



**EU TECHNICAL ASSISTANCE
TO CIVIL SOCIETY ORGANISATIONS
IN THE WESTERN BALKANS AND TÜRKIYE**

**DG NEAR Guidelines for
EU Support to Civil Society
in the Enlargement Region
2021–2027**

2023 Assessment Report

ANNEX 5

**COUNTRY ANALYSIS
NORTH MACEDONIA**



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Introduction to Annex

This country analysis is an Annex to the DG NEAR Guidelines for EU Support to Civil Society 2021–2027: Assessment Report 2023.

The Guidelines outline the results towards which EU support to civil society in the enlargement region will aspire in this seven-year period. This assessment provides evidence for the situation against the Guidelines' indicators for 2023, and a comparison with the baseline year, 2021.

This annex provides a summary of the evidence for assessment of the situation in North Macedonia against each of the 59 indicators in the Guidelines. This annex should be read in conjunction with the main report, which is available on the tacso.eu website.

Methodology

The main report and country analysis are based on data collected from primary and secondary sources. Primary research included surveys with CSOs and public officials and a legal analysis of relevant laws. Secondary sources, such as reports produced by CSOs, national human rights institutions, the government, and others, were reviewed to provide relevant information and data. The data collection and analysis refer to the period of 2023 compared to the 2021 baseline.

The public officials' survey was conducted from 27 February to 13 March 2024. The aim was to collect the perspectives on specific relevant indicators of selected public officials who, in their work, engage most closely with CSOs. The survey consisted of closed questions and was anonymous. For North Macedonia, fifteen responses were received from public institutions.

The CSO capacity and resilience assessment was based on a survey of CSOs conducted between 31 January and 19 February 2024. The survey was open to any CSOs willing to participate. It was disseminated through various channels with the support of CSOs, CSO networks, the National Resource Centre, UN agencies, international organisations and public institutions to make sure that the outreach covered a broad variety of CSOs. The validation of responses was ensured at the data-checking stage. Respondents who indicated that they did not belong to the target group were filtered out. Based on the number of valid responses received, the margin of error has been under 10%. This margin of error has been statistically calculated using the number of CSOs listed in the official Central Register of North Macedonia to determine the population size.

One hundred and forty-one valid responses were received for North Macedonia, constituting 16% of the responses for all seven IPA beneficiaries.

An overwhelming proportion (71%) of the respondents were senior managers, mostly executive directors, but also other managers, governing board members and others. In terms of tenure within the organisation, 60% of the respondents surveyed have been within the organisation for eight years or more, 23% for up to three years, and 16% between four and seven years.

Regarding gender distribution, 50% of the respondents are men, 49% are women, and 1% prefer not to disclose information of this nature. Thirty-eight percent of the respondents are between 41 and 50, 33% are above 51 years old, 23% are between 31 and 40, 5% are below 30 years old, and 1% prefer not to disclose their age.

In total, 14% of the respondents identified as belonging to a community, minority, or marginalized group. Of those who identified as belonging to such a group, most identified themselves as Roma.

More than half of the respondents (57%) come from the region of Skopje, 12% from the Pelagonija region, and the same proportion of 6% respondents from the East, Southeast, Vardar, and Polog Regions. The most insignificant representation of respondents is from the Southwest region, at 2%.

Forty percent of the respondents are part of CSOs established more than two decades ago (between 2001 and 2010), 31% are part of CSOs established between 2011 and 2021, and 14% were established between 1991 and 2000. The same proportion of respondents - 7% of participating CSOs - were established in 1990 or earlier, or after 2021.

Most respondents, 99%, come from officially registered organisations. Eighty-six percent of participating CSOs come from citizen associations, 7% from foundations, the same proportion of 2% from not-for-profit cooperatives, 2% from non-profit organisations, and 1% from trade unions.

Regarding the geographic area of work, 68% of the CSOs surveyed work nationally, 45% internationally, 35% within the country regionally and 34% locally.

In terms of area of work, 34% of the CSOs work in youth, and 29% in education, research, and innovation, followed by 22% in the environment and climate action, and the same proportion of 18% in socio-economic development and human rights, followed by 12% in public participation in policy and decision-making and 11% in the rule of law.

Regarding the size of the CSOs participating in the survey (number of staff members), most of the respondents surveyed, 65%, are part of small CSOs with 1-10 permanent, full, or part-time staff and volunteers working at the time of the survey. Eleven percent of the respondents are part of CSOs with 21 to 50 staff members, the same proportion of 9% are part of either CSOs with no staff members or between 11 and 20 staff members, and the most insignificant proportion, 4%, from CSOs with more than 50 staff members.

In terms of the size of the CSOs considering their annual turnover, 26% of the surveyed CSOs have a yearly turnover of between EUR 100,000 and EUR 500,000, 21% between EUR 5,000 and EUR 25,000, 16% between EUR 50,000 and EUR 100,000, and 9% below EUR 5,000. Six percent have a turnover of more than 500 000 EUR. 4% of the CSOs were inactive, with no annual turnover in 2023.

Moreover, the sample size in 2023 increased by 55%, with 141 valid responses in 2023 and 91 valid responses in 2021. Regarding the demographic characteristics (age group, gender, role within the organisations, self-identification as a minority, organisation size, sector of work, turnover, and number of employees) of the civil society organisations that responded to the survey, the sample remained the same.

The data collected informed the analysis of the situation in 2023 in North Macedonia against indicators under review.¹ The indicators were reviewed and assessed using the same method as the baseline assessment. The methodology for the six indicators was enhanced with additional analysis to ensure greater clarity and accuracy of the assessment.² The changes to simplify the CSO survey affected eight indicators for which the 2021 baseline was recalculated.³

For indicators that have a normative assessment, such as compliance with legislation or standards, the following traffic-light system was used to provide a quick visual guide:

1 The following indicators were not reviewed for 2023: 2.1.b; 2.1.c; 3.2.b; 3.8.c. These indicators were excluded from the review because data collection for their assessment was not feasible or because the language of the indicator was insufficiently specific to enable consistent data collection and analysis.

Indicators 1.7.b and 1.10.e were reviewed only in the Country Annex Report for North Macedonia

2 The assessment of the following indicators was enhanced with additional analysis: 1.5.b, 1.6.a, 1.7.c, 1.7.d, 1.10.a, 1.10.b

3 The baseline for the following indicators was recalculated: 1.2.c, 3.1.a, 3.1.c, 3.1.e, 3.3.a, 3.4.a, 3.5.a, 3.6.b

5 – fully meets standards

4 – meets most standards

3 – moderately meets standards

2 – minimally meets standards

1 – does not meet standards

The traffic light system was applied to those indicators where such an assessment was deemed meaningful. It was based either on the data collected through the CSO survey or on the detailed analysis of applicable laws, policies and procedures against standards. The justification of the assessment is available in the respective country reports and related analysis in Annexes 1–7.

The remaining indicators provide an overview of year-on-year trends building on the baseline established in 2021.

The report compiles the assessments and level of implementation of individual indicators following the structure of specific objectives under each of the three areas as shown on the next page.



Specific Objective 1

A conducive environment for civil society to carry out its activities is in place.

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

Indicator 1.1.a: Extent to which relevant domestic legislation provides that:

- Associations can be established or registered without discrimination on any grounds;
- No unlawful restrictions are placed on the scope of their activities or pursuit of their objectives;
- Their termination may only occur following a decision by an independent and impartial court;
- No unlawful restrictions are placed on freedom of peaceful assembly;
- Freedom of expression is exercised by all, and no unlawful restrictions imposed.

2021 assessment:

4 – meets most standards

2023 assessment:

4 – meets most standards

The legal framework regulating all three rights (freedom of assembly, freedom of assembly, and freedom of expression) in North Macedonia remained challenged in 2023.

In 2022, amendments to the Law on Associations and Foundations⁴ were adopted regarding the use of names of historical figures in the organisations' names. Accordingly, Article 8 of this Law stated: "As a name, abbreviation and/or title of an organisation cannot be used names, surnames, nicknames, pseudonyms, abbreviations and initials of persons who, on any basis, way or form, were or are related to racial, religious, national, ethnic and other intolerance, hatred, genocide, extremism, spreading or supporting fascism, Nazism, National Socialism and the Third Reich".

In line with this Law, the Government established a *Commission for the Use of Names*⁵ with a mandate to give consent for using names of historical persons. The consent is a precondition for approval for registration of a civil society organisation. Further, Article 9-a of the Law stipulates that the Ministry of Justice approves the use of a person's name, surname, pseudonym, nickname, abbreviations, or initials after a previously received positive opinion from the Commission on the use of personal names. The Law also requires organisations already registered to ensure compliance with the new Law's provisions within three months of its entry. Failure to meet this obligation will result in deletion from the Registry. Based on these provisions, the two Bulgarian cultural associations⁶ in Bitola and Ohrid (named 'Ivan Mihailov'⁷ and 'Tsar Boris III'⁸) were deleted from the Central Registry as they kept the CSO names with personal names of historical persons that are considered offensive by the majority of the population in the country, and did not follow the legal obligation to apply the changes in the prescribed period.

4 Official Gazette of RNM, nr. 239/22 from 08.11.2022

5 Article 9-a and 9-b from the Law on Associations and Foundations

6 The civil society organisation 'Ivan Mihailov' was established in 2019 in Bitola, and the 'Tsar Boris III' in 2021 in Ohrid.

7 Ivan Mihajlov (1896 - 1990), also known as "Vancho" Mihajlov and "Radko" - was one of the founders of the VMRO (Internal Macedonian Revolutionary Organisation). He was a controversial historical figure in Macedonia, who ordered numerous political murders of Macedonian and Bulgarian actors, and was a supporter of Nazism and Fascism

8 Tsar Boris III allied Bulgaria to the Axis powers (originally called the Rome-Berlin Axis and also Rome-Berlin-Tokyo Axis), a military coalition that initiated World War II

On a positive note, as part of the Open Data Initiative by the Government, the CSO registration process in the Central Registry has been further eased by enabling the service for electronic registration, which was not available in the past for the CSOs. However, the process requires an e-certificate, which makes the physical registration easier for most CSOs⁹.

Even though freedom of expression and freedom of media in the country are in line with International Standards, in practice the situation is still variable and uncertain. While the media and civil society participate in vigorous public discourse, journalists and activists still face pressure and intimidation. The Association of Journalists recorded 14 incidents involving journalists, of which four involved physical attacks or illegal detention, and 11 involved verbal attacks, threats, and other forms of intimidation¹⁰.

