requires appropriate technical knowledge and skills.

Few CSOs own their own premises or are lucky enough to have obtained a rent-free space. Consequently, rent for office space is a major financial burden for many CSOs, especially the smaller and recently founded one. A great many CSOs in Macedonia are also poor equipped with only the most basic, and often old ICT appliances. Full range of internet technologies, including the social media and various platforms for e-learning remain largely unexplored by most of Macedonian CSOs. There are

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[34] „Long way to greater citizens' engagement: CIVICUS – Civil Society Index, MCIC, Skopje, March 2011

totally 666 available active sites registered under the domain org.mk. Of these, only 10% are active on social media[35].

2.8. Organisational sustainability

The various factors of the environment have very large impact on the sustainability of civil society as a whole and each individual organisation. However, despite external factors, many CSOs do not fully understand that their internal organisation and structure, their management, the approaches used in conducting their activities, their relationships with other stakeholders and the public are directly related to their viability as an organisation.

A number of organisations have failed to remain consistent to their mission, to demonstrate their effectiveness and to convince the public that they perform important and relevant matters. Because of frequent changes in mission and policies, which are mostly due to the need to provide donations, political party influence and personal interests of management, many organisations and their leaders have disputed credibility, which affects their sustainability. Besides that, the public often gets the impression that many CSOs work on abstract, distant and unimportant issues instead of working on real local high priority and everyday problems of ordinary people. Without local support, civil society has little opportunity to become sustainable.

Most organisations have failed to establish systems and procedures related to all organisational aspects, except for processes associated with implementation of project activities where the situation is better. Little emphasis is placed on systems and procedures for improvement, planning and development which significantly affect their sustainability. Therefore, many organisations have failed to ensure operation like a real organisation and instead they are just a bunch of projects. Donors, with rare exceptions, supported the situation focusing on their own priorities, considering CSOs as implementers of their ideas and programs and neglecting organisational and institutional support and strengthening of local CSOs. In addition, frequent changes of priorities and sectors in which donors operate, and changes in areas / regions where donors act strongly affects CSOs which although proved as very successful, but due to these changes cannot continue those activities and make a significant impact.

It is expected that the registered downward trend of donors would have positive implications for CSOs. Namely, this increases pressure on CSOs to deliver quality services, to exercise relevant influence, and thus strengthen their awareness of the need for long-term planning of organisational sustainability and mobilization of other funds.

Besides financial and social capital, analyzed above, another important factor, critical in the case of Macedonia CSOs is human resources. The almost entire reliance on volunteers, heavy reliance on one person, usually the organisation leader and the lack of paid people constantly threaten the sustainability of human resources in organisations. Therefore they need to have balanced development, i.e. besides encouraging volunteering, there is a need to invest in training and development of a core group in the organisation that will be the bearer of its mission, values and strategy.

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[35] Civic practices no. 12, Darko Buldioski, Boris Ristovski, Macedonian Center for International Cooperation, 2011

3. CONCLUSIONS

3.1. Summary of strategic issues of relevance to the project in Macedonia

The TACSO project, in its first phase, has established very good relations with the users – the CSO community in Macedonia, as well as government institutions, and especially with the Unit for Cooperation with NGOs in the General Secretariat of the Government of RM as well as other relevant stakeholders such as the EU Delegation and the donor community. The TACSO project has built an image of a facilitator of the relations between CSOs and Government, gained trust and credibility on both sides and as such it is well positioned to contribute for the improvement of institutional framework and environment in which CSOs function. It has been recognized by most stakeholders and that is why they see the key role of the project in exactly that direction. According to the recommendations from the consultations, it is obvious that the project's focus should be policy issues relevant to CSOs and the institutional framework.

Very important for the environment in which CSOs operate is the effective implementation of the Strategy for cooperation of the Government with civil society 2012-2017, and in particular the measures from the Strategy referring to the legal and tax frame, as well as the funding of CSOs. The effective implementation of the Law on Associations and Foundations and amendments of other relevant laws, especially those related with taxes and financial operations is of great importance. Having in mind the previous activities related with these issues (seminars, debates), TACSO has developed a network of expertise and relations with relevant institutions responsible for this issue, thus it has a good possibility to further contribute to these processes. Furthermore, it is necessary to further strengthen the institutional framework and the mechanisms for dialogue and cooperation between the Government and CSOs. One of the measures for that purpose foreseen in the Strategy is the establishment of the Council for cooperation with CSOs. In its first phase, the TACSO project ensured comparative experiences from the region, prepared analysis and recommendations which were consulted with CSOs. It is necessary to continue this support until the final establishment of the Council and its full operation.

