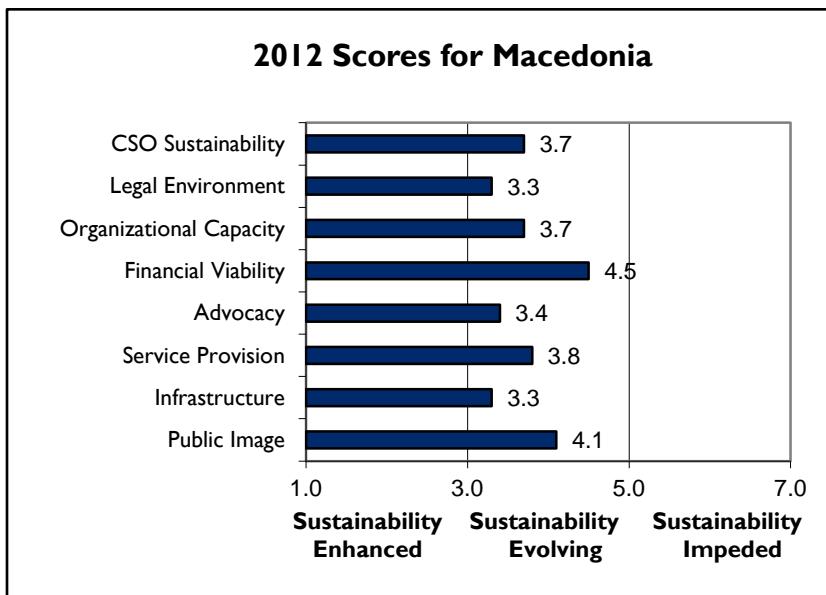


MACEDONIA



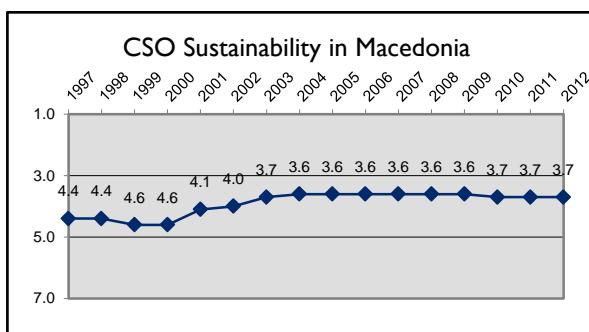
Capital: Skopje

Population: 2,087,171

GDP per capita (PPP):
\$10,700

Human Development Index: 78

CSO SUSTAINABILITY: 3.7



Although Macedonia's civil sector experienced some deterioration in various dimensions of the index in 2012, overall CSO sustainability remained unchanged.

The legal environment regulating the sector declined as a result of proposed policies that would give the government wider authority over CSOs' activities. For example, the new Lustration Law requires CSO members to provide statements declaring that they did not cooperate with the previous regime's intelligence services. The government has also announced a plan to require CSO board members to declare their assets in connection with the latest programs against corruption and conflict of interest.

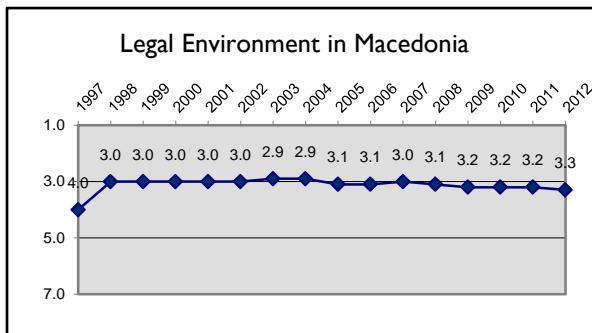
CSO advocacy capacity and public image also declined. CSO impact on policy remains minimal. CSOs that are critical of the government often face difficulties. They are frequently the subject of verbal attacks and are sometimes labeled as national traitors. To counter the work of critical CSOs, the Macedonian government actively supports government-organized NGOs (GONGOs) and organizes counter-protests.

At the same time, CSOs increased cooperation with the private sector, and more CSOs are benefiting from donor funds from the European Union and the international community.



According to the Central Registry of Macedonia, there were 4,686 organizations registered at the end of 2012. This is less than half the number registered in 2010, before CSOs had to re-register in order to comply with the 2010 Law on Citizens' Associations and Foundations (NGO Law).

LEGAL ENVIRONMENT: 3.3



The legal environment deteriorated in 2012 as the authorities' attitudes towards CSOs worsened. The government blatantly mistrusts CSOs that are critical of its policies, sometimes even publicly denouncing them as traitors. As a result, many CSOs practice self-censorship.

