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INTRODUCTION

This study is one of eight country assessments of civil society capacities conducted as a preliminary activity within the EC-funded project Technical Assistance to Civil Society (TACSO) in IPA Countries (EuropeAid/127427/C/SER/Multi/5), implemented by SIPU International, during the period August 2009 – July 2011. The aim of the study is to provide a comprehensive assessment of civil society in Macedonia and the environment that it works in, including its strengths and weaknesses, and its impacts to date and the challenges it faces to its further development. The study is based upon a combination of desk research embracing all relevant documentation, including legal and financial legislation applicable to civil society, previous civil society mappings and evaluations, situation analyses, policy documents and country-specific academic literature, and a consultative stakeholder analysis carried out by means of focus groups, interviews and questionnaire surveys with civil society organisations (CSOs), government actors, donor organisations and other institutional players. The study is an integral part of the project inception and it provides the premise for the majority of other project activities by serving as the basis of the development of regional as well as national work plans to be implemented during the project's duration.

In line with the project's Terms of Reference and SIPU's technical proposal, the study understands civil society in the following two complementary ways:

1. All organisational structures whose members have objectives and responsibilities that are of general interest and who also act as mediators between the public authorities and citizens. This definition clearly emphasises the associational character of civil society, while also accentuating its representational role. Civil society would include a variety of organisational types, including, NGOs, mass movements, cooperatives, professional associations, cultural and religious groups, trades unions and grassroots community groups (CBOs), etc.
2. A space for views, policies and action supportive of alternatives to those promoted by government and the private sector. This definition places the emphasis on social inclusion, social and political pluralism and the rights of expression in developing a participatory democracy.

The paper is composed of four sections:

- Section one provides an analysis of the civil society environment, including the legal framework governing CSOs and their work, the current donor opportunities and other sources of civil society funding, the government mechanisms for cooperation with and support of civil society and the policy framework determining government-civil society relations and public perceptions and support for civil society and its activities.
- Section two gives an overview of the main features of civil society: the types of organisation represented and their key organisational characteristics, the types of activity they carry out and their main sectoral interests, their geographical distribution and way they are structured within an overall civil society architecture. CSOs are assessed according to their technical, organisational and institutional capacities, including human resources and technical skills, strategic strengths, analytical capabilities, external relations with other actors including other CSOs, government and the community, and material and financial stability and resilience.

- Section three summarises the main achievements of civil society to date, noting key milestone achievements and broader social impacts, and also identifies shortfalls in civil society performance in need of strengthening and further development.
- Section four sums up the most important institutional and organisational capacity needs of civil society in the country and identifies key strategic issues for the implementation of the project. By way of conclusion, recommendations are made for both the project's regional work plan and country-specific work plan.

1. THE CIVIL SOCIETY ENVIRONMENT

1.1. Legal framework – an analysis of relevant law and financial regulations

New Law on Associations and Foundations is expected to greatly improve the environment in which CSOs work in Macedonia. The current framework, which is now eleven years old, has served its purpose well but is now outdated. Ambiguities and omissions in the Law and lack of financial measures elsewhere to assist civil society have been serious constraints on the sustainability of individual CSOs and the development more generally of civil society.

Law on Citizens Associations and Foundations

The legal framework CSOs in Macedonia is defined by the **Law on Citizen Associations and Foundations** passed in 1998. An association of citizens can be established by five adult citizens of the Republic of Macedonia, while a foundation can be established by one or more founders.

In March 2007 changes were introduced that simplified the registration procedure and harmonised this Law with other new laws. The procedure for registering a CSO is now one of the simplest and quickest in Europe, taking only 5 days after completion of the required documentation.

Although the Law was originally considered enabling, it has become apparent that it contains a number of flaws and omissions which have a negative impact on CSO sustainability:

- It is unclear whether CSOs may carry out economic activities;
- Legal entities, foreigners are minors not allowed to form and be members of associations or foundations;
- There is no clear division in law between CSO executive and governance structures;
- No public benefit / interest status has been defined and consequently no advantages or concessions relating to the public benefit are available to CSOs.

The new law, which has been drafted by a working group in the Ministry of Justice with the participation of prominent members of civil society,¹ is due to go before Parliament in the first half of 2010. The law will address all the above flaws according to best European practices. In particular it should enable NGOs to engage in economic activities if these activities are connected to the CSOs statutory goals and any profit is used to support its work. It is also expected to introduce public benefit status for NGOs, which will be the prerequisite for tax benefits and other types of state support.

¹ CSO representatives were drawn from the Civic Platform of Macedonia, the leading country's leading NGO network, and also from the Macedonian Centre for International Cooperation (MCIC).

Tax incentives

In practice, there are no useful tax benefits available to CSOs, as there is effectively no differentiation in law between CSOs and commercial businesses. Thus, CSOs are liable for the standard business tax on profits, property tax, gift and inheritance tax, VAT on all purchases of goods and services, customs and other import duties.

Under the **Law on Donations and Sponsorships for Public Activities** (adopted in April 2006), a range of tax exemptions and deductions were introduced to give incentives to companies and individuals to support CSOs undertaking activities in the “public interest;” that is of benefit to the public. In theory, the law is doubly incentivising as it provides extra benefits for the receiving party, such as the right to claim back VAT on a donation. However, the law suffers from a number of impediments to its successful implementation and take-up of its provision is at a low level:

- The absence of a clear definition of public benefit activity effectively excludes the greater majority of CSOs from benefiting from the law;
- In the case of some taxes, deductions are insignificant thereby militating against applying for them;
- Complicated and lengthy bureaucratic procedures relating to both the giving and receiving party have proved a serious disincentive;
- Differences in interpretation of the law by various government institutions have obstructed the process;
- The law has not been publicised adequately, and while CSOs, companies and individuals may know of the law’s existence, very few understand its potential benefits.

In addition to these, there are a variety of socio-cultural factors which impede the effective take up of benefits offered by the law:

- There is no culture of individual or corporate charitable giving to CSOs.²
- CSOs remain culturally dependent on international funding sources and are poorly adapted to mobilising local resources

Deductions against personal income tax for charitable giving are only possible for those people (approximately 10% of those in work) who fill out an annual tax return form, rather than the usual method applying to employees of “pay-as-you-earn.”

An indication of the low interest in the law is the fact that in October 2007, when the law had then been in force for 10 months, state institutions reported that only 16 cases had been referred asking for confirmation of the public interest (First Children’s Embassy of the World “Megashi” 2007).

Voluntarism

In June 2007 a **Law on Volunteering** was adopted with the intention of defining this area of work in related to paid employment and to define the rights and obligations of volunteers and the entities that organise volunteering. By recognising volunteer practice as valid work experience of value within the paid employment sector, the law aims to encourage voluntarism and is of potentially great benefit to CSOs and the not-for-profit sector. However, implementation of the

² There is a tradition of charitable giving, but most people prefer to give directly to people in need or social institutions, such as schools, church organisations and shelter centres, rather than CSOs.

Law to date shows that major conceptual deficiencies are not registered, but there are cases of misuse of the Law, big administrative burden and weak promotion activities.

Law of Lobbying

In August 2008 the **Law on Lobbying** was adopted. The Lobbying Law may limit direct participation by citizens, associations, and foundations in policy and decision-making processes. Lobbying is defined very broadly so that it includes almost any activity aiming to influence the position of national or local government or parliament on any law of regulation. The law states that CSOs or any other entity may only undertake “lobbying” activities if they are “invited” by the relevant legislative body. While it makes provision for associations to be included in the decision-making process, it does not extend this right to foundations.

So far, there is no evidence that government offices are making use of the law and there appears to have been no discernible effect on CSO cooperation with decision makers.