Apart of the need for creation of favourable environment necessary for successful operation of CSOs, the needs in the area of building organisational capacities of CSOs are also great and various and cover a whole range of areas: PR, organisational development and strategic planning, building of constituency and stimulating volunteering, fundraising and application for EU funds. Having in mind this, it will be necessary for the project to predict a certain scope of activities and resources for capacity building. However, it is necessary to make efforts to ensure continuous and sustainable capacity building by creation of local expertise and resources which will be available after the project completion. A particular challenge in the capacity building is the need to reach out to small grass-root organisations in the country.

3.2. The civil society environment

- Although the legal frame for CSOs has been improved since April 2010 with the adoption of the Law on Associations and Foundations, however, some Law provisions are not fully applicable in practice. In order to gain real benefit from the Law, it is necessary to harmonise the Law with other laws, particularly the laws that regulate the tax frame for CSOs and the mobilisation of local resources.
- The tax frame for CSOs is unfavourable because it does not provide useful tax incentives for CSOs due to the fact that in reality there are no differences in the treatment of CSOs and businesses. CSOs even have additional burden (for example: with the Law on Personal Income Tax).
- The system of financing CSOs from state funds registered certain improvement with respect to transparency and clear objective-oriented application criteria backed up by consistent

policy/strategy behind it, but only for small portion of funds from the budget. Most of the ministries still inconsistently implement the adopted Code of good practices for funding CSOs.

- International donors' funds for CSOs mainly refer to EU funds (IPA, EIDHR, and Community Programmes) and the programmes for support of civil society of the Swiss Development and Cooperation Agency (SDC) and USAID, which provide project, ad-hoc and institutional grants.
- With respect to the creation of favourable environment and building institutional framework for cooperation between the Government and CSOs, a progress has been made with the adoption of the second strategy for cooperation between the Government and civil society 2012-2017. The Strategy covers the main issues relevant to CSOs regarding the creation of favourable environment for CSOs' operation and sets measures which should lead to developed and sustainable civil society, active CSOs' participation in defining policies, legislation and EU integration, social economy and social entrepreneurship, strengthened citizens' activism and community support and strengthened institutional framework and cooperation practices. In order to achieve these objectives, it is necessary to adopt a series of laws and by-laws or to change the existing laws and to establish new structures. However, despite some achievements in the institutional framework, it is not sufficiently favourable for CSOs because the public administration has not put them in practice yet and does not implement affectively the key measures foreseen in the new Government Strategy.
- There is still no structure for systematic and regular dialogue between CSOs and government about strategic issues related to civil society development in the country, although that is registered as a need by all stakeholders and it is already foreseen in the second Government Strategy for cooperation with civil society.
- At the local level, there is increased awareness of the need for cooperation of ULSG with CSOs and their involvement in decision making and the work of the municipalities. However this has not been accompanied by appropriate strengthening of institutional capacities for cooperation with CSOs at the local level and often lacks systematic and planned approaches for cooperation and involvement of CSOs.
- Socio-cultural context is still burdened by low level of public trust in general, lack of support and low participation of citizens. Particular burden is the public perception of the significant impact of political parties on CSOs and CSOs' division upon partisan lines. Public support and participation in civil society is still on a low level and the volunteering is a concept which is still poorly accepted.
- Corporate giving cannot yet be considered as a significant source of funding. Few companies are willing to provide long-term support. The main reason for this is the lack of budget for such purposes and the lack of tax incentives.

3.3. CSO organisational capacities

- Civil society in Macedonia embraces a diversity of organisational types at widely differing stages in organisational development. Thus, CSO capacity-building needs differ greatly and are at different levels.
- Regarding internal organisation, greater number of CSOs has insufficient organisational development and management i.e. lack of strategic management; short-term and project focus; inattention to institutional development and organisational strengthening and sustainability; lack of professional staff; insufficient accountability; and weak financial management. With few exceptions, strategic planning is a concept that is not understood or accepted by CSOs. Few organisations have developed strategic plans where they define their long-term programme and organisational objectives. One of the factors that impact the low level of long-term planning in CSOs is the weak strategic leadership.
- CSOs are often without functional formal organisational structure in which a governing body provides strategic oversight and holds the organisation to its mission and vision in the long run. There is no division of the executive and governing structures, leading to the conflation of daily

management and long-term governance and leadership functions or there is concentration of power in a single person who occupies overlapping positions.

- Most CSOs work with insufficient funds, thus the financial sustainability becomes greater challenge because more CSOs depend on international donors and do not use sufficiently the newly emerged and the alternative funding sources. CSOs have insufficient capacities for absorption of the EU funds due to several weaknesses: undeveloped project management starting from preparing application, small budgets with which CSOs operate in general and which do not correspond to the amounts determined for the single EU grants, incapability to ensure co-funding. There is a strong need for capacity building in areas such as fundraising from domestic sources, tax incentives, economic activities, preparation of applications for EU funds and project management, cooperation with business sector etc.