In line with the EU directive for diminishing SLAPPs and strengthening the legal framework for freedom of expression, in 2022 a new Law on civil liability in the case of Insult and Defamation was adopted to harmonise the previous law with Directive 2010/13/EU on audio-visual and media services. The new law significantly decreased the penalties that could be given in case of insult or defamation while conducting journalistic practice. It diminished the SLAPP effect by encouraging investigative reporting and decreasing fines. However, apart from the new law now in place, in practice, the situation remains challenging.

In 2023, a court verdict on defamation against the civil society organisation “Investigative Reporting Laboratory” (IRL) that produced and broadcast a documentary¹¹ investigating high officials alleged corruption in building modular hospitals during the COVID-19 crisis with low-quality standards, resulting in the loss of 14 lives because of a fire in the Tetovo modular hospital, raised issues related to freedom of association and freedom of expression. The judge argued that the right to privacy superseded the right to free speech and even questioned the Investigative Reporting Lab’s (IRL) status as a media outlet, describing the journalist as merely presenting herself as an investigative journalist.

Press freedom advocates have widely criticised the verdict, arguing that the judge failed to prioritise the public interest over the private interests of influential figures.

Moreover, the judge concluded that the IRL was not allowed to publish the research at all, which represents a heavy precedent and an attack on freedom of expression and the freedom of the media, leading to potential censorship. Even more problematic is the judge’s call to state institutions to review the operations of civil society organisations that publish journalistic content.¹² The verdict was appealed to the Appellate Court but is still waiting for the court hearing date.

When compared to 2021, freedom of peaceful assembly has remained defined as a gathering of at least 20 people, which is contrary to international standards and the Constitution. The Law’s shortcomings have remained, such as vaguely defined organiser responsibilities and obligations, high fines imposed in damage cases, and foreigners’ having to obtain approval to gather, without which severe penalties are foreseen.

Despite all the challenges, the ranking of the country by Freedom House and Global Media Freedom Index slightly improved in 2023. In that year, Freedom House ranked North Macedonia in 68th place in the world as partly free; and compared to 2022 and 2021, slight improvements have been noted in the area of political rights. At the same time, the country was ranked 38th out of 180 countries worldwide according to the Global Media Freedom Index of Reporters Without Borders. The country jumps 19 places compared to 2022 and is the best positioned in the Western Balkans region, ahead of Montenegro (39), Croatia (42), Kosovo (56), Bosnia and Herzegovina (64), Serbia (91), and Albania (96).¹³

9 <https://www.crm.com.mk/mk/uslugi/izvrsham-upis-ili-zavrsham-obvraska/osnovaj-nov-subjekt>

10 <https://mia.mk/en/story/ec-north-macedonia-is-in-between-some-and-moderate-level-of-preparation-on-freedom-of-expression>

11 <https://irl.mk/ubistvo-vo-tetovo/>

12 <https://balkancsd.net/novo/wp-content/uploads/2023/12/144-1-BCSDN-IRL-Reaction.pdf>

13 <https://rsf.org/en/index>

SO 1.2. Public authorities protect CSOs from interference and attacks and respect their right to privacy.

Indicator 1.2.a: Extent to which CSOs have access to an effective remedy to challenge or seek review of decisions affecting exercise of their rights.

2021 assessment:

4 – meets most standards

2023 assessment:

4 – meets most standards

No progress was evident compared to 2021 regarding CSOs' access to an effective remedy to challenge or seek a review of decisions affecting their rights. Registered CSOs enjoy the same legal remedies as other legal entities and citizens.

The Council of Europe's report¹⁴ on the efficiency of justice, released in June 2022, highlights that administrative disputes drag on for an extended period, with the disposition time for first-instance cases in 2021 averaging around 348 days and 84 days for second-instance cases. This prolonged process hampers justice and imposes a significant financial burden on the parties involved (including CSOs).

From the CSO survey, 15% of the respondents stated that in 2023, government authorities made decisions that negatively impacted their ability to exercise their rights. In total, only 2% were able to challenge such decisions, and 10% declared that they were not able to challenge such decisions. Compared to 2021, there was a decrease of 3% of those able to challenge these decisions and a reduction of 2% of those unable to challenge such decisions.

Indicator 1.2.b: Extent to which CSOs are protected by law from threats, attacks, judicial harassment and discriminatory treatment, in particular:

- threats including intimidation, harassment, defamation, as well as hate speech online and offline;
- attacks including acts of violence, physical abuse, searches and damage to property;
- judicial harassment including arbitrary arrest and detention, unlawful interference with communications, and abuse of criminal, civil and administrative proceedings, or threats thereof;
- discriminatory treatment, including disproportionate reporting requirements for CSOs.

2021 assessment:

4 – meets most standards

2023 assessment:

4 – meets most standards

The issues identified in the laws for protecting CSOs from threats, attacks, judicial harassment and discriminatory treatment remained the same as in 2021. The Laws protect everyone, including CSOs, from threats, attacks, judicial harassment, and discriminatory treatment. However, just like in 2021, the general provisions refer to natural persons and legal entities; thus, CSOs are not recognised as specific legal entities, and they are subjected to the same provisions as other legal entities, except for the Law on Prevention and Protection against Discrimination, where CSOs can file *actio popularis*.

On a positive note, as a step toward improving the legal protection of journalists, in 2022, a Special Prosecutor for protecting the safety of journalists (as individuals) was assigned in Skopje, followed by three additional Special Prosecutors in 2023 in Shtip, Bitola, and Tetovo. Still, these prosecutors have

¹⁴ <https://rm.coe.int/north-macedonia-20220630-deliverable-2/1680a8c31f>

limited capacities given their work overload, and there is a lack of information regarding the practical implementation of this legal protection.

In addition, with the amendments to the Criminal Code, which the Parliament adopted in February 2023, prosecutors' offices and judges have legal support to treat attacks on journalists as an attack on an official, with severe penalties for threats and attacks on journalists, and with the possibility of prosecution to act ex officio in such cases. However, there is no information about the practical implementation in 2023.¹⁵

Reporters Without Borders states in the country report that although journalists do not work in a hostile environment, widespread misinformation and a lack of professionalism contribute to the decline of society's trust in the media, which exposes independent media to threats and attacks. The tendency for government officials to exhibit wrong and humiliating attitudes towards journalists continues.¹⁶

According to the "Media Freedom in North Macedonia – Fragile Progress" report, the Court's practice of not providing detailed information about court proceedings, including those involving attacks on journalists, continued in 2023, as the Court does not have a practice of informing the public about proceedings, including those related to attacks on journalists and media. The report cited that in 2023 "institutions did not react quickly and efficiently enough to find and punish the perpetrators of severe death threats, and the law enforcement authorities have not been keen on resolving cases".

On a positive note, according to the latest data available from 2022, journalists have not reported any serious issues regarding cooperation and communication with police, and the findings of this report showed that trust in law enforcement authorities has increased in recent years. While problems remain over the resources available for law enforcement authorities to investigate crimes against media efficiently, no severe concerns exist within the journalistic community about the ability and willingness of police to act on such cases.¹⁷

As for the legal protection of CSOs from discrimination, just as in 2021, CSOs are protected by the Law to prevent discrimination just like other legal entities.

Indicator 1.2.c: Proportion of CSOs that operate effectively without threats, attacks, judicial harassment and discriminatory treatment, in terms of:

- number of complaints concerning lack of protection of CSOs;
- number of attacks on CSOs and their members;
- number of instances of damage to property;
- number of instances of discriminatory treatment in reporting;
- number of instances when CSO offices were unlawfully searched, or subjected to inspections;
- number of instances of interference with the communications of CSOs.

Based on the CSO survey, 11% of the CSOs stated that they experienced threats and physical attacks, suffered property damage as a result of threats and physical attacks, or were subject to unlawful searches and communication interference by authorities in 2023. This proportion is a decrease of 12% as compared to the survey results in 2021¹⁸. In total, 80% of the respondents were not subject to any threats and physical attacks, nor experienced property damage as part of threats and physical attacks and were not subject to unlawful searches and communication interference by authorities. This proportion is higher by 13% as compared to the data from 2021.

The growing anti-gender movement that started a few years ago in the country negatively affected the Macedonian civil society, including increased threats, hate speech and attacks towards human rights

¹⁵ <https://ipi.media/wp-content/uploads/2023/10/EN-Fact-Finding-PFM-Report-251023-web-1.pdf>

¹⁶ <https://rsf.org/en/country/north-macedonia>

¹⁷ <https://ipi.media/wp-content/uploads/2023/10/EN-Fact-Finding-PFM-Report-251023-web-1.pdf>

¹⁸ The method of calculation for the 2021 report was updated, and these results reflect the revised recalculated values.

activists. This worrying trend was affecting civil society, particularly human rights activists working in the areas of gender equality, LGBTIQ, and other human rights.

The five religious leaders in May 2023 openly confronted via a written statement to the media the adoption of the amendments of the Law on Civil Registry (Law of Civil Registry recognising legal recognition of transgender and different gender identities) and the new Law on Gender Equality, including even the further implementation of the Istanbul Convention (ratified in 2018 in North Macedonia). This act was followed by a wide public protest initiated by the Macedonian Orthodox Church and supported by other religious leaders and 30 civil society organisations coalesced under the banner of the Coalition for Protection of Children and further blocked the progress of these two crucial laws—the Law on Gender Equality and the Law on Civil Registry. One of the consequences of anti-gender actions was the increased harassment and attacks on gender equality activists and the LGBTIQ community, and any sanctions against public defamation with impunity remained absent. Such a challenging environment threatened their lives and affected their work and ability to advocate safely in 2022 and 2023.¹⁹

The annual report of the Helsinki Committee on hate crimes available for 2022 noted the case of the LGBTI+ activist attacked verbally and physically in the centre of the city, Strumica, which resulted in a crime conviction submitted to the Basic Court in Strumica and a court verdict the same year qualifying the perpetrator that committed the crime qualified as a hate crime and sentencing him to six months imprisonment.²⁰

According to the Association of Journalists, there were five officially registered cases by the Ministry of Interior and Association of Journalists database of violations of journalists' rights in 2023. Only in one of the five cases were criminal complaints by the Prosecutor in Kavadarci submitted, but no further information is available on that. This number is lower than in 2022 when there were seven registered, and when five were registered in 2021.²¹ Furthermore, the report showed that women were more frequently attacked than men. Impunity for such attacks remains high, with less than 10 per cent of registered cases resulting in convictions. In another report, the Platform for Investigative Journalism and Analyses (PINA) revealed that over 81 per cent of 103 female journalists surveyed had been subjected to online harassment, the vast majority on Facebook.²²

According to the Association of Journalists, the main pressures in Macedonia nowadays do not come so much from politics as business. However, there is an evident connection between politicians, business people, and the judiciary. Thus, in addition to the growing number of attacks against journalists (from 59 in 2022 to 79 in 2023), journalists have become the target of ridicule and disparagement, and political parties wage their battles against them through their own media outlets, determining who is a journalist and who is not. According to journalists, the difference compared to previous times is that nowadays, the attacks do not come from one centre – but from several.²³

Besides all the above, the perceptions of most public officials surveyed suggested that CSOs could operate effectively in 2023 without threats, attacks, judicial harassment, or discriminatory treatment.