1.2. Donors and funding opportunities (local and international) today and predicted in the future

The vast majority of CSOs in Macedonia continue to be dependent on international donor funds. Collectively, foreign funding streams remain the single largest source of financial support for CSOs, but this has decreased markedly in recent times and continues to do so. Since Macedonia gained EU candidate country status in December 2005, the context of international donor funding has changed significantly. European donor countries in particular have scaled down their commitment to the country and some have left, or very soon will do so. The EU funds, principally through the Instrument for Pre-accession Assistance (IPA), are the now the main focus of interest for CSOs.

The only significant domestic source of civil society funding is central government, which targets a broad range of non-government organisations, of which associations and foundations are just one category. Accessing these funds is problematic as in the main they are not allocated according to clear and transparent criteria and procedures.

EU IPA and other funds

Civil society development and dialogue is defined as one of the major cross-cutting issues under the IPA instrument (EC 2008). Currently there are funds allocated to the support of democratization and civil society development (IPA 2008 component 1 - institutional building), but these are intended for large technical assistance projects for capacity building of state institutions mediating government-civil society relations (Unit for Cooperation in the General Secretariat), rather than directly supporting CSOs and their activities. IPA 2009, however, will concentrate exclusively on grant schemes to CSOs.

Further support to CSOs is envisaged in the EC’s MIDP under IPA component 4 (Developing Human Resources) for CSO projects aiming to enhance social cohesion. However current EU funding opportunities are relatively restricted.

In addition, there are concerns within the CSO community in Macedonia that the EC application process is too complicated technically and imposes too many financial conditions on organisations and so effectively excludes the greater majority of CSOs.

Current EU funding opportunities include:

1. **EIDHR** – Annual grant scheme of awards up to 70,000 EUR in support of small-scale human rights and democratisation activities by grassroots organisations.
2. **Cross-Border Cooperation (IPA 2)** Grants to CSOs and municipalities for a range of socio-economic two-country partnership projects, with all EU and potential EU member countries. Currently tendering: Macedonia – Bulgaria for actions to further economic development and social cohesion, to a total value of 4,200,000 EUR, and also Macedonia – Albania.
3. **IPA 2008 Civil Society Facility Horizontal Activities** – partnership actions in the IPA region according to tender. 2009:
 - a. "Fight against Corruption, Organised Crime and Trafficking"
 - b. "Environment, Energy Efficiency, Health and Safety at Work"
4. **Other EU-funded programs.** CSOs may apply to EU Community programmes: Youth in Action, **Other EU-funded programs.** CSOs may apply to EU Community programmes: 7th Framework Programme, Progress Programme and Culture Programmes, the Competitiveness and Innovation Programme, Citizens for Europe and Lifelong Learning Programme. As a candidate country, and as Macedonia continues to develop its administrative and institutional capacities it will gain access to further EU programmes to which CSOs will be able to apply.

Other international donors

Swiss Agency for Development and Cooperation (SDC) has been an important supporter of citizens' participation and civil society development, particular through fostering Community Forums and establishing NGO support centres. It has recently launched a new mechanism to build CSO capacities to provide checks and balances in the public sector:

1. Civil Society Support Facility – A three-year programme (2009-2011) implemented by local CSO, the Centre for Institutional Development (CIRa) providing institutional and project grants to assist CSOs to exercise critical oversight of equitable, non-discriminatory and efficient public service delivery, as well as oversight of budgeting and financial management of public expenditure and private sector practices. The facility's total budget is 2.5 million EUR.

USAID is nearing the close of its long engagement in CSO support programmes in Macedonia:

1. Civil Society Support Programme, run by US NGO, Institute for Sustainable Communities (ISC) will come to an end in June 2010, after 5 years' operation. The programme broadly aims to support a wide range of CSOs at the national and local levels to carry out advocacy and engage in policy making. To date it has disbursed over 480 project grants and provided capacity building inputs to 470 CSOs. The programme's budget has been US\$ 7 million (approx. 4.8 million EUR).

Central government funding sources

Over the last four years central government has allocated civil society between 4 and 7 million EUR annually. The amount of government funds budgeted for NGOs in 2008 was approximately €5.5 million, which was not fully allocated (USAID 2009). Approximately 1.2 million EUR are allocated to social purposes from lottery funds each year.

It is not clear what proportion of the annual government allocation for "transfers to non-governmental organizations" is dedicated to CSOs, as other types of not-for-profit organisation, such as trades union, religious communities and political parties are also included under this budget line. Despite this, central government is now an important source of CSO funding.

Government funds are available through the individual line ministries and state institutions for, broadly speaking, service delivery and humanitarian activities. Although a Code of Good Practices for the financial support by government of citizens associations and foundations exists, government institutions rarely allocate support to CSOs in a transparent manner according to clear and equitable criteria. Very often funds are allocated to arbitrarily pre-selected beneficiary organisations and only a very few state institutions distribute funds through open calls to tender. Lack of transparency appears particularly acute in the case of lottery funds. The criteria for applying for these funds are not made public and the greater part of these resources is shared between a very small number of predetermined beneficiaries³

In recent times a proportion of the government civil society allocation (around 12% of the total) has been subject to a more transparent procedure, following the guidelines set out in the Code of Good Practices. However, no priorities have been established or specific areas to be funded, so the allocation is open to all CSOs regardless of whether it works at the national or local level and regardless of its organisational objectives. Each year around 100 CSOs receive grants, meaning that support for each organisation is very small and sufficient to cover only very limited actions.

In 2009, this allocation was designated a Programme for financing of programme activities of associations and foundations alone, worth 15,000,000 MKD (approx 245,000 Euro), and is now disbursed according to five priority objectives. By ensuring programme criteria and transparent procedures, including clearly defined scoring of applications, the programme is a major step forward in ensuring transparency and standards in the allocation process and also the targeting of funding to increase its effectiveness.

Local government funding sources

Financial support of CSOs by municipalities is too small to be considered of any significance. Municipalities have very limited funds available for all non-recurrent expenditure; in many cases they have no funds at all to support CSO projects.⁴

Private and corporate giving

This remains an undeveloped area and the amounts raised by CSOs from these sources are also relatively insignificant. An analysis made by ISC of around 200 CSOs in Macedonia, observed that only 5% of their funds come from business.

CSOs need to build their skills to generate resources locally and to take advantage of the Law on Donations and Sponsorships for Public Activities, which has so far not facilitated an increase in charitable giving. Corporate Social Responsibility is still not an integral part of business strategies and consequently neither is corporate giving.

There is no data on the extent of the support of CSOs by individuals, but almost certainly it remains very low as there is no tradition of giving through organisations for social causes.

³ In the last lottery allocation, 817,000 EUR was shared between only 7 organisations (MCIC 2009a)

⁴ The municipality of Strumica is a typical case in setting aside 2% of its budget for non-government purposes. Macedonia is in the process of wholesale decentralisation to municipalities. Financial decentralisation, allowing municipalities greater control of local budgets and increasing their revenue-raising powers has still not been achieved in most cases. There are 84 municipalities in total, 67 of which (and the city of Skopje) have progressed to the second stage of decentralisation which includes fiscal decentralisation in the areas of education, culture and social protection.

1.3 Government mechanisms for civil society-government cooperation and the policy framework determining government-civil society relations

A single government office, the Unit for Cooperation with Non-governmental Organisations, is responsible for facilitating government cooperation with civil society and has now been operating for some time. The Unit has developed a Strategy for Cooperation with NGOs, which was carried out in close coordination with civil society. This being said, the Unit's ability to synchronize the work of government departments with civil society and its real scope of work remain limited, despite it having been the subject of (and remains so) considerable technical assistance under EC-funded projects. Progress in implementing the Strategy is slow, including improvements towards establishing effective dialogue with civil society and improving accountability and transparency of government, particularly in regard to public support of CSOs.

Unit for Cooperation with Non-governmental Organisations

The Unit for Cooperation with Non-governmental Organizations was established in November 2004 under the Sector for Policy Analysis and Coordination within the General Secretariat of the Government, and commenced active work in March 2006. The Unit is responsible for: maintaining cooperation with CSOs and institutions; preparing a review of the legislation and its continuous updating, proposing initiatives to the Government and relevant ministries in order to instigate drafting of new legislation for the civil society sector; anticipating the allocation of financial resources for partially financing projects of public benefit; mediation of the inter-ministerial cooperation, as well as of other state authorities and civil society sector etc.