- CSOs working on local and grass-root level comparatively have weaker capacities and are disadvantaged due to even more restricted funding possibilities on local level, unfavourable socio-cultural context, week cooperation with ULSG and small support from the community.

- In terms of networking civil society is well organized and increasingly recognizes the benefits of cooperation, particularly in relation to the growing interest in advocacy and policy dialogue. There is a trend for CSOs to form programme-oriented coalitions or partnerships around single policy issues, lending expertise and "weight" to a concrete agenda. However, many of the previously most active networks showed very low level of activity over the last few years due to lack of funds.

- CSOs show weakness in their external communications and relations with stakeholders including developing relationships with members, constituencies and citizens; citizen involvement in civil society; mobilizing support from the business community and individuals; public communication; using and cooperation with the media, creating positive public image and trust.

- CSOs rarely promote the public scrutiny of public institutions. In particular, rarely practiced are anti-corruption activities, holding the government and the private sectors to account and overseeing the budgeting process. There is a need to address the limited CSOs' impact on policies by increased capacities for dialogue with decision makers, undertaking "watchdog" role, advocacy and lobbying for own interests and broader issues, building constituency, raising public awareness, mobilising support and building strong partnership.

3.4. Recommendations for the project work plan

Civil society environment

- There is a need for further support to the existing and building new structures for cooperation between the Government and CSOs (ex. Council for dialogue between the Government and CSOs, Unit for cooperation with NGOs);

- Given the limited capacities and resources of the Government Unit for cooperation with NGOs, there is a need to support the implementation of the key measures from the new Strategy for cooperation of the Government with Civil Society, in particular the measures referring to the reform and the harmonisation of the legal and tax frame for CSOs and funding of CSOs.

- There is a need to stimulate networking and creating coalitions that will mobilise CSOs to advocate for creating enabling environment and monitoring the implementation of key policies and laws for CSOs;

- There is a need to facilitate the dialogue and the processes that involve CSOs and other stakeholders (Government, media, donors);

- In order to generate positive image and to raise public awareness of CSOs' role there is a need for increasing the CSOs' visibility via activities (information events, media campaigns) aimed to popularise the achievements of civil society in the community.

CSOs' organisational capacities

- Further need for capacity building of CSOs and their networks in order to ensure their organisational development and sustainability through trainings, mentorship, on-job training and consultancy;

- Sharing experiences and practices among well-developed CSOs and less-developed local organisations will be of particular benefit for increasing their capacities;

- To ensure continuity in capacity building and ongoing support for CSOs in general, there is a need for training of trainers and capacity building of CSOs whose mission is to be service providers to other CSOs;

- CSOs need constant access to relevant and timely information, advice, resources and tools;

- Support CSOs in their efforts to apply for and implement EU funded projects;

- There is a need to strengthen CSOs to participate in programming of EU funding and other consultations related to EU integrations;

- There is a need for improving organisational capacities in areas such as: public relations; mobilising citizens' participation and voluntarism; transparency and accountability; reporting and presenting results and impact.

Annex 1 Acronyms and abbreviations used in the text

CSO – Civil Society Organisation
CIP - Competitiveness and Innovation Framework Programme
CIRa - Centre for Institutional Development
CSF – Civil Society Facility
EC – European Commission
EIDHR - European Instrument for Democracy and Human Rights
ENER - Single national electronic register of regulations
EIT - European Institute of Innovation and Technology
EU – European Union
ICT – Information Communication Technology
IPA – Instrument for Pre-Accession Assistance
MCIC – Macedonian Centre for International Cooperation
NGOs – Non-governmental organisation
OSCE - Organization for Security and Co-operation in Europe
PR – Public relations
RM – Republic of Macedonia
SDC – Swiss Cooperation Development
SEA - Secretariat for European Affairs
TA – Technical assistance
TACSO – Technical Assistance for Civil Society Organisations
ULSGs – Unit of Local Self Governments
USAID – United States Agency for International Development
VAT – Value added tax
ZELS- Association of Units of Local Self-Government

Annex 2 Methodology for the Needs Assessment

The Needs Assessment exercise was implemented through methodology combining desk research and consultation process of identification of CSOs needs by conducting interviews and focus groups with CSO representatives and other stakeholders.

The Needs Assessment covered the following key areas:
- CSO's environment
- Organisational capacities of CSOs

The desk research gathered and studied all relevant information, including previous civil society mappings and assessments, evaluations of major civil society – run development programs, situation analysis, policy document, and country specific academic literature.

Consultation process was made by individual interviews and focus groups. Interviews and consultations were conducted in a structured manner with guidelines developed in advance. Selection of interviewed and contacted organizations secured that data from different clusters of CSOs that have missions aiming at democratic development were represented.