¹⁹ <https://ba.boell.org/en/2024/04/19/anti-gender-mobilizations-north-macedonia-transnational-tool-kit-domestic-actors-against>

²⁰ https://mhc.org.mk/wp-content/uploads/2023/08/godisen-izvestaj-zlostorstva-od-omraza-2022_mk_alb_eng_po653136_23.08.2023-1.pdf

²¹ <https://znm.org.mk/povreda-na-novinari/>

²² https://freedomhouse.org/country/north-macedonia/nations-transit/2023#footnote12_q1ccy4j

²³ <https://znm.org.mk/en/truth-or-business-interests-who-wants-to-silence-journalists-with-slapps/>

SO 1.3. Measures used to fight extremism, terrorism, money-laundering or corruption are targeted and proportionate, in line with the risk-based approach, and respect human rights standards on freedom of association, assembly and expression

Indicator 1.3.a: Extent to which laws to combat extremism, terrorism, money-laundering and corruption do not unduly restrict legitimate activities of CSOs.

2021 assessment:

4 – meets most standards

2023 assessment:

4 – meets most standards

The newly adopted Law²⁴ on Prevention against Money Laundering and Financial Terrorism²⁵ in 2022 is aligned with the EU Directive 2018/843 and demonstrates the country's commitment to preventing the use of the financial system for money laundering or terrorist financing, thereby enhancing its credibility in the international financial community.

The new Law improved the country's approach to CSOs, requesting entities to request enhanced due diligence²⁶ measures only concerning business relationships and transactions with non-profit organizations identified as being riskier, according to the risk factors identified in the National Risk Assessment²⁷ as well as non-profit organizations that pose a higher risk by the entity risk assessment. Even though the Law does refer to the sectoral risk assessment (NPO TF risk assessment), the regulators and the banks are informed about its existence and have tried to implement it in their everyday practices.

The Guideline, developed in the country by the Macedonian Financial Intelligence Office in 2019 for Risk Assessment and Decision to establish an Indicators List about Suspicious Transactions, was also amended in 2022. These amendments, which addressed some of the most problematic indicators, were the result of a collaborative approach among CSOs, banks, and regulators. This inclusive process was noted in 2023 in the FATF's Best Practice Paper (BPP)²⁸ regarding cross-sector collaboration in advocacy efforts, outreach, and cooperation with the competent authorities.

In addition, the registration regulations for beneficial owners were also amended in North Macedonia in 2022. However, the amendments did not address the CSOs' challenges in 2021 (paying high fines if the beneficial/final owner of the CSO is not registered within 15 days in the Central Registry—CSOs face high fines of up to 1000 EUR and blocking of the bank account), and further confusion and challenges were identified in registering beneficial owners for the foundations, especially out of Skopje.

24 <https://ufr.gov.mk/wp-content/uploads/2020/05/AML-CFT-Law-2022-adopted-Off.gazette-151.pdf>

25 The country's regulatory framework is defined by the **Law on Prevention against Money Laundering and Financial Terrorism and the National Strategy for Combating Money Laundering and Terrorist Financing (2021-2024)**.

26 Enhanced due diligence measures include:

- 1) providing additional information about the client and the beneficial owners;
- 2) frequent updating of the client documents and data;
- 3) providing additional data on the nature of the client's business relationships and transactions and the specific objectives of the non-profit organisations;
- 4) providing additional data on the source of funds and the source of the client's property and additional data on the beneficiaries who receive the funds of the non-profit organisation;
- 5) providing information on the reason for the planned or performed transactions and
- 6) enhanced monitoring of business relationships.

27 "National risk assessment" is a comprehensive process for identification and analysis of the risks of money laundering, financing of terrorism, and financing and proliferation of weapons of mass destruction and other relevant risks in a particular state, in order to develop adequate measures for prevention of money laundering and financing of terrorism and efficient allocation of the available resources for the purpose of controlling, reducing or eliminating the established risks and improving the system for prevention of money laundering and financing of terrorism.

28 <https://www.fatf-gafi.org/content/dam/fatf-gafi/guidance/BPP-Combating-TF-Abuse-NPO-R8.pdf.coredownload.inline.pdf>

Indicator 1.3.b: The proportion of CSOs whose ability to undertake legitimate activities is not restricted by the implementation of laws to combat extremism, terrorism, money-laundering and corruption, and in particular by:

- being judicially harassed for their alleged connections with extremism, terrorism, money-laundering and corruption;
- discriminatory restrictions placed on funding,
- authorities or banks preventing them from opening bank accounts, sending or receiving money.

According to the findings of the CSO survey, in 2023, 11% of the respondents answered as being judicially harassed for their alleged connections with extremism, terrorism, money laundering, and corruption, with discriminatory restrictions being placed on their funding as well as authorities or banks preventing them from opening bank accounts and sending or receiving money. This proportion is similar to 2021 (12%).

In addition, 3% of CSOs reported being subjected to discriminatory restrictions due to receiving funding from a particular source, and government authorities or banks prevented 6% of organisations from opening a bank account or sending or receiving money in 2023. The number of respondents (86%) slightly increased in 2023 who reported they were not judicially harassed for any alleged connections with extremism, terrorism, money laundering, and corruption, nor subject to discriminatory restrictions placed on their funding, with authorities and banks not preventing them from opening bank accounts, or sending or receiving money, as compared to 2021 (80%).

SO 1.4. Public authorities should treat all CSOs equally with regard to their operations, and equitably with other entities (such as businesses)

Indicator 1.4.a Extent to which laws (1) do not require CSOs to submit more reports and information, and (2) do not submit CSOs to more inspections and sanctions, than business entities, all else being equal.

2021 assessment:

5 – fully meets standards

2023 assessment:

5 – fully meets standards

According to the Law for Associations and Foundations, CSOs are obliged to publish their annual reports on their web pages²⁹ and, according to their annual turnover, submit annual financial reports to the Central Registry only when the yearly turnover is above EUR 2.500. The situation remained the same as it was in 2021, which means that CSOs, just like business entities, must file annual closing financial statements.

Just as in 2021, CSOs and business entities are in the same situation when inspections and sanctions are in place. However, businesses have more obligations and sanctions prescribed by the law around the division of profits.

²⁹ Article 53 from Law on Associations and Foundations

SO 1.5. Central and/or local public authorities have enabling policies and rules for small community organisations and civic initiatives (grass-roots organisations)

Indicator 1.5.a: Small community/local organisations and civic initiatives are allowed to operate by law without registering.

2021 assessment:

5 – fully meets standards

2023 assessment:

5 – fully meets standards

As in 2021, the legal framework provides freedom of association and does not hinder grassroots organisations and civic initiatives from freely operating. No legal obstacles prevent civil initiatives and grassroots organisations from achieving their objectives and performing their work, nor do they protect them.

In practice, the issue of informal groups' legal protection is also related to their recognition as actors in policy-making processes and as parties in special judicial and administrative proceedings, which is not clearly defined but vague and arbitrary, depending on the different legislation under which informal groups are active.

Regarding the general rules for passing laws, the rules of procedure of the Government and the Assembly use the term physical person or association (legal entity). However, the overall impression is that the national legislation does not recognise informal groups as more than a group of physical persons³⁰, although they are allowed to operate and are not prevented from existing.

Indicator 1.5.b: In law, unregistered small community/local organisations and civic initiatives enjoy the same right to participation in decision-making processes as registered CSOs.

2021 assessment:

4 – meets most standards³¹

2023 assessment:

4 – meets most standards

Just as in 2021, the Code of Good Practices for Civic Participation³² in Decision-Making Processes continues to define civic participation of volunteer groups, non-profit organisations, associations, foundations, charities, and philanthropic organisations, as well as groups with shared interests and advocacy groups in the decision-making process, but not as an obligatory document. The Code of Good Practices is also optional for the public authorities, and it is left up to the institution whether it will comply or not, and as such, should be better utilised.

In this context, neither legal norms nor procedures nor terminology are used when including the public in the consultation processes at various levels. Usually, the public is invited and included arbitrarily, depending on the institution and its openness, which means registered or non-registered groups or individuals relevant to the topic of discussion.

30 https://www.pravda.gov.mk/Upload/Editor_Upload//Towards%20the%20reform%20of%20the%20LAF_MKD%20.pdf

31 The baseline assessment was changed to reflect a more rigorous application of indicator criteria.

32 <https://rm.coe.int/CoERMPublicCommonSearchServices/DisplayDCTMContent?documentId=09000016802eedd2>

SO 1.6. All CSOs are free to solicit and receive funding.

Indicator 1.6.a: Extent to which relevant laws allow CSOs to seek a broad range of funding, including from abroad, without undue restrictions, as regards:

- cash and in-kind donations from all sources;
- funding from domestic public bodies;
- funding from institutional, corporate or individual donors;
- funding from foreign governments or multilateral agencies.

2021 assessment:

4 – meets most standards³³

2023 assessment:

4 – meets most standards

The Law on Associations and Foundations³⁴ in North Macedonia and the Law on Donations and Sponsorships regulate donations to CSOs, the same as in 2021.

The legal framework enables CSOs to receive funds from various sources, including state budget funds from the Government, municipalities, or the City of Skopje. Moreover, there are no legal restrictions on CSOs' access to various funding sources, including foreign donors.

However, when it comes to receiving funds from institutions or countries whose activities are considered unconstitutional and are at risk of financing terrorism, it might make the CSO become suspected of funding terrorism and money laundering, and certain restrictions are applied.

However, with the AML/FATF regulations, banks have imposed increased controls on CSO donations, requesting excessive documentation, resulting in a real burden for the CSOs.

Indicator 1.6.b: Proportion of CSOs that can access a broad range of funding without undue government interference.

The CSO survey indicated that 1% of the respondents were subject to arbitrary audits, frozen accounts, and the requirement to register as a foreign agent. The situation remained the same as in 2021 (2%). In total, 95% were not subject to arbitrary audits, frozen accounts, and the requirement to register as a foreign agent, which is an increase of 15% compared to 2021, when this proportion was 80%.