Since November 2006, the Unit has undertaken significant capacity-building activities, including study trips abroad and comprehensive trainings in the key areas of civil society, CSO management and social research and analysis. Staff numbers and capacities are considered to be adequate, but the Unit appears to be constrained in its ability to carry out its mandate owing to its position under the General Secretariat of the Government. The Unit lacks sufficient autonomy to allow it to work flexibly and it lacks the authority required to make independent decisions, to take proactive measures towards implementing the Strategy for Cooperation with NGOs, and to establish direct communication with civil society.⁵

Notionally, the Unit is responsible for coordinating specially assigned civil society contact persons in each ministry. However, there is little evidence that this task is being carried out, principally because contact points, for whom the task of liaising with civil society is an additional duty to their regular full-time civil service function, are ill-prepared and unable to devote sufficient time to interacting with CSOs. It has been observed by CSOS that sometimes, rather than facilitating communication with the government, the Unit appears to hinder this process by standing between the two parties.⁶

Strategy for cooperation

The policy framework of the civil society-government relations is set by the Strategy for Cooperation of the Government with the Civil Society 2007-2011. The Strategy's overall objective is to improve cooperation between government and CSOs. The Strategy was prepared with

⁵ For example, if the Unit staff would like to attend a civil society event, it can only do so on first receiving a formal invitation to attend and then obtaining formal approval from the General Secretariat. The whole process usually requires up to two weeks.

⁶ In the working version of the new Law on CSOs, it is proposed that the Unit's status be upgraded, conferring on it greater powers and independence.

technical assistance provided to the Government Unit for Cooperation with NGOs with financial support from EU via the EAR. This support enabled the provision of adequate expertise for the preparation of the document as well as the facilitation of wide-ranging civil society consultation on the design, taking in 380 CSOs, and 6 broadly-based public debates. The participative process was instrumental for both sides to achieve clarity as to their respective expectations, and to ensure that key CSO priorities were included in the final document. The Strategy embraces seven strategic objectives, which are further elaborated in specific measures together with an action plan that defines deadlines and institutional responsibilities for the implementation of these measures. The objectives are:

- *Upgrading the Legal Framework for Development of the Civil Sector;*
- *Participation of the Civil Sector in the Decision-Making Process;*
- *Maintaining Cross-Institutional Cooperation* by establishment of a functional network contributing to a facilitated communication and coordination of the activities related to the development of the civil sector;
- *Maintaining Inter-Sector Cooperation* by promoting active cooperation between CSOs and the Government on central and local level as well as promoting and implementing long-term strategies for particular areas, projects and other activities of the community;
- *Involvement of the Civil Sector in the Process of EU Integration* through the introduction of mechanisms safeguarding consultations for the civil sector involvement in the drafting, approximation, implementation, monitoring and assessment of political and legal measures, and especially in the process of developing national development plans, operation programmes and similar strategic documents;
- *Provision of More Favourable Conditions for Sustainability of the Civil Society Sector* including creation of better fiscal frame and state financing for CSOs, development of philanthropy and promotion of voluntarism;
- *Continuous Development of the Civil Sector* by development of CSOs outside of the capital and in the rural areas and institutionalisation of the cooperation on the local level.

Given the context of the present state of government – civil society relations and the current level of capacities in the country generally of both public administrations and CSOs, the Strategy is highly ambitious. Progress after two-and-a-half-years is patchy (see also below 1.4). Implementation is perceived to proceed quicker when assisted by external finance or when an action is linked to the process of European integration – either in connection with the establishment of European standards or the convergence of Macedonian law to the *Acquis Communautaire*.

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

Central government

Although the basic framework for participation of the CSOs in the policy-making is set out in the Constitution and the Strategy for Cooperation of the Government with the Civil Society, capacities in ministries and government institutions for engaging with civil society are uneven. There is no system for ensuring participation of CSOs in the policy-making process. This includes the absence of a mechanism to facilitate the regular, timely and meaningful involvement of civil society in the process of European integration, as prescribed by the EC, including participation in the drafting of

national development plans, operational programmes and the accompanying strategic documents (MCIC 2009c). CSOs are rarely consulted concerning IPA programming.

While a number of CSOs cite good examples of cooperation and dialog with the relevant ministries, including the signing of Memoranda of understanding and/or cooperation, formal agreements of cooperation have rarely resulted in a significant role for CSOs in drafting laws, strategy or policy statements. In many areas, CSO relations with government are informal and continue to rely on personal relations and individual motivations of government officials.

Although systems are not in place to enlist civil society in dialogue, there are positive examples where CSO representatives have participated in the working groups tasked with drafting the laws, in particular, such as: Working Group for the Law on Citizens' Associations and Foundations, Working Group for Law on Volunteering, Working Group for the Law on Protection from Discrimination.

On the adoption of the Strategy, a number of ministries and departments harmonized their programmes and activities, wherever relevant, with the objectives and measures set out in the Strategy. The few ministries which have made real steps to include civil society in policy dialogue and are better prepared, in terms of capacity, for this task include, Ministry of Labour and Social Policy, the Agency of Youth and Sport and the Ministry of Environment and Physical Planning (MCIC 2009c).

Progress towards implementation of the Strategy's Action plan has also been recorded in the following areas:

- Adoption of the Law on Volunteering together with the bylaws necessary for its implementation.
- Rules of Procedures of the Government have been changed, so that now the publishing of bylaws on ministry web sites is obligatory and any suggestions received should be taken into consideration, or an explanation provided if they are dismissed.
- The Citizen Charter is functional as a tool for easier access of the citizens to the services provided by the state administration.

Local government

Institutional capacities of local-self governments vary enormously from municipality to municipality. In general, there is a big difference between urban and rural municipalities. General speaking, urban municipalities, with larger administrations and more highly qualified staff, are better capacitated. This is reflected in a more positive approach to cooperation with CSOs. Policies or strategic documents that refer to cooperation with the civil society are often in place in bigger urban municipalities, such as the City of Skopje (Strategy for cooperation with NGOs) and the Municipality of Karpos (Strategic action plan for cooperation). These municipalities also have units or responsible persons for cooperation with CSOs. In a few cases, larger municipalities with larger budgets, such the City of Skopje, will allocate funds to local CSO projects.⁷ This kind of cooperation is very rare in rural municipalities.

Unfortunately, even in the case of the apparently more advanced and highly capacitated municipalities, cooperation with CSOs is rarely institutionalised and conducted according to a planned strategy. Consultation with CSOs remains a rare occurrence and in most cases it is carried

⁷ In 2007, the City of Skopje allocated 210,000 EUR for civil society activities (MCIC 2007a)

out as a one-off event, usually as part of a particular (internationally promoted) project,⁸ instead of being systematic and regular practice of the local-self government. All consulted stakeholders agree that CSOs should be involved and are able to contribute a lot in identification of local priorities and policy making on the local level, but also to provide some services on behalf of the local-self government.

1.5 Public perceptions and support for civil society

Public support for, and participation in civil society in Macedonia are at low levels. The term civil society, still a relatively novel term in Macedonian society, is poorly understood. While recognition and approval of civil society is greater when the term is explained by reference to specific CSOs and their activities, it remains a minority concept.

Recent research (MCIC 2008) shows that not only is social trust in CSOs is low and it is lower than trust in a number of major institutions, including the Media, the State, business and the International Community. One important factor militating against wider trust in civil society is the perception that it is dominated by the middle classes who undertake activities for their own benefit to the exclusion of the poor and less educated and well-connected. There is also a popular belief that CSOs are affiliated with, and manipulated by political parties for their own purposes, which further contributes to lack of confidence in the sector.