During the needs assessment process, 9 stakeholders with in depth interviews were consulted. Interviewed were representatives from government unit for cooperation with CSOs, representatives from the unit of the local-self-governments, donor community and international organisations and civil society organizations.

After the initial data gathering a set of preliminary findings and conclusions regarding capacities and needs were prepared, presented and discussed in a 6 focus groups. The Focus groups were held in 3 places covering CSOs from East and West Macedonia and capital city Skopje. The two focus groups were held in Stip and included representatives from CSOs from the eastern part of Macedonia; two focus groups were held in Bitola and included representatives from local CSOs from the western part of Macedonia. Two focus groups were for consultation with CSOs from Skopje and involved representatives from bigger CSOs from the capital, CSOs networks representatives and CSF FPA project representatives.

Project team has documented whole consultation process and prepared minutes from each individual interview and each focus group.

Findings from the desk-research and the consultation process are summarised in the Needs assessment report including the stakeholders' recommendations.

Based on the Needs Assessment report, project work plan should be developed that corresponds to the project components.

Annex 3 List of consulted persons in focus groups and interviews

	Name and surname	Organisation	City
1	Suzana Nikodievic Filipovska	General secretariat of the Government of R. Macedonia – Unit for cooperation with NGO's	Skopje
2	Zoran Milkov	General secretariat of the Government of R. Macedonia – Unit for cooperation with NGO's	Skopje
3	Jovan Petreski	General secretariat of the Government of R. Macedonia – Unit for cooperation with NGO's	Skopje
4	Katica Cadieva	Local Self-Government Veles	Veles
5	Irena Ivanova	Delegation of EU	Skopje
6	Beti Bakovska	Dutch embassy	Skopje
7	Ibrahim Mehmeti	Swiss development cooperation – Swiss embassy	Skopje
8	Irena Stevchevska	British embassy	Skopje
9	Fani Karanfilova Panovska	Foundation Open Society Macedonia	Skopje
10	Zoran Ilieski	Coalition SEGA	Prilep
11	Jasminka Popovska	Local Agency Struga	Struga
12	Goran Janevski	Initiative of unemployed intellectuals	Vinica
13	Ibadetka Cupeska	Roma centre Sastibe Zdravje	Berovo
14	Aleksandar Mihajlovski	Horizonti	Probistip
15	Fidanco Hristov	ZPOP Aronija	Delchevo
16	Nikolco Kolev	ZZMK Probistip	Probistip
17	Blaza Manasieva	Women's organisation of Probistip	Probistip
18	Irina Pockova	GIZ Svetl Nikole	Sveti Nikole
19	Becka Seneva	National association of owners of private forests	Stip
20	Darko Skenderski	National association of owners of private forests	Berovo
21	Ivana Dimitrovska	Regional centre for advocacy	Delchevo
22	Saska Mehandziska	Regional centre for advocacy	Delchevo
23	Violeta Niceva	Local Community Development Foundation	Stip
24	Boris Sarkovski	Local Community Development Foundation	Stip
25	Gorgi Josevski	Citizen's Association – Bitola	Bitola
26	Svetlana Papacek	Women organization Bitola	Bitola
27	Viktor Iliev	YMCA	Bitola
28	Zarko Gjogievski	Scorpion	Prilep
29	Borce Jovanovski	UNASM	Prilep
30	Mata Bunteska	Zetva na znaenje	Prilep
31	Tome Krstevski	Doser Global	Bitola
32	Zlatko Bojkoski	Semper	Bitola
33	Meri Nasoku	Youth cultural center	Bitola
34	Natasa Antevska Veljnovska	Women association of Bitola	Bitola
35	Verica Buglevska	Women association of Bitola	Bitola
36	Bosko Srbinovski	Global	Bitola

37	Emil Ljamkovski	Izida Resen	Resen
38	Remzi Medik	Bairska Svetlina	Bitola
39	Gjorgji Josevski	Citizen Asociation Bitola	Bitola
40	Elizabeta Tudjarova	Global Bitola	Bitola
41	Svetlana Petkova	Women organization Bitola	Bitola
42	Maja Vetakovska	CGI	Prilep
43	Igor Tasevski	CGI	Prilep
44	Ivo Ivanovski	Youth cultural centre	Bitola
45	Bemzi Medik	Bairska Svetlina	Bitola
46	Ana Karamandi	Slow food	Bitola
47	Marija Mirchevska	Youth Educational Forum	Skopje
48	Petar Gjorgjievski	Rural development network of RM	Skopje
49	Sonja Zuber	Analitika	Skopje
50	Mile Boskov	Business Confederation of Macedonia	Skopje
51	German Filkov	Center for Civic Communication	Skopje
52	Violeta Eftimova	Nov zivot	Stip

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