³³ The baseline assessment was changed to reflect a more rigorous application of indicator criteria.

³⁴ Articles 13, 48, 49

SO 1.7. Public financial and non-financial support to CSOs is available in IPA beneficiaries, and provided in a transparent, accountable, fair and non-discriminatory manner

Indicator 1.7.a: The level of public funding available for CSOs and associations is clearly articulated in laws and regulations, and the rights and duties of the state body invested with the ability to set and revise the level of public funding available is clearly defined in law.

2021 assessment:

1 – does not meet standards

2023 assessment:

2 – minimally meets standards

The state funding in North Macedonia is articulated in the Law for Associations and Foundations, Code of Good Practices for State Funding³⁵, the Strategy for Cooperation with Civil Society 2022–2024³⁶, and the Action Plan 2022–2024³⁷. In addition, state funding is regulated by many other laws for other specific purposes, such as the Law on Social Protection, the Law on Free Legal Aid, the Law on Environmental Protection, the Law on Disabled Persons Organisations, and the Law on Gambling. Article 16 of the Law on Gambling provides the legal basis for state funding to national disability organisations, CSOs that work on domestic violence, and the Red Cross. The Government allocates these funds based on a programme prepared by the Ministry of Labour and Social Policy.³⁸

It is essential to mention that, according to the Action Plan 2022–2024 supporting the Strategy for Cooperation with Civil Society, the percentage of state funding was supposed to cover 20% of the total income/turnover of CSOs in 2022, 25% in 2023, and 30% in 2023. However, just like in 2021, when the projected funds were not disbursed at the specified levels, the same happened in 2022 and 2023 owing to the lack of support and adverse decisions by the Ministry of Finance.

The Strategy references that the current system of state funding of civil organisations in the Republic of North Macedonia is primarily based on legal regulations and practices created decades ago that do not reflect the current needs of civil society, and do not follow positive practices and trends in the European Union and developed countries. Not having a standardised system of allocation of state funding for civil society organisations by state institutions, with varying degrees of transparency (e.g., open/closed procedures), and payment practices of funds from the budget from accounts other than account 463–transfers to non-governmental organisations (e.g. 464, 472, 425, etc.), makes it challenging to inspect and supervise in the area of overall state funding of civil society organisations. This state funding system is based on the needs of the executive power, not on the civil organisations.

To improve the enabling environment for CSOs, including a reformed system of state funding, the new Law on Associations and Foundations has been drafted with the support of the EU-funded Technical Assistance³⁹ for Improving the Enabling Environment for Civil Society Development in North Macedonia, reflecting the deficiencies and improving the legal framework for CSOs. The drafting process of the Law is still ongoing and wide consultations should follow with CSOs and other relevant stakeholders before it is published on the Unique National Electronic Register of Regulations.

35 <http://www.slvesnik.com.mk/Issues/AEF0403AE70E984F937461A985C95B51.pdf>

36 <https://www.nvosorabotka.gov.mk/sites/default/files/Strategija%20usvoena%2028%2012%202021.pdf>

37 <https://www.nvosorabotka.gov.mk/sites/default/files/Akciski%20plan%20usvoen%2028%2012%202021.pdf>

38 http://www.ujp.gov.mk/files/attachment/0000/0939/_____pdf

39 <https://eu4cr.mk>

Indicator 1.7.b: Percentage of public budget actually disbursed to CSOs in a year.

According to the official data from the Unit for Cooperation with CSOs, 10 million Euros (643 million denars) were transferred to CSOs as state funding by the various institutions from the Central Government under budget line 463.⁴⁰ This proportion is 0,19% of the total public budget in 2023, which is higher than in 2021 when it was 0,12%. Compared to 2022, however, funding in general doubled (MKD 316 million or EUR 5 million). The situation was similar in 2021, when also around MKD 5 million were disbursed to CSOs. The total budget of the country for 2023 is three hundred twenty-four trillion eight hundred ten billion denars⁴¹.

Indicator 1.7.c: Extent to which legal provisions regulating the award of public funding to CSOs ensure that:

- funding criteria are clearly defined, objective and publicly announced;
- evaluation of proposals is clear and impartial;
- conflict of interest is clearly regulated;
- reporting requirements are clear and proportionate.

2021 assessment:

2 – minimally meets standards⁴²

2023 assessment:

2 – minimally meets standards (2023)

The legal provisions regulating the award of state funding of the country remained the same as in 2021. The existing Law on Associations and Foundations states that associations and foundations can use funds from the state budget, the budget of the municipalities, and the City of Skopje. The Law also authorizes the Government, the municipalities, and the City of Skopje to provide criteria for distributing and using these funds.

The Code of Good Practices for State Funding establishes specific guidelines for the evaluation committees within the institutions providing state funding selection methods. However, the selection procedure and its obligations are left to the discretion of the state authority, which does not guarantee an impartial and professional evaluation.⁴³

The Government, the City of Skopje, and municipalities are obliged to draw up annual plans and programmes for the distribution of these funds. However, there is still no legal standard or norm that would oblige the institutions to follow clear and objective criteria for preventing conflict of interest and establishing mechanisms for open and transparent monitoring and evaluation of the application process. Transparency and accountability of state funding remain intra-institutional, and therefore somewhat vague and arbitrary. This issue regarding state funding is also clearly addressed as a deficiency of the state funding in the Strategy for Cooperation 2022–2024, with recommendations for improvement of the old system of state funding.⁴⁴

State funding has remained a significant concern due to a lack of transparency in the distribution of state allocations to the state funding to civil society organisations. The process of issuing a non-transparent decision for the sudden transfer of distribution of state funding from the General Secretariat to the Ministry of Political System and Interethnic Relations in 2022 raised significant concern for the enabling environment for civil society in the country. This case also triggered great interest in the media, exposing the non-transparent manner of state funding. Furthermore, how the Government adopted

40 https://www.nvosorobotka.gov.mk/sites/default/files/lzvestaj_Strategija_2023_0.pdf (p. 8)

41 https://vlada.mk/sites/default/files/dokumenti/budzeti/budzet_2023.pdf

42 The baseline assessment was changed to reflect a more rigorous application of indicator criteria.

43 <http://www.sivesnik.com.mk/Issues/AEF0403AE70E984F937461A985C95B51.pdf>

44 <https://www.nvosorobotka.gov.mk/sites/default/files/Strategija%20usvoena%2028%2012%202021.pdf>

this decision triggered the boycott of the work of civil society members in the Government Council for Cooperation with Civil Society in 2022. The Council is still not operational as the boycott is still ongoing.

The media analysed the two years (2022–2023) of the Ministry of Political System and Interethnic Relations work in managing and distributing the states showed deficiencies. This includes the decision by the Ministry to remove Article 52 of the Law on Prevention of Corruption and Conflict of Interest (that constraint an elected or appointed person, which means an official appointed by the Government or Parliament to be a beneficiary of financial assistance from the state) and resulting in part of distributed grants from the state funding to be awarded to newly established CSOs founded by employees: of Ministry of Political System and Interethnic Relations, in the State Election Commission, and Municipality of Struga or other government institutions. Neither the Minister nor any other government officials reacted to these allegations brought by the journalists and CSO members of the Platform for Anti-Corruption.⁴⁵

Indicator 1.7.d: Central governments make the information on awards publicly available and sufficiently detailed to identify individual awards.

2021 assessment:

2 – minimally meets standards⁴⁶

2023 assessment:

2 – minimally meets standards

In line with the previous indicator, the situation remained challenged in 2023 regarding the openness and transparency of the central government institutions and making sufficiently detailed information about the awards publicly available. Again, due to the lack of legal standards and norms, in most of the cases, awards have been available on the web pages of the institutions⁴⁷, without comprehensive data on the evaluation process, methodology used, or ranking of applications. Moreover, this information is usually complex to search for and find on the institution's web pages, which raises a question mark regarding transparency and openness.

The Ministry of Political System and Interethnic Relations published the list of awarded organisations with the size of the grants only in the Official Gazette⁴⁸ and not on the institution's web page. However, the Code of Good Practices for State Funding⁴⁹ (adopted in 2007) states that each institution publishes the names of the organisations and awarded projects on its web pages.

On the contrary, in 2023, based on the public officials' survey, half of the public officials observed sufficient openness on the part of the authorities in sharing information about the awards.

Indicator 1.7.e: Proportion of CSOs indicating that the provision of domestic public funds is transparent, fair, and non-discriminatory.

2021 assessment:

1 – does not meet standards

2023 assessment:

1 – does not meet standards

According to the data of the CSO survey in 2023, 14% of respondents stated that state funding is transparent and fair, an increase of 9% compared to 2021.

45 <https://www.slobodnaevropa.mk/a/drzhavni-pari-za-nevladini-vo-racete-na-del-od-administrativcite-na-duj/32788912.html>

46 The baseline assessment was changed to reflect a more rigorous application of indicator criteria.

47 <https://mpsoz.gov.mk/mk/>

48 <https://www.slvesnik.com.mk/Issues/7a2823e423634baf878d7c9ec7659fb2.pdf>

49 <http://www.slvesnik.com.mk/Issues/AEFO403AE70E984F937461A985C95B51.pdf>

In terms of transparency, 65% stated that state funding was not transparent, and a similar proportion (64%) was observed among those who stated that state funding was not fair.

One-third (30%) of the public officials participating in the public official survey provided funds and supported CSOs financially in 2023. An overwhelming proportion of them consider that those funds were provided fairly and transparently.

Indicator 1.7.f: Public funding does not exclude CSOs on the basis of their constituency representation.

According to the CSO survey results regarding whether CSOs have applied for public funding, 42% stated that they applied for public funding, which is a decrease of 12% compared to 2021 when 54% of the respondents stated that they had applied.

In 2023, 73% of the respondents who applied for funding stated that their applications were unsuccessful, a slight decrease from 2021 (81%). The perceptions of those CSOs whose applications were rejected are that mainly (61% of cases) the reason behind this was that authorities tend to fund their preferred organisations; then followed by a proportion (10%) of respondents who believed that the authorities excluded them from public funding based on their constituencies i.e. the people that those CSOs work with and represent and that the competition was very strong.

Almost half of the respondents (50%) did not apply for public funds because they believed they did not have a chance of getting it. One-third (30%) said the process is non-transparent and they had lost trust in state funding. One-fifth (20%) said the funds are too small and that they do not need public funding.

The perception of most public officials surveyed regarding the inclusiveness of the state funds, i.e., the funding of a wide range of CSOs working with various target groups, serving multiple types of communities and beneficiaries, and working on a wide variety of topics, is that their institution's funding is inclusive.