The problem, however, is perhaps of a more fundamental nature, rooted in some of the more enduring characteristics of the Macedonian socio-political culture. The legacy of a statist culture inherited from the socialist regime of ex-Yugoslavia determines that many Macedonian citizens continue to believe in the absolute authority of the State to cater for all social needs. This effectively absolves the individual of social responsibility and propagates attitudes of dependency and passivity which are antithetical to civic activism and enthusiasm for CSOs. A corollary of this is a deep suspicion of any form of social protest, advocacy campaigning or lobbying on the part of civil society which appears to question the established body of law and social policy. CSOs are very often viewed as lacking both the competence and the legitimacy to engage in such activities.

In addition, Macedonian society remains deeply conservative and in many areas hostile to liberal rights-based values, such as equity, equality and non-violence, promoted by the mainstream of civil society. Citizens are not interested in social politics, and concepts such as human rights and democracy remain poorly understood. Nationalism, ethnic prejudice and xenophobia are common.⁹ Macedonian society is also characterised by high gender differentiation, male domination of the structures of power, and discrimination against women in all walks of life.

Encouragingly, however, young people exhibit higher levels of trust in civil society, than the rest of the population (MCIC 2008). Recent surveys also indicate gradual, but small increases in the awareness of citizens of civic responsibility and an interest in participation in civic activities, as well as charitable giving and volunteer activities in the community (MCIC 2009). In particular, considerable potential (about 30%) is recorded for the number of citizens expressing an interest in some kind of non-partisan civic activism.

⁸ E.G SDC Community Forum Programme (2006-7) which organised up to six municipal-citizens forums in various municipalities on issues of relating to good governance.

⁹ 30,2% of people do not want to have neighbours from other ethnic groups; 30,6% do not want neighbours belonging to other religions (Trust in Civil Society, MCIC 2008)

2. CSO ORGANISATIONAL CAPACITIES

2.1 Overview of the civil society community in Macedonia

Structure of civil society

2003, there were a total of 5,769 registered CSOs in Macedonia. In the absence of updated information, it is now estimated that this figure has grown to around 9,000.¹⁰ Of this number sports clubs and cultural associations comprise around 40%. The number of active organisations is unknown, but it is believed that there may be as many as 2,000.

In Macedonian civil society is predominantly located in urban areas. 43% of all CSOs are registered in the capital, Skopje,¹¹ and the majority of others operate in the country's other large conurbations. CSOs are poorly represented in rural areas, and organisations here are less well developed organisationally and tend to be less active than those in urban areas. The ratio of urban to rural CSOs is 10:1 indicating that there are approximately five CSOs per 1,000 citizens in the towns, while only 0.5 CSOs per 1,000 citizens in rural areas (MCIC 2006). A corollary of this uneven distribution is that the many of the poor and socially marginalised are insufficiently represented by civil society.

There is also a clear cleavage within civil society along ethnic lines, with a large proportion of CSOs, even in multi-ethnic localities, mobilising according to ethnicity or national ascription.¹² This reflects one of the dominant social and political divides within Macedonia, particularly between the ethnic Macedonian majority and the main Albanian minority. While there is a number of prominent multi-ethnic CSOs throughout the country, often with mandate for peace building or plural democracy, CSOs representing minorities face serious challenges in integrating with wider civil society, and to take part in broader networks and coalitions.

In common with other Balkan countries, there are only a small number of fully professional CSOs operating at the national level. These are well-developed, non-membership-based NGOs, usually located in the capital, working in the fields of socio-economic development, good governance and civil society strengthening through a range of capacity building activities, advocacy and lobbying. They are larger organisations with high levels of organisational capacities, technical skills and specialist know-how and are well prepared to compete for and manage large grants and service contracts available from international donors, such as the EC.

The greater mass of other CSOs consists of smaller, semi-professional or voluntary membership-based organisations, working at the local level. They cover a wide range of special interests and target groups, and provide services to the community and their members including, in many cases, local-level advocacy on social policy, as well as capacity building by means of education and facilitation.

Trade unions form a distinct type of CSO based on mass membership, but with the exception of the union for education workers, in Macedonia they are more-or-less inert.

¹⁰ In the past, a number of CSO databases and directories were developed. The most comprehensive on-line data base was prepared by MCIC and consists of around 1,600 CSOs. A further database at MaNGO online (www.mango.org) lists 311 CSOs. However, both databases have not been updated since 2003 and are not sufficiently user-friendly, as they only allow searching by 2-3 parameters (organization target group, organizations objective/sector, region).

¹¹ According to the last national census (2002), Skopje's population was a little over 500,000 or approximately 25% of the total population of 2 million.

¹² According to the 2002 national census the ethnic composition of the population was as follows: Macedonian 64.2%, Albanian 25.2%, Turkish 3.9%, Roma 2.7%, Serb 1.8%, Others 2.2%

Despite civil society's clear community orientation, it is poorly supported by the public and there is a low level of active participation by citizens in their local CSOs. More spontaneous forms of association and collective voluntary action are less frequent; informal groups are poorly represented in civil society and, consequently, there are few national federations and unions of self-help groups and other forms of voluntary community-based organisations.

Employment and participation in Macedonian civil society shows a high degree of gender imbalance, whereby (except in the case of women's organisations) men predominantly occupy management and administrative positions. Regardless of this, and also the ethnic structuring of civil society, the sector is remarkable for its evident basis in values of tolerance, non-violence, and equality (particularly gender equality), which represents the growth from the early 1990s of a progressive socio-political tendency which was promoted in opposition to more exclusionary trends of nationalism and cultural separatism present at the time in the neighbouring successor countries of ex-Yugoslavia.

On the other hand, values associated with good governance and the advancement of responsive and responsible public administration, such as transparency, accountability, inclusiveness and participation are poorly promoted in Macedonian civil society.

Civil society is well served by CSO support organisations which provide CSOs information, capacity building and other services with the aim of strengthening civil society. At the national level there are three such organisations (MCIC - www.mcims.org.mk; FOSIM- www.soros.org.mk; and the Centre for Institutional Development - www.cira.org.mk). In addition there are 12 CSO resource centres situated in smaller towns outside the capital.¹³

Field of operation / activities

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

Youth associations and human rights organisations are increasing in number and profile, while farmers associations are emerging as an important niche lobby. There are also a new generation of young environmental associations, promoting "green" practices such as, energy efficiency and society.

Figures from the MCIC CSO database (from 2003 and so considerably out of date) illustrate the breadth of target groups catered to by civil society, although a very large minority of all CSOs (46%) provide services to the general population and do not focus on specific social categories or interests. They figures also show the large numbers of organisations working expressly for the benefit of children and youth, women and those with disabilities, as well as the relatively high numbers of professional associations.

¹³ These were established in 2003 by the Open Society Institute (FOSIM) with support from SDC and EC. They are located in the towns of Veles, Prilep, Stip, Kicevo, Debar, Struga, Resen, Strumica, Negotino, Gevgelija, Delcevo and Kratovo. FOSIM has reduced its support over time with the result that their financial sustainability is not assured.

Table 1. Target groups identified by 858 CSOs on the MCIC database

Target group	No. Of CSOs	% of total no.
General	396	46.15
Youth and students	94	10.96
Disabled	76	8.86
Professionals	72	8.39
Women	59	6.88
Children	39	4.55
Elderly	32	3.73
Nationalities	25	2.91
Others	23	2.68
Entrepreneurs	14	1.63
Unemployed	10	1.17
Village people	7	0.82
No answer	7	0.82
Refugees	4	0.47
TOTAL	858	100.00

Source. MCIC

The same database also shows a wide range of areas of activity in which CSOs work, but also that organisations promoting democracy, civic participation (civil society) and human rights comprise extremely well represented within the CSO community.

Table 2. Fields in which 858 CSOs in the MCIC database work

Field of activity	No. of CSOs	% of total no.
civil society ¹⁴	268	31.24
human rights	80	9.32
culture and arts	73	8.51
social policy	72	8.39
environment	63	7.34
health	58	6.76
education	49	5.71
others	45	5.24
rural dev.t/agriculture	39	4.55
economy	36	4.20
humanitarian assistance	15	1.75
science	14	1.63

¹⁴ Civil society here indicates a range of activities: the promotion of civic participation and democracy, including election monitoring, educating voters and strengthening the capacities of CSOs.

international cooperation	13	1.52
sport, hobby and recreation	13	1.52
tourism and services	7	0.82
financial services	5	0.58
no answer	5	0.58
employment/generating revenues	3	0.35
TOTAL	858	100.00

Source. MCIC

Broadly speaking, CSO working in the community provide a range of services in the community which aim to empower their constituencies. This includes awareness-raising, education and information services. Increasingly, however, CSOs are beginning to engage in advocacy, lobbying and public policy at the local level in support of their membership and broader constituencies.

Neglected areas, particularly at the local level, are all activities which carry the potential of conflict with public administration and the authorities such as, monitoring of government performance, watchdog activities to ensure application of laws and regulations, and the fight against corruption.

2.2 Human resources and technical skills

The majority of CSOs in Macedonia are insufficiently funded to employ full-time staff, relying mainly part-time or temporary staff and volunteers, usually engaged to carry out short-term projects. Only a very limited number of organizations, including the larger, well-established fully professional NGOs at the centre and a small assortment of other CSOs which continue to enjoy the patronage of international NGOs which, in most cases, founded them, employ staff in full accordance with the Labour Relations Law covering full social insurance and health benefits.

Many smaller organisations are over-dependent on strong, highly motivated leaders, in many cases the organisation's founder, for routine administration.

Insufficient use is made of volunteer labour, particularly in the context of a structured and planned agenda of work. Except for certain sectors in which there is a tradition of volunteer mobilisation and mutual solidarity (such as, pensioners and women's organizations, and the Environment), volunteering is a concept that is still poorly understood and accepted among CSOs. Consequently, few CSOs have taken advantage of the improved framework for managing volunteers offered by the recently adopted Law on Volunteering (2007) to engage volunteers in their work.

Rare examples of good practice, however, do exist. The Youth Cultural Centre in Bitola has established a national volunteer centre in Bitola connected to five volunteer information points placed within other CSOs around Macedonia. The Centre has succeeded in mobilising hundreds of volunteers to carry out a variety of humanitarian activities, cultural events, and environmental improvements.

Staff competencies, skills and experience within the CSO sector often lie at two extremes. Employees in the more developed, professional organizations generally have high levels of capacity and skills and are often more highly qualified than their counterparts in the state administration and private sector. Those working in the more community-oriented CSO, however,

are more likely to have few technical abilities and to possess insufficient specialist knowledge of their field of work.

Proficiency in PCM is variable, but invariably abilities here tend to be focused on proposal writing and implementation, to the detriment of thorough needs analysis and the practice of monitoring and evaluation. From an organisational point of view, owing to the general paucity of human resources, systems are rarely in place for short and long-term planning, monitoring and evaluation, human resource management, etc.

An area of capacity shortfall which appears to affect the sector more generally is in public relations. Once again, smaller CSOs do not have capacity (human and financial) and knowledge to carry out public relations. On the other hand, CSOs in general agree that they have to improve their image, but perhaps do not recognise this as essential to their sustainable development. In most cases, public relations are carried out on an *ad hoc basis* with the framework of short-term projects, usually as a response to donor demands for visibility.

IT skills within CSOs are often at a basic level and insufficient use is made of the internet for conducting research and networking. The full range of internet technologies, including the social media and various platforms for e-learning remain largely unexplored by Macedonian CSOs.

The consultations carried out for this study revealed a small number of skills areas in which CSOs were agreed that they lacked the required level proficiency:

- preparation of project applications, especially for EC funds;
- knowledge of specialist policy areas including: (anti-) discrimination, disability, EU accession);
- policy dialogue, advocacy and lobbying;
- research and analytical skills (think-tank skills);
- financial management and
- knowledge and understanding of the tax regulations relevant to CSOs

2.3 Strategic strengths of CSOs in Macedonia

Strategic planning is a concept that is not widely understood or accepted by CSOs in Macedonia. Very few organisations have strategic plans in place in which they define their long-term programme and organisational objectives. Very often, strategic planning is carried out by CSOs in order to fulfil conditions for project funding from donors. Consequently, strategy is often developed in a cursory manner and the resulting documents are not necessarily used to guide the organisation toward achieving its mission.

In place of long-term thinking, both programmatic and organisational, CSOs tend to be more focused on external relations in the here and now, and also on the implementation of activities. In addition, if PCM systems are in place, they are not used as a means of contributing to the broader perspectives of the organisation. Dependency of the majority of organisations on scarce short-term project funds from nearly all donor agencies and the uncertainty that comes with it, makes it extremely difficult for CSOs to devote energy and resources to mapping out their long-term futures.

An assessment of 26 CSOs, carried out in 2006, showed that only 6 were interested in developing strategic plans (OSCE, 2006).

A key factor in low levels of long-term thinking in CSOs in Macedonia is poor strategic leadership owing to generally weak internal democracy. A minority of organisations in Macedonia has a fully functional formal structure in which a governing body provides strategic oversight and holds the organisation to its mission and vision in the long-term. More often, there is no division of the executive and governing structures, leading to the conflation of daily management and long-term governance and leadership functions, as well as frequent conflicts of interest. Very often there is a concentration of power in a single person who occupies overlapping positions as head of both the governing and executive body.

A related consequence of poor governance is that CSOs are insufficiently transparent and accountable. Obligations in these areas are primarily understood by CSOs as meaning responsibility to donors in the first place and secondly, or not at all, to their constituencies and the general public.

2.4 Analytical Capacities

Consultations with CSOs for this study reinforce the impression that analytical capacities among Macedonian CSOs are generally weak. The ordinary organisation does little in the way of social and economic research for purposes such as mapping constituency need, developing projects or undertaking advocacy campaigns. It also lacks the reflective capabilities necessary for building relevant strategy, advancing responsive approaches to stakeholders and understanding the complexities of organisational development.

There are three categories of CSO in which analytical capacities are present to a greater or lesser extent. Foremost is a small group of professional think tank NGOs which apply qualitative research to policy issues and may be considered as experts in their specific field. The tendency is for these think tanks to work on a broad range of social and economic issues, and although they make use of experienced and trained researchers, competencies for writing policy briefs and studies are in place in only a very few issues.

Organisations engaging in advocacy, which need analysis to support their goals form a larger group of organisations and analytical capacities here correlate closely to their overall organisational development and strengths in other programme fields. Thus, sector-wide there is little effective advocacy taking place, backed up by good quality research. Regardless of the issue of competency in analysis, CSOs rarely have the campaigning skills to undertake advocacy effectively, and often financial dependency on government funds undermines their ability to act independently.

There are also organizations of various types that show an affinity for research, but whose proficiency in this field remains basic and which have not yet found a way of integrating these activities purposefully with their mission.

2.5 External relationships – networks and partnership

CSO networks and coalitions

Structurally, civil society is well organised and internally integrated in Macedonia. A notable facet of Macedonian civil society is the great extent to which CSOs of all types joint together to form

networks, many of which are then registered as CSOs in their own right.¹⁵ There are over 200 assorted CSO networks, umbrella organisations and unions. In most cases, networks are formed around target groups and specific social interests or sectors, such as women, the Environment, Roma etc. However, broader cross-sector CSO alliances and coalitions are emerging. One such national network, important for its ability to provide leadership to civil society generally, is the Civic Platform for Macedonia (CPM). It was formed in 2004, and gathers together 36 of the strongest national NGOs in a fully institutionalised self-funding network replete with governance bodies and a secretariat. The CPM is a space for free exchange of ideas and also a vehicle for CSO capacity building, with the aim of establishing the civic sector as an equal partner with government regarding the development of participative democracy.