SO 1.8. Individuals and corporations enjoy tax benefits for their donations to CSOs.

Indicator 1.8.a: Tax legislation allows for tax relief as regards:

- Individual giving
- Corporate giving

2021 assessment:

3 – moderately meets standards

2023 assessment:

3 – moderately meets standards

Nothing was changed in 2023 as regards individuals' and corporations' tax deductions following their giving of donations to CSOs.

The legal framework remained regulated by the Law on Sponsorships and Donations, which, according to the recommendations in the Strategy for Cooperation with Civil Society 2022–2024, needs to be amended to stimulate donations and decrease the excessive administrative procedure for donations to civil society organisations. According to the Analysis conducted by a team of legal experts of the Technical Assistance Project for Improving the Enabling Environment for Civil Society Development Project, the Law has many deficiencies, such as:

- Inconsistent terminology used, especially about the terms public service and public interest;
- Unreasonably long and complex administrative procedure for obtaining deduction;
- Inconsistency between the public interest in the context of this Law and the Law on Associations and Foundations;
- The Law does not distinguish between non-for-profit and for-profit recipients of donations and sponsorships;
- Restrictive approach to cross-border philanthropy;
- There is a lack of proportionality between the deduction obtained and the regulatory burden.⁵⁰

Even though the legal framework provides opportunities for tax deductions on both individual and corporate donations, it still has restrictions on the size of tax deductions. In 2023, corporations can deduct up to 5% of their taxable income for giving to qualifying public benefit purposes. Still, this amount cannot exceed € 60,000, and individuals can deduct up to 20% of their taxable income for giving to qualifying public benefit purposes, but this amount cannot exceed €400.

Due to these restrictions and excessive administrative processes and documentation, individual and corporate donations are still very low.

In practice, according to the legal framework, both the receiver and the donor are supposed to submit the same documentation to the tax authorities, which imposes an additional burden on both the receiver and the donor (individual or corporate).

During 2022 and 2023, the Technical Assistance Project for Improving the Enabling Environment for Civil Society Development⁵¹ in North Macedonia supported the working group preparing amendments to the Law on Sponsorship and Donations, which will address the challenges of the existing law mentioned above. These amendments are expected to be adopted in 2024.

Indicator 1.8.b: Proportion of private individuals who have given money to a CSO.

According to the Charities Aid Foundation's World Giving Index, North Macedonia is ranked 32nd. In total, the private individuals who have given money to CSOs constituted 39% (According to the 2023 report) which is a decrease compared to the report in 2022, when it was 51%⁵² and 45% in 2021.

The Catalyst Balkan Report provided a more in-depth analysis of the private individual donations in North Macedonia. The available report is from 2022. According to this report on the State of Philanthropy in North Macedonia, private individuals donated 221,200 Euros, which is 7% of the total donations in the country, worth 3.16 million Euros. The private donations had increased by 25% compared to 2021. Regarding the causes which benefited from the giving, marginalized groups continued to receive the highest percentage of private donations. As for the type of recipients, non-profit organisations are considered the most supported recipients of donations.⁵³

50 <https://eu4cr.mk/mk/component/овозможувачка-средина/овозможувачка-средина-for-civil-society-development-and-operations/правна-рамка-за-развој-и-функционирањ/нормативна-институционална-и-финанс/фискален-статус-и-усогласеност-со-зак/>

51 <https://eu4cr.mk>

52 https://www.cafonline.org/docs/default-source/about-us-research/wgi_report_2023_final.pdf?sfvrsn=402a5447_2

53 <https://givingbalkans.org/content/giving-north-macedonia-2022>

SO 1.9. Tax benefits are available to CSOs.

Indicator 1.9.a Extent to which applicable tax laws provide for the following:

- CSO income generated from grants, donations, and membership dues, income from economic activities, investment income, real property, gifts and inheritance is not subject to taxation;
- any excess revenue or profit generated through economic activity and used for mission-related purposes by CSOs is not subject to corporate income/profit tax.

2021 assessment:

3 – moderately meets standards

2023 assessment:

3 – moderately meets standards

Regarding the tax benefits available to CSOs, the situation remained the same as in 2021.

Subject to specific provisions, all organisations registered under the Law on Associations and Foundations are not obliged to pay tax on profits. Non-taxable revenues, according to the Law on Profit Tax, are considered to be revenues from membership fees, charitable contributions, donations, grants, gifts (in money, goods, property rights), wills, revenues from dividends from trade companies established with the funds of an association, and the revenues from the Budget of the Republic of North Macedonia, the budgets of the units of self-government and the Budget of the City of Skopje. Donations in the form of property given for public interest and benefit should be exempted from property tax in the five years following the year it was donated, according to the Law on Donations and Sponsorships.

Just as in 2021, foundations that perform economic activities and generate revenues within the framework of their not-for-profit activity are obliged, to pay tax on the total revenues earned. In cases when the total revenue generated from their economic activities exceeds 1.000.000 denars (equivalent to € 16,000), the tax is calculated and paid to the amount of 1% of the total income generated from the economic activity in the calendar year, only to an amount exceeding one million denars.⁵⁴

It is essential to mention that in 2023, the Law on Social Enterprises, after long years of drafting since 2015, and in a lengthy consultation process supported by the EU Technical Assistance project for Support for Social Enterprises⁵⁵, was finally published on the Unique National Electronic Register of Regulations. This Law has components covering personal income tax exemptions when employing marginalized groups and profit tax exemptions.⁵⁶ However, the Law is yet to be adopted.

54 Nikica Kusnikova, 'Legal Environment for Philanthropy in Europe 2020', Donors and Foundations Networks in Europe (Dafne) and European Foundation Centre (EFC), 2020, pp. 11.

<https://givingbalkans.org/content/legal-environment-philanthropy-europe-north-macedonia-2020>

55 PROJECT REFERENCE: EuropeAid/140105/DH/SER/MK; Contract no. 2019/413-967

56 <https://www.mtsp.gov.mk/content/word/2023/predlog/Предлог%20на%20Закон%20за%20социјални%20претпријатија%20со%20образложение%206.11.2023%20objava.pdf>

SO 1.10. The policies and legal environment provide incentives and facilitate volunteering for and employment in CSOs.

Indicator 1.10.a: Laws regulating volunteering are adopted.

2021 assessment:

3 – moderately meets standards⁵⁷

2023 assessment:

3 – moderately meets standards (2023)

Volunteering in the country, just like in 2021, has been regulated by the Law on Volunteerism⁵⁸ of 2007. In line with the Law, the National Strategy for Promoting Volunteerism 2021–2025⁵⁹ was adopted. Along with the Strategy, amendments to the existing Law were drafted. These amendments to the existing Law on Volunteerism, published on the Unique National Central Registry of Regulations⁶⁰ in 2021, foresaw more detailed clarifications about who can organize volunteer work and what the requirements are for an organisation hosting a volunteer, introducing volunteering practice in public institutions, state institutions, and local and self-government, and developing a register within the Ministry of Labour and Social Policy. Moreover, these amendments formally recognized and included the National Council for the Promotion and Development of Volunteering in the Law. The National Council for the Promotion and Development of Volunteering was established by the Government as an advisory body which will monitor the Strategy implementation and promote volunteering. As at the end of 2023, the amendments had not yet been adopted.

The National Council for the Promotion and Development of Volunteering, as such, has not been constituted yet, which further constrains the work on volunteering and strategy implementation.

Indicator 1.10.b: Government volunteering strategies and programmes support volunteering for CSOs and have sufficient resources allocated for implementation.

2021 assessment:

3 – moderately meets standards⁶¹

2023 assessment:

3 – moderately meets standards

Even though the country has an active National Strategy for Promoting Volunteerism (2021–2025) and an Action Plan, they are still not appropriately resourced⁶², and the National Council for the Promotion and Development of Volunteering has yet to be constituted.

Just as in 2021, The National Strategy for Youth in North Macedonia (2016 – 2025) also includes volunteering in its scope but also points out that local and national institutions do not invest in and promote volunteering among the youth enough. This Strategy reinforces volunteering as a technical element in the educational process throughout the country at all levels, not just VET education.

The specific incentives and support for volunteerism for both volunteer and host organisations and state-supported programmes to encourage volunteering have remained the same. Volunteers are al-

57 The baseline assessment was changed to reflect a more rigorous application of indicator criteria.

58 <https://www.volontiraj-rezultiraj.org/wp-content/uploads/2019/08/zakon-za-volonterstvo.pdf>

59 https://www.mtsp.gov.mk/content/pdf/2021/trud/Volonterstvo_2021_2025.pdf

60 ENER (UNCRR) is a unique national central register of regulations that provides electronic information to the public to implement the regulation's impact assessment process and to involve the public in improving the content of laws, by-laws, and other Government documents through the ability to comment and make proposals for improvement. <https://ener.gov.mk/files/userManual/enerInfo.pdf>

61 The baseline assessment was changed to reflect a more rigorous application of indicator criteria.

62 https://www.mtsp.gov.mk/content/pdf/2021/trud/Volonterstvo_2021_2025.pdf

lowed tax-free reimbursement of costs associated with volunteering work (training, food, and transportation). CSOs can obtain subsidies for their costs if they engage an intern through employment programmes that subsidize the volunteer's involvement.

Indicator 1.10.c: Proportion of CSOs that benefit from state employment strategies and programmes.

Compared to 2021, when 10% of the CSO survey respondents benefited from government employment strategies, the proportion remained similar in 2023 when 11% referenced that benefited from government employment strategies. Most respondents said they used these benefits to support their internship practice (new interns), and some used them to take on new employees.

Indicator 1.10.d: Proportion of CSOs that benefit from state volunteering strategies and programmes.

Compared to 2021, the proportion of respondents that benefited from state volunteering programmes in 2023 is similar – which is to say, in 2021, 7% of the respondents benefited, and in 2023, 6%.

Indicator 1.10.e: Proportion of employees in CSOs in relation to the total workforce.

According to the data of the State Statistical Office, in 2023, the workforce in the Republic of North Macedonia numbered 791,647 persons, of which 688,296 were employed, while 103,351 were unemployed persons.⁶³ According to the methodology of the Central Registry, the total number of employees in the CSO sector (all organisation types with no constraint on the dominant sector of work)⁶⁴ in 2023 was 2607, which is 0.32% of the total workforce in the country.

Indicator 1.10.f: Percentage of people who have volunteered to give their time to an organisation.

According to the CAF World Giving Index, the proportion of people who volunteered their time for an organisation was 9% in 2023 Report⁶⁵, a decrease of 2% from the 2021 Report, when it was 11%, and a reduction of 5% compared to 2022 Report⁶⁶.