CSO members of networks identify the following as the principal benefits from collective association:

- Opportunity for improved promotion of common interests to third parties, organisations and the state;
- Improved exchange of information;
- Increased awareness of issues of common interest;
- Development of joint projects and stronger project applications.

Increasingly, CSOs in Macedonia are recognising the advantages of cooperation, especially with regard to their growing interest in advocacy and policy dialogue. There is a trend for CSOs to form programme-oriented coalitions or partnerships around single policy issues, lending expertise and “weight” to a concrete agenda of practical activities. An example of this is the network Macedonia Without Discrimination, which is an advocacy and policy-making initiative to tackle discrimination in the country, run by three leading NGOs (MCIC, Polio Plus – Movement Against Disability, and the Centre for Human Rights and Conflict Resolution) but supported by a wider CSO coalition.

CSO – state and government relationships

Relations with the Government and local-self government are discussed above in sections 1.3 and 1.4.

CSO – business relationships

There is little significant cooperation with the private sector, and the two sectors should be considered as being mutually indifferent. Corporate social responsibility is not yet a widely recognised concept within the business community and corporate giving remains at a very low level.

Within the Media, with a few exceptions, there is little interest in civil society and CSO activities rarely attract much attention from journalists.

2.6 Material and financial stability and resilience

A significant majority of CSOs are under-funded, with insufficient resources to maintain a continuous programme of activities. Many CSOs are dependent on only one donor, either international or domestic, and there is an obvious lack of diversification of financial resources, rendering many CSOs financial unstable with low potential sustainability. In addition, the majority

¹⁵ In 2007 57% of CSO networks, coalitions and umbrellas were observed to be formally registered (MCIC 2007b)

of organisations has neither the fundraising capabilities nor a plan of action to rectify this situation.

There is a certain group of organisations which were well supported in the past over an extended period by international donors (very often international NGOs acting capacity-building partners and intermediaries with government donor agencies). These CSOs very often remain dependent on their original benefactor which is no longer able to secure the scale of funding to which the local CSOs have become accustomed. Reduced resources do provide a degree of financial stability and is providing the local CSO the opportunity and time to develop new financial strategies.

A larger group of CSOs are completely dependent on project funds available only through the uncertain process of competitive tendering; these organisations are especially vulnerable and financially unstable.

A small minority of organisations has succeeded in diversifying their funding by gaining access to a number of local sources, including membership fees, church funds and business donations. Although these funds are relatively small compared to project grants, they provide a more stable and predictable source of income which can provide for basic operational costs and can be planned for with more certainty.

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

Self-financing; that is, generating one's own income through membership fees or economic activities is still a relatively unimportant source of CSO funds. Membership fees are possible, but significant income can only be generated by organisations with mass membership; this kind of CSO is rare in Macedonia (students union, pensioners associations, some women CSOs). Economic activities are in most cases not practicable, owing to the unfavourable tax and financial regime governing these activities.

Few CSOs own their own premises or are lucky enough to have obtained a rent-free space. Consequently, rent for office space is a major financial burden for many CSOs, especially the smaller and recently founded one. A great many CSOs in Macedonia are also poor equipped with only the most basic, and often aging, ICT appliances.

3. CIVIL SOCIETY MILESTONE ACHIEVEMENTS, IMPACTS AND CHALLENGES

3.1 Milestone achievements and impacts in the country

Empowerment

Significant success has been achieved in empowering marginalized groups, through raising public awareness, mobilisation and networking of marginalised groups and promoting changes in the legislation. In particular:

Women. Successes include:

- Recognised women's networked CSOs

- Establishment of the Macedonian Women's Lobby (2000), composed of women from all walks of life (NGOs, public administration, political parties, unions, media etc), working at the national level and at the local level through 20 lobby groups.
- Effective advocacy leading to key changes in legislation, such as making domestic violence a crime under the Criminal Code, and the introduction of 30% quotas of women candidates on political party election lists.
- Promotion in the public of a gender perspective in place of a traditional "for women" agenda

People with disability

- Networking of CSOs representing different disabilities
- Establishment of a stronger disability voice focused on rights and empowerment, in place of traditional a "medicalised" and passive perspective.
- Establishment of an Inter-party Parliamentary Lobby Group for people with disabilities.
- Effective advocacy campaigns such as "Nobody is Perfect" (2004)

Roma

- Development of an active Roma CSO community and establishment of a Platform of Roma Organizations-RNVO Roma 2002 (2002)
- Participation of Roma organizations in drawing up the National Strategy for Roma Population 2005-2015, with Action Plans, as well as a key role in monitoring its implementation.

Mainstreaming within state institutions

CSOs, working through networks, have succeeded in getting their missions and organisational objectives mainstreamed within the policy of key government ministries and agencies:

- The establishment, in 1998, of a Ministry of Environment was the result of the efforts of the Environmental Movement of Macedonia
- The Ministry for Labour and Social Policy has established a Department for Equal Opportunities, under which there is Unit for Gender Equality. In addition, each ministry has an assigned coordinator for equal opportunities. Local self-governments also have commissions and coordinators for gender equality. An active parliamentary Commission for Equal Opportunities has also been established.
- Roma issues are mainstreamed generally in government policy, especially within the policies for employment and health.

In August 2009, the Ministries of Information Society and Labour and Social Policy launched a government internet portal for people with disability, "I want, I know, I can," with the objective to provide people with disabilities a common point of information in the government concerning rights and services from all State institutions, a channel for making complaints, asking questions and making suggestions.

3.2 Shortfalls in CSO performance

Fulfilling a public scrutiny role

Less success has been achieved by civil society in ensuring standards of democratic governance and subjecting the government and public administration to scrutiny. There are still very few organisations working in this field generally, and there are few effective “watch dog” organisations. Areas of governance which are neglected by the CSO community include: anti-corruption activities, monitoring government performance and holding government to account, overseeing the budgetary process. In addition, civil society does not fulfil a watchdog or monitoring role of the private sector.

Mobilising public support

Civil society enjoys the trust of only a minority of general public, and citizens are often reluctant to lend their support to CSO initiatives. CSOs, in general, do not recognize the importance of building constituencies and public support for achieving policy change. CSOs are not doing enough to determine and address key constituency needs, communicate with their potential support base and facilitate community participation in their programming.

Greater efforts should be made in building supportive relations with the business sector, whose importance as a key stakeholder in social and economic policy is generally overlooked by CSOs.

Civil society is also insufficiently transparent and accountable. This is linked to a general neglect of public relations and attention to publicising civil society values, objectives, activities and achievements. Greater endeavour here would also go a long way to dispelling the commonly held perception that CSOs are affiliated or aligned with political parties and their agendas.

Influencing donor policy

Donor policy, both foreign and domestic, is generally inflexible and overly focused on short-term project support. The achievement of impact, in terms of social progress arising out of institutional change and policy development, and organisational sustainability, requires continuity of action over an extended period. On the one hand, there is a need for CSOs to do more in developing relationships with donor organisations and communicating clear priorities for future investments in civil society – in terms of both funding modalities and sector objectives -, and on the other, donors should bear a greater responsibility for facilitating dialogue with Macedonian civil society.

4. CONCLUSIONS

4.1 Summary of strategic issues of relevance to the project in Macedonia

- The Strategy for Cooperation of the Government with the Civil Society provides a comprehensive agenda of activities for establishing better collaboration between the two sectors. The project could usefully act as a facilitator of enhanced communication between with CSOs and the Unit for Coordination with NGOs. However, given the Unit’s present lack of authority and decision-making power, early consideration should also be given as to whether the project could intervene elsewhere at the government level to more effect – either at the Secretariat level, or more feasibly at the sector / ministerial level.¹⁶

¹⁶ This area of activity, however, is already covered by current EC Technical Assistance to the Unit with the aim of revising the Strategy and further strengthening of Government capacities. A further tender is also in pipeline with the objective to

- Eventual adoption of the new Law on Associations and Foundations will take place during lifetime of the project. The new law will greatly enhance the legal and financial framework in which CSOs work. Design of project activities should take account from the start of the expected changes with a view to enabling CSOs to adjust to and take advantage of the new law's rules as early as possible.
- The high level of CSO networking in Macedonia represents a considerable opportunity to the project. Existing networks should be targeted for policy and advocacy-oriented activities. In light of the generally small size and limited capacity of CSOs, organisational capacity building could take a networked approach in order to maximise outcomes; that is, it could carry out trainings with groups of CSOs already in sector or issue-based networks.
- The diversity of CSOs and their often widely differing capacity levels and needs suggests that a variety of capacity building instruments should be developed by the project and that a tailored approach be applied to specific CSOs' needs.
- In Macedonia are already well-furnished with support organisations. Those working at the local level are, however, financially vulnerable. The project should coordinate capacity building activities with the existing support structures, paying special attention to work in ways which do not compete with or undermine local NGO support agencies in particular. Partnership with these organisations should be considered as a means of contributing to their capacity.

By the same token, the project should take into account what has already been done locally for the civil society development and should build upon approaches and instruments that proved to be successful (such as, existing databases of CSO's and web-sites, developed/localised training curricula, existing forums and events).

- Low public trust in civil society and CSOs' lack of constituency support are key strategic weaknesses of civil society. In facilitating partnerships, dialogue and institutional processes more generally, the project should particular pay attention to assisting CSOs to address community interests, build constituencies and improve communication with the public
- The over-concentration of active CSOs in Skopje and the larger towns, with the apparent scarcity of CSOs in rural areas, presents challenges for the project in balancing the need to reach the grassroots across the country, while building on existing capacity.
- Meaningful efforts need to be made to integrate CSOs representing different ethnic communities into the all project activities, with the aim of greater integration within civil society more generally.

4.2 Needs assessment conclusions

The civil society environment

- The current law on citizen associations and foundations is out-dated and does not provide an enabling framework for CSOs to work in.
- The financial and tax framework for CSOs is unfavourable; it provides no significant tax incentives for CSO operations or charitable giving.

prepare the Unit for grant giving. The TACSO project should restrict activity in this area to support to CSOs in their communication with the Unit. (e.g. providing info, contact details, space for debate etc.)

- The donor environment has changed significantly, but CSOs remain ill-prepared to respond and accommodate adequately to these changes.
- The system of financing of CSOs from state funds lacks transparency and clear objective-oriented application criteria backed up by consistent policy/strategy behind it.
- Government has started implementing its Strategy for Cooperation with CSOs, but is lagging in several important measures:
 - Participation of CSOs in the decision-making process
 - Participation of CSOs in the EU integration processes
 - Support of the development of civil society in the rural areas
- Institutional capacities for government cooperation with CSOs are weak, especially on the local level.
- Socio-cultural context is unfavourable for civil society, burdened by low levels of trust, lack of support and low participation of citizens.

CSO organisational capacities

- Civil society in Macedonia embraces a diversity of organisational types as widely differing stages in organisational development. Thus, CSO capacity-building needs differ greatly.
- In general, CSOs lack sufficient human resources with the required qualifications, skills and experience.
- CSOs exhibit particular weakness in their approach to public relations, and specific related skills in IT and the use of social media. CSOs are also often poorly supported by the community and their constituencies.
- With few exceptions, CSOs lack strategic direction, concentrating on the short-term and project implementation.
- The majority of CSOs are organisationally weak. Particular areas of concern include: an unclear division of management and governance structures, undeveloped organisational systems, inattention to transparency and accountability, and weak financial management.
- The majority of CSOs are dependent on international donors and do not engage in long-term financial and fundraising planning.
- Civil society has achieved considerable impact in empowering marginalized groups, by raising public awareness, raising participation, and achieving changes to relevant legislation

CSOs rarely promote the public scrutiny of public institutions. In particular anti-corruption activities, holding the government and the private sectors to account, overseeing the budgeting process, and undertaking “watch dogs” are neglected.

4.3 Recommendations for regional project work plan

- Establish a regional pool of experts to provide capacity building for CSOs and civil society in areas of common need (within the project countries) identified by the project needs assessments. This pool would be available to CSOs in all project countries. Attention should be paid to ensuring the pool’s sustainability after project end, by engaging only local experts

already integrated in civil society and linking their involvement to well-established national CSOs.

- Organize regional dialogue events at which CSOs from all project countries would meet, discuss common problems and concerns, share experiences and best practices, learn from each other, create partnerships and plan future joined activities and projects.
- Organise study visits within the project region for the exchange of best practices, especially concerning the CSOs cooperation with the local self-government, participation in the decision making on the local level, monitoring of good governance, etc.

Involve existing regional CSOs networks in project activities and further build their capacities to be able to undertake and provide sustainability of the regional aspects of the project when it ends.

4.4 Recommendations for country specific work plan

Civil society environment

- Assist civil society in promoting the draft New Law on Citizen Associations and Foundations within government, and lobbying for its adoption by Parliament.
- Assist civil society to lobby and negotiate for the creation and institutionalisation of functional mechanisms within both the Executive and Legislative for facilitating the meaningful participation of CSOs in the decision-making process.
- Facilitate CSO and government efforts to strengthen mechanisms for consultation with CSOs concerning the key documents related with the EU integration processes and IPA programming. This mechanism should provide institutional, regular and proper involvement of CSOs in these processes.
- Work with local self-governments and local CSOs to establish mechanisms and ways of working which improve the cooperation between municipalities and civil society and facilitate greater CSO participation in decision making at the local level.

CSO organisational capacities

- Design and implement a set of capacity building measures with CSOs working at the grassroots to assist them to build their constituencies, engage the public in dialogue and planning, and publicise the achievements of civil society in the community in order to build trust and mobilise citizens in support of civil society. Carry out activities with CSOs at the national level to generate positive publicity for civil society and raise wider public awareness, through the mass media.
- Establish a comprehensive, up-dated and user friendly online database of CSOs and their activities.
- Deliver training and progress facilitation in the following skills:
 - Public relations
 - IT skills and use of social media
 - Preparation of project applications especially for EU funds;
 - Influencing public policy, advocacy and lobbying, research and analysis (think-tank skills);
 - Financial management and understanding the tax frame for CSOs.

- Wherever possible in the framework of project activities, encourage CSOs to undertake strategic planning, to put in place practices to render them more transparent and accountable, including the institution of proper internal democracy (functioning governing body separate from the executive)
- Assist CSOs to develop fundraising strategies, and develop their fundraising skills. Facilitate dialogue between donor organisations and CSOs.

Deliver specialist trainings to CSOs in key thematic areas relevant to their specific sectors. E.g. EU accession, corruption, poverty, etc.

Annex 1 Acronyms and abbreviations used in the text

CIRa	Centre for Institutional Development
CSO	Civil Society Organisation
EC	European Commission
EU	European Union
EIDHR	European Instrument for Democracy and Human Rights
FAKT	Fund for active citizenship
FOSIM	Foundation Open Society Institute Macedonia
ICT	Information and Communications Technology
IPA	Instrument for Pre-accession Assistance
ISC	Institute for Sustainable Communities
MIDP	Multi-annual Indicative Development Plan
MCIC	Macedonian Centre for International Cooperation
NGO	Non-governmental Organisation
PCM	Project Cycle Management
SDC	Swiss Agency for Development and Cooperation
USAID	United States Agency for International Development

Annex 2 Research methodology

The Needs Assessment exercise was implemented through a methodology which combined desk research and face-to-face consultation with CSO representatives and other stakeholders by means of focus groups backed up by individual interviews.

Desk research was used to provide an analysis of the context in which civil society operates based on information collected from a variety of sources, including previous civil society mappings and assessments, evaluations of major civil society-run development programmes, situation analyses, policy documents, and country-specific academic literature.