63 https://www.stat.gov.mk/PrikaziSoopstenie_en.aspx?id=98&rbr=14599#:~:text=791%20647%20persons%2C%20of%20which,the%20unemployment%20rate%20was%2013.1

64 10.1 - Humanitarian associations - 359 employees
10.2 - Sports associations - 335 employees
10.3 - Cultural associations - 10 employees
10.4 - Professional associations - 101 employees
10.5 - Ecology associations - 55 employees
10.6 - Foundations - 242 employees
10.9 - Other associations, foundations and citizens associations - 1505 employees

65 https://www.cafonline.org/docs/default-source/about-us-research/wgi_report_2023_final.pdf?sfvrsn=402a5447_2

66 https://www.cafonline.org/docs/default-source/about-us-research/caf_world_giving_index_2022_210922-final.pdf



Specific Objective 2

Strengthened cooperation and partnership between CSOs and public institutions.

SO 2.1. Public authorities and institutions include CSOs in decision- and policy-making processes.

Indicator 2.1.a: Laws, by-laws, strategies, other acts of public interest and policy reforms are effectively consulted with CSOs in that:

- CSOs have access to the draft document from the beginning of the drafting process to the end of the adoption procedure;
- At least 15 days are allowed for commenting before the draft document enters the adoption procedure;
- The use of extraordinary/expedited procedures to adopt legislation without allowing for consultation is an exception and duly justified;
- Reports on results of public consultations, including reasons for rejection of comments, are published in a timely fashion;
- Working groups members from CSOs are selected based on a public call, clear criteria and in line with equal treatment;
- Working group members from CSOs include representatives of society as a whole, including women's groups, LGBTIQ groups, migrant groups, minorities, disability groups, and others as appropriate, in line with the Human Rights Based Approach.

2021 assessment:

2 – minimally meets standards

2023 assessment:

2 – minimally meets standards

As in 2021, the 2023 assessment showed no progress vis a vis the effectiveness of consultations with the civil society regarding policy creation, decision-making in drafting legislation policy documents, strategies, and other relevant processes vis a vis key reforms.⁶⁷

Article 10 from the Law on Organisation and Work of State Administration Bodies⁶⁸ defines that the bodies of the state administration, when preparing the laws and other regulations under their jurisdiction, should provide consultations with the citizens through:

- 1) public announcement of the type, content, and deadlines for the adoption of laws and other regulations;
- 2) organizing public forums and
- 3) obtaining opinions from interested associations of citizens and other legal entities, etc.

However, in practice the situation is different.

⁶⁷ The legal framework that provides the basis for the public's involvement in the process of passing laws, starting with the **Constitution** of the Republic of North Macedonia and continuing through several laws, such as the **Rules of Procedure of the Government**, the **Strategy for the cooperation** of the Government with the civil sector, **Law on Free Access to Information** and the **Law on Organisation and Work of State Administration Bodies**.

⁶⁸ https://vlada.mk/sites/default/files/dokumenti/zakoni/zakon_za_organizacija_i_rabota_na_organite_na_drzhavnata_uprava.pdf

Two government documents, Methodology for Policy Analysis and Coordination⁶⁹ and Methodology for Assessment of the Regulation's Impact (ARI)⁷⁰, elaborate on the main provisions of these acts.⁷¹

The implementation of the Code of Good Practices for Civic Participation in the Decision-Making Processes⁷², adopted by the Government to build democratic processes and further promote and enhance the participation of CSOs in consultations regarding strategies, programmes, action plans, laws, bylaws, and similar matters following national laws, remained at a challenging stage, just as in 2021.

Based on the CSO survey results, 35% of the respondents stated that the authorities effectively consulted them in drafting laws, bylaws, strategies, acts of public interest, or policy reforms. This proportion is similar to 2021 (31%). Most of the respondents, 67%, had access to the draft document from the beginning of the drafting process, and a similar proportion, 61%, had at least 15 days available for comment in 2023.

In 2023, 71% of respondents had their representative in the working groups tasked with developing laws, bylaws, strategies, acts of public interest, or policy reforms.

According to the Annual report on the consultation processes in preparation of laws, by-laws, and using the Unique National Electronic Register of Regulations and other mechanisms for cooperation with CSOs in 2023, prepared by the Unit for Cooperation with CSOs, out of the 113 laws proposed by the Government, 72 were supposed to be assessed by the Assessment of the Regulation's Impact (ARI). However, only half of them, i.e. 51%, were published in the Unique National Electronic Register of Regulations. In 2021, this proportion was 37%. For 60% of the laws published for open consultation with the public, the public provided remarks and comments. The CSOs provided 14% of the comments and remarks. There is no information on how many of these comments were considered. As part of this report, Ministries responded that only 30% of the working groups on laws included representatives from the CSO sector. For example, the Ministry of Economy did not include any CSO representatives in any of the working groups. The Ministry of Agriculture formed working groups only for 60% of the laws, including CSO representatives in all of them. The Ministry for Transport referenced that such a mechanism for consultation with the public, including CSOs, was not practised within this institution in 2023. According to this report, public officials have observed that in 2023, the contribution of CSOs in developing policies in the country has been significantly essential in 43% of the cases, followed by 32% as acceptable and 25% as unsatisfactory. The report also references the number of strategies developed and adopted in 2023 in broad consultation processes. The Government only has four out of 14 adopted strategies published on the Unique National Electronic Register of Regulations 2023. Seven comments were received, and just one was from the CSO sector, regarding the Government's Strategy for Transparency.⁷³

An overwhelming number of public officials participating in the survey observed that CSOs were effectively consulted and informed as to the participation of their institutions in developing laws, by-laws, strategies, and other policy documents in 2023. They describe CSOs being consulted in developing the National Development Strategy, The Law on Associations and Foundation, the Action Plan for Partnership for Open Government 2024–2026, and other strategic documents, as positive examples of CSOs' participation in consultation processes in 2023.

The public officials observed that the CSOs were informed about these opportunities via open calls on the institutions' web pages, social media channels, direct emails with invitations, and the Unique

69 <https://dejure.mk/zakon/metodologija-za-analiza-na-politike-i-koordinacija>

70 <https://dejure.mk/zakon/metodologija-za-procenka-na-vlijanieto-na-regulativata>

71 The **Methodology for Policy Analysis and Coordination** under the Transparency references is that during the determination of the policies and acts, the ministries and other bodies of the state administration carry out transparent consultations with the competent and interested ministries and other bodies of the state administration, the local self-government units (municipalities and the City of Skopje), interested associations of citizens, other interested subjects, as well as with experts

The **Methodology for Assessment of the Regulation's Impact** (PVR) defines an obligation for the involvement of stakeholders from the very beginning of the process, that is, from the adoption of the Annual Work Program of the Government of the Republic of North Macedonia.

The Unique National Electronic Register of Regulations will provide access to all information relevant to the law-making process and the laws themselves at various stages.

72 <https://dejure.mk/zakon/kodeks-na-dobri-praktiki-za-uchestvo-na-gragjanskiot-sektor-vo-procesot-na-kreiranje-politiki>

73 <https://nvsorabotka.gov.mk>

National Electronic Register of Regulations. Moreover, public officials observed that CSO recommendations and comments were considered during these consultation processes in 2023.

North Macedonia was the first country in the Enlargement region to discuss a potential model for structural inclusion of civil society in the EU accession and negotiations. However, such a model has not yet been defined or adopted. For instance, civil society organisations noted that the lack of a structural and functional system for their inclusion prevented them from actively participating in the EU screening but could only monitor this process.

Indicator 2.1.b: CSOs are effectively included in oversight mechanisms.

This indicator is not reviewed.

Indicator 2.1.c: Proportion of CSOs that have participated in consultations during preparation of state reports under international human rights and other legal obligations, and the implementation of treaty body recommendations.

This indicator is not reviewed.

SO 2.2. Public authorities and institutions acknowledge the importance of civil society in societal policy debate and EU integration processes.

Indicator 2.2.a: Extent to which CSOs assess the attitude of public officials towards civil society as supportive.

2021 assessment:



2023 assessment:



One-fourth (25%) of the CSO survey respondents stated that public officials' attitudes towards CSOs were supportive in 2023, an increase of 14% from 2021.

By contrast, a significant number of public officials surveyed assessed their support of CSOs as positive in 2023. They perceive IPA co-funding projects and social services funding as being positive examples of public official support for CSOs.

SO 2.3. Public authorities contribute to civil society strengthening by cooperating with civil society through strategic policy frameworks and relevant institutional mechanisms.

Indicator 2.3.a: Proportion of CSOs that were effectively consulted in the preparation of civil society cooperation strategies.

The country has had an active Strategy for Cooperation and Development of CSOs for 2022–2024 since 28 December 2021. As addressed in the baseline report from 2021, the Strategy development was supported by the EU-funded Technical Assistance Project on Enabling Environment, and it was drafted and developed in the open and comprehensive consultation process with all relevant stakeholders.⁷⁴

However, this Strategy is valid only until the end of 2024, and no information is available on the preparation and consultation for the new Strategy after 2024.

Indicator 2.3.b: IPA beneficiaries have adopted currently valid civil society cooperation strategies.

2021 assessment:

1 – does not meet standards

2023 assessment:

5 – fully meets standards

The country has an active Strategy for Cooperation and Development of CSOs 2022–2024, adopted in December 2021.

Indicator 2.3.c: Civil society cooperation strategies are accompanied by adopted budgeted action plans.

2021 assessment:

1 – does not meet standards

2023 assessment:

3 – moderately meets standards

The country has an active Strategy for the Cooperation and Development of CSOs 2022–2024⁷⁵ and an Action Plan 2022–2024⁷⁶. However, the Government has failed to allocate funds for the implementation of the Action Plan.

The annual report on Strategy implementation for 2023 that the Unit published showed discrepancies between the planned and accomplished objectives due to specific risks and challenges resulting from actions in 2021, as referenced in the report.

The Action Plan for Strategy implementation consists of 81 activities under three priority areas foreseen for 2022 and 2023. The priority areas are:

1. Legal Institutional and Financial Framework for CSO Development.
2. Democratization, active participation, and inclusion of CSOs in consultation processes, especially EU negotiations.
3. CSOs as vital socio-economic actors in the country.