Four focus groups, using a semi-structured format whose format was developed in advance, were organised, at which a total of 46 stakeholder representatives participated. The first focus group discussion was dedicated to an examination of the legal and fiscal regulations governing CSO operations and was attended by representatives from relevant government institutions and CSOs, including members of the working group tasked with preparing the new Law on Citizens Associations and Foundations. The remaining three focus groups concentrated on identifying the priority needs for civil society and CSO development and were attended almost exclusively by CSO representatives. A focus group in the capital, Skopje, was held for representatives from a range of leading CSOs, all of which are members of the Civic Platform of Macedonia. Two regional focus group meetings gathered together CSOs from the main western and eastern parts of the county. In Gostivar, covering the areas of Gostivar, Tetovo, Kicevo and Debar, CSO representatives were joined by a member of Debar local self-government, while in Strumica in the East, civil society representatives were gathered mainly from the immediate surrounding area.

18 individual interviews were also conducted with an expanded range of stakeholders including, representatives of local self-government, ministries and donor organisations, as well as other CSOs.

Selection of participants for the consultations took into account the need to access a range of CSOs with a variety of missions within the broad field of promoting democratic development, and the need to achieve a balance between CSOs working at the national level, including member organisations of national networks, and grassroots and community-focused CSOs. (A full list of those consulted is presented in Annex 3).

After initial findings had been analysed, a final major consultative meeting was held in Skopje at the EU Info Centre (7 October 2009), attended by 22 stakeholders, at which provisional research conclusions regarding CSO capacities, capacity-building needs, and the challenges and opportunities for further civil society development were presented. This meeting provided an opportunity to verify the research's initial conclusions, as well to receive feedback and make appropriate adjustments and revisions to the analysis.

Annex 3 List of organisations consulted

Interviews

- Anica Tomsic Stojkovska, Executive Director, Coalition All for Fair Trails, 30.09.2009 – Skopje
- Darko Aleksov, Executive Director, Citizen’s Association Most, 18.09.2009 – Skopje
- Dusica Perisic, Executive Director, Association of the Units of self-governments ZELS, 23.09.2009 - Skopje
- Eli Cakar, State Counsellor, Ministry for Local Self-government, 22.09.2009 - Skopje
- Goran Buldioski, Programme Director, Think Thank Fund OSI Budapest – 15.09.2009 (by e-mail)
- Gordana Nestorovska, Executive Director, Helsinki Committee for Human Rights 23.09.2009- Skopje
- Igor Tasevski, Programme coordinator, Centre for Civic Initiatives Prilep, 21.09.2009 - Skopje
- Irina Nikolovska, Programme Director, Open Gate - La strada 18.09.2009 – Skopje
- Lidija Dimova, Executive Director, Macedonian Centre for European Education - MCEO , 05.10.2009- Skopje
- Marija Stambolieva, Executive Director, Progress Institute, 21.09.2009-Skopje
- Marijan Kelemen, Municipality of Aerodrom, 24.09.2009 – Skopje
- Saso Klekovski, First Executive Director, Macedonian Center for International Cooperation, 25.09.2009 - Skopje
- Savka Todorovska, President, National Council of Women of Republic of Macedonia-UWOM 17.09.2009, Skopje
- Suncica Kostovska, Programme Director, Open Society Institute Macedonia, 01.10.2009 - Skopje
- Tanja Hafner Ademi, Executive Director, Balkan Civil Society Development Network 16.09.2009- Skopje
- Zaneta Stojkovska, National Rule of Law Officer, OSCE Monitoring Mission to Skopje 18.09.2009 Skopje
- Zarko Trajkov, Executive Director, Centre for non-formal education Triangle 18.09.2009- Skopje
- Zoran Ilieski, Executive Director, Youth coalition SEGA 30.09.2009- Skopje

Focus groups

1. Macedonian Center for International Cooperation, 25.09.2009, Skopje

- Ana Medarska, Open Society Institute Macedonia
- Dusan Tomsik, Ministry of Labour and Social Affairs
- Elizabeta Nedanovska, Unit for Cooperation with NGOs General Secretariat of the Government of the Republic of Macedonia
- Emina Nuredinoska, Macedonian Center for International Cooperation
- Julijana Georgievska, Ministry of Justice
- Jonce Cvetkovski, Ministry of Justice
- Nikica Kusinikova, CSO Connect
- Slavko Lazovski, Ministry of Finance
- Zoran Milkov, General Secretariat of the Government of the Republic of Macedonia

2. Civic Platform of Macedonia, 29.09.2009, Skopje

- Ahmet Jasarevski, DROM - Kumanovo
- Brankica Spasovska, CIRA
- Daniela Antovska, Macedonian Women Lobby
- Daniela Stojanovska, MCIC
- Dejan Dodovski, MKC - Bitola
- Dilbera Kamberovska, ROZM Daja Kumanovo
- Ivona Krstevska, MKC - Bitola
- Katerina Spasovska, CIRA
- Lulzim Haziri, ADI-Gostivar
- Natasa Postolovska, Polio plus
- Petar Bosevski, Eko-Misija
- Savka Todorovska, SOZM
- Vova Pescerov, Eko - Misija

3. HDZR Mesecina, 28.09.2009, Gostivar

- Arberor Basa, Municipality of Debar
- Bekiri Senat, Milenium- Vrapciste
- Blerim Jasari, Loja-Tetovo
- Dzevat Kapljau, Mesecina, Debar
- Fadrija Mustafoska, Radika-DE Debar
- Ferdi Ismaili, Sonce, Tetovo
- Goce Ljubinovski, Cor 3-Debar
- Ilmi Kurtisi, Mesecina, Debar
- Imerzat Toci, Women Association for Development-Gostivar
- Katica Mihajlovik, ADI-Gostivar
- Muhamed Toci, Mesecina-Gostivar
- Paitim Saiti, PPC-Gostivar
- Valon Limani, ECD
- Vuljnet Zenki, Multikultura-Tetovo

4. Izbor, 02.10.2009 Strumica

- Aco Maninski, Evro-Vizija, Strumica
- Avdo Ismailov, ZTIL Strumica
- Ilija Boevski, STIL-Strumica
- Jasmina Mazgalieva, OZ Strumica
- Meri Tudzarova, ZTIL Strumica
- Mitko Nikolov, Porta, Strumica
- Risto Filcevski, Evro-Vizija, Strumica

- Sokrat Mancev, Izbor – Strumica
- Sonja Sacevska, CPLIP-PORAKA
- Tasho Papristov, Association Pravdina, Strumica

Consultation meeting, EU Info Centre- 07.10.2009, Skopje,

- Andrijana Trendova, Institute Open Society Macedonia
- Biljana Petrovic, NGO-Izbor Strumica
- Daniela Antonovik, Macedonian women lobby
- Dilbera Kamberovska, ROZM DAJA Kumanovo
- Elena Petkovska-Kirjanovska, Coalition All for fair trails
- Esma Adilovik, Government Unit for cooperation with NGOs
- Hristijan Jankuloski, HOPS
- Irena Ivanova, EC Delegation
- Irina Nikolovska, Open gate-La Strada Macedonia
- Katerina Koneska, First Children’s Embassy in the World - Megashi
- Lulzim Haziri, Association for Democratic Initiative-Gostivar
- Marija Stambolieva, Progress Institute
- Nikica Kusinikova, Connect
- Nikola Jovanovski, Center for sustainable development, ALKA
- Pavlina Zefik, Helsinki Committee of Human Rights
- Petar Bosevski, Ecological association Eko-misija
- Ruska Miceva, Environmental movement of Macedonia-DEM
- Ruzica Stojanovska, Ohrid Institute
- Slavko Lazovski, Ministry of Finance
- Tanja Hafner Ademi, Balkan Civil Society Development Network
- Vlatko Cekov, HOPS
- Zarko Dzipunov, Center for sustainable development, ALKA

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