74 <https://www.nvosorobotka.gov.mk/sites/default/files/Strategija%20usvoena%2028%2012%202021.pdf>

75 <https://www.nvosorobotka.gov.mk/sites/default/files/Strategija%20usvoena%2028%2012%202021.pdf>

76 <https://www.nvosorobotka.gov.mk/sites/default/files/Akciski%20plan%20usvoen%2028%2012%202021.pdf>

Of the planned 81 activities in the three priority areas, 58 were planned for implementation in 2022, and 12 in 2023. According to the Monitoring Report on Strategy Implementation in 2022 and 2023, 37.5% of the activities had been implemented, 37.5% were in the implementation process, and 25% had been delayed in their implementation.

Under priority area one, out of the 27 activities that were foreseen for 2022 and 2023, eight (31%) are finished, twelve (46%) are in progress, and six (23%) are delayed. Under priority area two, out of the 24 activities foreseen for 2022 and 2023, eight (32%) are finished, ten (40%) are in progress, and seven (28%) are delayed. Under priority area three, out of the 22 activities foreseen for 2022 and 2023, eleven (52%) are finished, five (24%) are in progress, and five (22%) are delayed.

According to the report, the principal risks and challenges that negatively affected the Strategy implementation and Action Plan fulfilment were the boycotted Council and the need for stronger support from the Ministry of Finance toward the proposed reform of the state funding system.⁷⁷

Indicator 2.3.d: Proportion of CSOs that rate civil society cooperation strategies as relevant and effective.

Only one-fifth (20%) of the CSO survey respondents considered the Strategy for Cooperation and Development of the Civil Society (2022–2024) both relevant and effective in 2023.

Indicator 2.3.e: Public structures responsible for the implementation of civil society cooperation strategies are appropriately resourced.

The Unit for Cooperation with CSOs⁷⁸ at the General Secretariat of the Government of North Macedonia, basing its actions on inputs from the Network of Public Officials for monitoring the Strategy⁷⁹ implementation, is responsible for coordinating the Strategy's implementation process. As an advisory body, the Council for Cooperation with the Civil Society Sector and the Network of Public Officials monitor the implementation of the Strategy and enhance the dialogue between the CSOs and the Government. The relevant ministries are supposed to provide support for implementing the Strategy.

In 2021, the Unit for Cooperation with the Civil Society Sector was appropriately resourced by its work activities, including the task for the state funding provided, and all administrative work for the Council for Cooperation with the Civil Society Sector. However, after its authority and tasks were taken away in 2022 (state funding was transferred to the newly established Ministry for Political System and Interethnic Relations, and as a result, the CSO members of the Council for Cooperation with the CSOs started a boycott), this Unit went down from 16 to 6 employees. The Unit deteriorated in its importance (its role being marginalized) in the dialogue with the CSO sector, which had repercussions. For example, some of the CSOs observe that in the past two years, the Government has excluded the Unit from many events organized as part of government-civil society cooperation, thus reducing the importance of this Unit. However, according to the level and extent of work in 2023, the Unit for Cooperation is appropriately resourced.

In line with this are the perceptions of the public officials surveyed where two-thirds perceive that the Unit for Cooperation with the Civil Society was appropriately and adequately resourced with financial and human capital in 2023.

77 https://nvsorabotka.gov.mk/sites/default/files/lzvestaj_Strategija_2023.pdf

78 <https://nvsorabotka.gov.mk/?q=mk/node>

79 <https://www.nvsorabotka.gov.mk/sites/default/files/Strategija%20usvoena%2028%2012%202021.pdf>

Indicator 2.3.f: Mechanisms for dialogue between civil society cooperation councils and central governments meaningfully include CSOs in that:

- They have an agreed programme of work.
- They have agreed rules of procedure.
- They meet regularly.
- Rules allow CSOs to call the meetings and contribute to agenda setting.
- There is adequate follow up to conclusions and recommendations.

2021 assessment:

5 – fully meets standards

2023 assessment:

1 – does not meet standards

As noted in the baseline report of 2021, the Council for Cooperation with the Civil Society Sector⁸⁰ is the main structural channel for consulting and involving civil society in policy dialogue and decision-making in North Macedonia.

The Government Council for Cooperation with Civil Society was active until March 2022, when the boycott of the CSO members of the Council started as a reaction to the Government's decision to drop the adopted decision in 2019⁸¹ (which was adopted in consultation with the members of the Council and with a wide range of other civil society organisations which determined the way to allocate funds to support projects related to the process of European integration, the rule of law, the fight against corruption, economic and sustainable development, but most importantly noted that the evaluation committee for selection of the awarded projects consists of members of the Government and members of the Council).

The new decision adopted in 2022⁸² for a programme for funding activities of associations and foundations gives a mandate to the newly established Ministry for Political System and Interethnic Relations. The decision notes that the Ministry is responsible for this programme's implementation, but there is no information about the evaluation committee members or the role of Council members in the process.

CSO representatives from the Council publicly questioned why the Government did not integrate these programmes and why it did not consult the Council members about such a sudden decision.

The boycott of CSO members continued throughout 2022 and 2023, with requests for a meeting with the Prime Minister, but that never officially happened. The CSO members of the Council referenced that this boycott affected other essential processes in the country, such as new amendments to the Law for Associations and Foundations, which were enacted without an open consultation process of all stakeholders especially the Council for Cooperation. Moreover, the members addressed the failure of the Government to increase state funding, as referenced in the new Strategy for Civil Society Development.⁸³

The Council remained for almost two years under boycott and in July 2024 the mandates of the members of the Council will cease. The responsible institution according to the rule of procedures, should publish a call for new members for the new mandates.

80 The Council is an advisory body to the Government that promotes collaboration, dialogue, and civil society development in the Republic of North Macedonia. The Council comprises 31 members: 16 members appointed at the proposal of CSOs from the countries, and the other 15 appointed by the relevant ministries responsible for cooperation with and developing CSOs. The members from CSOs were selected via an open call published by the General Secretariat. The Unit for Cooperation with CSOs performed the administrative actions of the Council for Cooperation with CSOs at the General Secretariat. The Council, amongst its other activities, nominates and proposes CSO representatives for various working groups focussing on public policies and provides proposals for state funding of the CSOs. The President of the Council is elected from among the CSO representatives, and the Vice-President from the government representatives. All members of the Council have equal rights and obligations. The Council web page that is part of the General Secretariat page includes all relevant information regarding the Council funding, plan of work, members, contact information, decisions, and meeting minutes. The Council held more than 30 meetings and was active from 2018 to 2021. <https://nvsorabotka.gov.mk/?q=node/92>

81 <https://rcgo.mk/wp-content/uploads/2022/06/odluka-za-kriteriumi-za-raspredelba-na-drzavni-sredstva.pdf>

82 <https://www.nvsorabotka.gov.mk/sites/default/files/1%20ФИНАЛНА%20ПРОГРАМА%20ДВОЈАЗИЧНА.pdf>

83 <https://mcms.mk/mk/vesti-i-javnost/vesti/2443-gragjanskiot-sektor-alarmira-za-odnosot-na-vladata-kon-gragjanskoto-opshtestvo.html>



Specific Objective 3

CSO capacity and resilience to carry out their activities effectively are reinforced

SO 3.1. CSOs' internal governance structures follow the principles of good governance.

Indicator 3.1.a: Proportion of CSOs that have an independent and effective governing body, with clear terms of reference to oversee the organisation's strategic goals, impact, management, legal compliance, and accountability.

2021 assessment:

2 – minimally meets standards	40% ⁸⁴
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2023 assessment:

3 – moderately meets standards	44%
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Accountability and good governance remained a challenge for the CSOs in North Macedonia in 2023, just as in 2021. Based on the CSO survey results, 44% of the CSOs have had independent and effective governing bodies with clear terms of reference to oversee the organisation's strategic goals, impact, management, legal compliance, and accountability. This proportion is similar to that of 2021 (40%).

However, almost half, i.e. 47%, of the respondents have their paid staff members as part of their governing bodies, which raises questions concerning the governing structures' overlapping roles and good governance.

Indicator 3.1.b: Proportion of CSOs that regularly check potential conflicts of interest with regard to the political, economic and personal relationships of their governing body.

2021 assessment:

2 – minimally meets standards	22%
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2023 assessment:

1 – does not meet standards	13%
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Checking conflicts of interest is critical for good governance and accountability. In 2023, only 13% of respondents regularly (i.e. once per year) checked potential conflicts of interest, the same as in 2021 (22%).

Based on the CSO survey, CSOs request their governing bodies to sign conflict of interest documents only when stepping into their roles (40% of the responses). However, one-third (30%) of the CSOs never asked their governing body members to sign such documents.

⁸⁴ The method for calculation of this value was revised for the 2023 report and the values here represent the revised and recalculated values for both 2021 and 2023.

Indicator 3.1.c: Proportion of CSOs that share relevant information on their organisation, using the means and channels that are accessible to all stakeholders in terms of publishing.

2021 assessment:

2 – minimally meets standards	36% ⁸⁵
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2023 assessment:

3 – moderately meets standards	42%
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CSO transparency is a vital part of good governance and accountability. In total, 42% of the respondents to the CSO survey have published their governing documents and structures on their web pages. The situation is similar to 2021 (36%).

However, even though it is a legal requirement by the Law for Associations and Foundations, one quarter (25%) do not publicly have such data on their web pages. However, a total of 84% of the respondents have an organisation web page.

Indicator 3.1.d: Proportion of CSOs that have an organisational gender equality policy.

2021 assessment:

2 – minimally meets standards	33%
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2023 assessment:

2 – minimally meets standards	35%
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Gender equality is a vital element for the socio-economic development of peaceful societies. Nevertheless, many women experience discrimination and exclusion in all sectors, including the civil society sector. According to the CSO survey, only one-third (35%) of the respondents mentioned that they have gender equality policies in place, which is similar to 2021 (33%).

Further analysis of the CSO survey results shows a discrepancy between the proportion of human rights CSOs having gender equality policies and that of nonhuman rights CSOs. Only one-third (30%) of the nonhuman rights CSOs have gender equality policies. The proportion is higher for human rights CSOs having gender quality policies in place - 40% in 2023.

Indicator 3.1.e: Proportion of CSOs that have an organisational strategy, including vision, mission, and goals.

2021 assessment:

5 – fully meets standards	85% ⁸⁶
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2023 assessment:

4 – meets most standards	79%
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A defined strategy, strategic plan, mission, vision, and goals are prerequisites for successful operations and a clear direction for CSOs. In 2023, the proportion of respondents who had prepared and had such documents in place was 79%, which is similar to 2021 when it was 85%.

⁸⁵ The method for calculation of this value was revised for the 2023 report and the values here represent the revised and recalculated values for both 2021 and 2023.

⁸⁶ The method for calculation of this value was revised for the 2023 report and the values here represent the revised and recalculated values for both 2021 and 2023.

SO 3.2. CSOs are able to communicate the results of their activities to the public.

Indicator 3.2.a: Proportion of CSOs that have at least one on-line channel of communication.

2021 assessment:

5 – fully meets standards	99%
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2023 assessment:

5 – fully meets standards	100%
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All the respondents answered that they use at least one communication channel for communicating their organisation's work with the public and stakeholders in 2023. The situation is the same as in 2021, when all of the respondents agreed with this again.

Again, just as in 2021, Facebook remains the main channel for communication (in 97% of cases), followed by web pages (77%), Instagram (59%), YouTube (42%), and messaging applications (36%).

Indicator 3.2.b: Proportion of CSOs that have specialised communication staff.

In 2023, this indicator was not assessed.

Indicator 3.2.c: Proportion of CSOs that cooperate with the media.

CSOs cooperate with various partners (media, universities, municipalities, social partners, and similar) to achieve their goals and objectives and impact society. In 2023, just as in 2021 (38%), one-third (32%) of CSOs actively cooperated with the media.

SO 3.3. CSOs are transparent about their programme activities and sources of funding.

Indicator 3.3.a: Proportion of CSOs that publish their annual reports and financial statements.

2021 assessment:

4 – meets most standards	66% ⁸⁷
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2023 assessment:

3 – moderately meets standards	57%
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The CSO's openness and transparency indicate accountability principles within the organisation. In total, 57% of the respondents published annual and financial reports in 2023, which is similar to 2021, when the proportion was 66%. One-fifth (20%) of respondents did not publish an annual report, because they were only established in 2022 or were not active during 2022, and therefore did not have an obligation to do so by the institutions.

Out of those that were published, 66% of the respondents published their annual and financial reports on the organisation's web pages, 31% in hard copy and 45% submitted them to the Central Registry as legally required.

⁸⁷ The method for calculation of this value was revised for the 2023 report and the values here represent the revised and recalculated values for both 2021 and 2023.

Indicator 3.3.b Proportion of CSOs that publish information on their sources of funding and amounts received in the previous year.

2021 assessment:

2 – minimally meets standards	36%
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2023 assessment:

2 – minimally meets standards	37%
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According to the CSO survey results, one-third (37%) of CSOs were open and transparent about their funding amounts and sources and published both sets of data in 2023. This proportion remained the same as in 2021 (36%).

However, another third of the respondents declared that they did not publish such data.

Indicator 3.3.c: Degree of public trust in CSOs

According to the Balkan Public Barometer, 36% of the public trust civil society. In total, half of the respondents (55%) declared that they do not have trust in civil society.⁸⁸

SO 3.4. CSOs monitor and evaluate the results and impact of their work.

Indicator 3.4.a: Proportion of CSOs that have carried out an evaluation of their work in the last year.

2021 assessment:

4 – meets most standards	80% ⁸⁹
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2023 assessment:

5 – fully meets standards	82%
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According to the CSO survey, in 2023, 82% of respondents evaluated their organisation, carried out project evaluations, or evaluated their internal processes. This proportion is similar to 2021 (80%).

Most of the evaluations conducted (69%) were project-related, followed by evaluations of internal processes (35%) and strategy (25%).

Those who did not carry out all evaluations (11%) noted that they were not obliged to do so and needed funds for that.

⁸⁸ <https://www.rcc.int/balkanbarometer/results/2/public>

⁸⁹ The method for calculation of this value was revised for the 2023 report and the values here represent the revised and recalculated values for both 2021 and 2023.

SO 3.5. CSOs use research and evidence to underpin their work.

Indicator 3.5.a: Proportion of CSOs whose work is based on evidence generated through research.

2021 assessment:

4 – meets most standards	75% ⁹⁰
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2023 assessment:

4 – meets most standards	77%
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The CSOs' advocacy role is vital in addressing topics that significantly impact society. However, to be effective, CSOs must ensure their advocacy work is based on evidence generated through various types of research undertaken. The proportion of CSOs in 2023 who used different research methods (survey, public opinion survey, randomized control trial, desk research, field research, focus group meetings) for generating evidence for their work was 77%, which is similar to the proportion in 2021 (75%).

The most exploited research method was focus groups (41%), followed by desk research and surveys (both chosen by 39% of the respondents), field research (35%), and public opinion surveys (26%).

Indicator 3.5.b: Proportion of CSOs whose work is informed through consultation with people who have a stake in their current or future work.

2021 assessment:

5 – fully meets standards	94%
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2023 assessment:

5 – fully meets standards	94%
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Consultation with stakeholders is an essential method of evidence collection for CSOs. In total, the majority of the respondents (94%) stated they had consulted various stakeholders (local communities, members, local authorities, national authorities, public institutions, private businesses, and academia) for their work. This was the same as in 2021.

The most included group in this consultation were the members of CSOs (in 66% of the cases), followed by local communities (59%), local authorities (52%), national authorities (44%), public institutions (41%), private businesses (36%), and academia (30%). An insignificant proportion of the respondents did not consult any stakeholders for their area of work.

SO 3.6. CSOs work in fair and respectful partnerships to achieve shared goals.

Indicator 3.6. Proportion of CSOs taking part in local, central and international CSO networks.

Regarding networking as a mechanism for joint goal achievement and cooperation, the percentage of respondents who are part of a network (local, national, or international) is the same as in 2021: 82%. In 2023, 68% of the respondents were part of national networks, followed by international (48%) and local (23%).

Still, 14% of the respondents said they were not network members.

⁹⁰ The method for calculation of this value was revised for the 2023 report and the values here represent the revised and recalculated values for both 2021 and 2023.

Indicator 3.6.b: Proportion of CSOs engaged in cross-sectoral partnerships with academia, social partners and private sector.

The proportion of respondents who engage in networks and cross-sector cooperation with universities, social partners, or private companies in 2023 is 64%, which is similar to the proportion in 2021 (72%).

CSOs were mainly (43%) engaged in cross-sector cooperation and networking with the private sector, and then with universities (35%), and social partners (23%).

SO 3.7. CSO have a diversified funding base.

Indicator 3.7.a: Proportion of CSOs whose sources of donor income are diversified.

2021 assessment:

3 – moderately meets standards	51%
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2023 assessment:

3 – moderately meets standards	50%
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When it comes to a diversified donor base, i.e., having at least two different donor types, no single donor constituting more than 50% of the organisation’s budget, half (50%) of the respondents stated that they have a diversified donor base, whilst the others do not. The proportions are the same as in 2021 (51%).

The European Commission was considered to be the most significant donor in 2023 (65% chose this answer), compared to in 2021, when it was the second most significant donor. Their funds covered more than 50% of the organisations’ budgets in 25% of cases.

The CSOs’ survey responses consider Foreign Private Foundations the second most significant donor in 2023 (chosen by 51%). Their funds covered more than 50% of organisations’ budgets in 12% of cases.

Local and national governments are considered the third most significant donor in the country by the CSOs (chosen by 47%), followed by bilateral donors (37%), intergovernmental organisations (25%), and domestic private foundations (18%)

Indicator 3.7.b: Proportion of CSOs raising funds from sources other than donors e.g. membership fees, corporate/individual giving and income generating activities.

2021 assessment:

5 – fully meets standards	82%
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2023 assessment:

4 – meets most standards	78%
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Regarding CSOs raising funds from other sources besides donors (membership fees, corporate/individual giving, and income generated from economic activities), in 2023, according to the CSO survey responses, most of the CSOs (78%) stated that they have one more source of income besides donations. The situation is similar to the situation in 2021.

Membership fees were a source of additional income for 36% of the CSOs, followed by income from economic activity (35%), individual donations (33%), and private businesses (27%). Just as in 2021, crowd-funding remained an unexploited way of generating additional funds by CSOs in 2023, with a proportion of 9%.

The general comment is that these funds usually cover up to one-quarter of their budgets.

For those who collect funds from membership fees, for 30% of them, this fund covers up to 25% of their budgets; it is only for 2% of CSOs that it covers more than 50%.

For CSOs with private businesses as a source of funding, in 20% of the cases these funds cover up to 25% of the organisations' budgets; and only in 4% of cases do they cover more than half of their budgets.

The situation is similar with individual donations (in 28% of the cases, they cover up to 25% of the organisations' budgets) and economic activity (in 29% of the cases, they cover up to 25% of the organisation's budgets).

SO 3.8. CSOs have effective, empowered and developed human resources.

Indicator 3.8.a: Proportion of CSOs that employ staff.

In 2023, 77% of CSOs stated they employ staff (at least one). This is an increase of 8% compared to 2021, when the proportion was 69%. Most respondents (44%) stated that they have between one and five employees, 26% between six and ten employees, and 10% with more than ten employees. One-fifth (20%) of the respondents stated that they do not employ staff.

Indicator 3.8.b: Proportion of CSOs that have organisational human resources policies.

2021 assessment:

1 – does not meet standards	0%
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2023 assessment:

1 – does not meet standards	0%
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In terms of the organisational human resources policies in place, vital for empowering the CSO workers, only one organisation responded that it has all policies in place (a recruitment policy, diversity, equality and inclusion policy, disciplinary policy, grievance/complaints policy, performance evaluation policy, redundancy policy, remuneration policy, bullying and harassment policy, safeguarding of children and vulnerable adults policies). In 2021, none of the respondents had all policies in place.

Most CSOs (42%) have a recruitment policy, followed by a gender equality policy (35%), then a diversity, equality and inclusion policy (31%), a performance evaluation policy (23%), a bullying and harassment policy (22%), a remuneration policy (17%), safeguarding of children and vulnerable adults' policies (16%), a disciplinary policy (15%), and a complaints policy (12%).

Indicator 3.8.c: Proportion of CSOs that have advertised publicly their staff and volunteering vacancies in the last year.

This indicator was not assessed.

Indicator 3.8.d: Proportion of CSOs that have organisational policies encouraging recruitment of a diverse workforce.

The percentage of CSOs that stated that in 2023, they had in place both required organisational policies that encourage recruitment of a diverse workforce – a Recruitment policy and a Diversity, Equality and Inclusion policy – was 20%. This represented a slight increase compared to 2021 when this percentage was 13%.

Indicator 3.8.e: Proportion of CSOs whose staff and volunteers have attended a training course in the past year.

2021 assessment:

5 – fully meets standards	82%
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2023 assessment:

5 – fully meets standards	85%
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As regards the human resource development of CSO employees and the proportion of organisations that supported their employees and volunteers through different training programmes in 2023, the situation is similar to in 2021. The proportion in 2023 is 85%, as compared to 2021, when it was 82%.

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