Associations and foundations are able to register and re-register under the 2010 NGO Law without difficulties and within a reasonable amount of time. However, two organizations were denied registration

in 2012 - RADKO (a Bulgarian minority organization that expresses controversial attitudes towards Macedonian identity and statehood) and Anastasiya (run by a Serbian bishop who is involved in legal disputes with the Macedonian church and judiciary). These cases garnered significant media attention as the decisions were believed to be politically motivated.

Macedonia's 2010 NGO Law introduced public benefit status, providing public benefit organizations with special tax and customs exemptions. A cross-sector commission responsible for reviewing and making recommendations on CSOs' applications for public benefit status was finally created in March 2012. However, the commission has been criticized for not including enough CSOs. To date, only two CSOs have applied for public benefit status, as CSOs fear being labeled pro-government if they apply because of the current political environment in the country. Moreover, the benefits and criteria for public benefit status are not clearly defined in the law.

Macedonia adopted a new Lustration Law in June 2012, which aims to remove from public office all former police informers and those who collaborated with the communist totalitarian regime. The law is unclear as to whether CSO founders, board members, and employees are required to declare their (non-)cooperation with the former intelligence services. In 2012, Vladimir Milcin, the executive director of the Foundation Open Society Macedonia (FOSM) and a vocal critic of the government, was investigated for the second time by the Lustration Commission as a former holder of public office.

As part of the government's 2011-2015 Action Plan, the state programs for preventing corruption and conflicts of interest have proposed amendments to the Law on Prevention of Conflict of Interest that would require all CSOs' board members to declare their assets. Although not yet adopted, the proposal presents a threat to CSOs' independence and has become a point of dispute.

Civil society has also experienced limitations to the freedom of assembly on the local level. The most prominent threat occurred during the March for Peace, which the City of Skopje initially banned due to alleged security issues. The march was finally approved as a result of CSO pressure.

Positive steps were taken during the year to implement the National Strategy for the Development and Promotion of Volunteerism 2010-2015. The National Council for the Development of Volunteerism was established and became fully operational, with four CSO representatives actively engaged in its work. In addition, the Council and the Ministry of Labor and Social Policy awarded the first National Volunteerism Awards, aimed at rewarding volunteers and promoting volunteering.

Taxation exemptions for CSOs are still problematic. While the new NGO Law introduces public benefit status for CSOs, the tax and customs benefits that these organizations are entitled to need to be specified within the Taxation Law and other laws, which has not yet happened.

The Law on Donations and Sponsorships continues to be problematic, and many terms and conditions remain poorly defined. While individuals and legal entities are entitled to deductions under the law, the procedures to claim these benefits have not yet been established. With the participation of two CSOs, a working group within the Ministry of Justice has been drafting revisions to the Law on Donations and Sponsorships in order to address some of these problems. Despite the Ministry's plan to finalize the draft by summer 2012, the process stagnated and several important issues remain unresolved. Several CSOs plan to engage in joint advocacy efforts to revise the law.

CSO knowledge of the legal framework remains quite limited. Although there are experienced lawyers in the capital, legal capacity on CSO issues in most other cities and towns remains minimal.

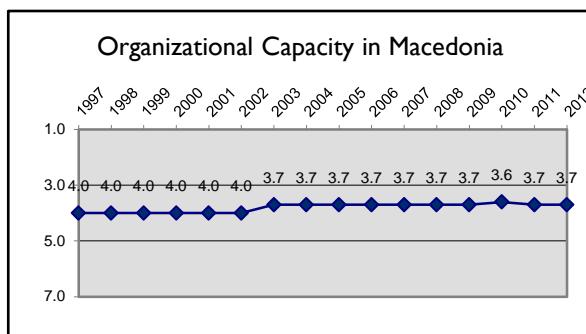
ORGANIZATIONAL CAPACITY: 3.7

CSOs are largely unable to reach key constituents, although there are some positive examples. For example, the Consumers' Organization of Macedonia now has approximately 5,000 members, though it has been criticized for not protecting its members' rights regarding central heating energy policies within the Consumers Council.

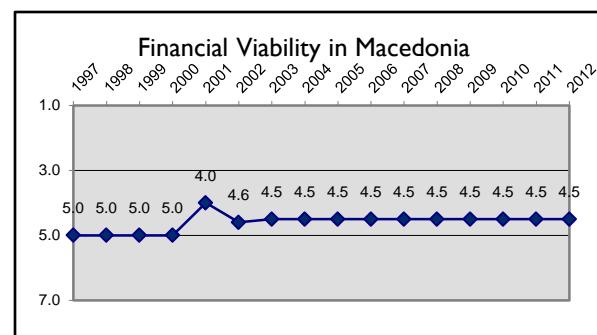
CSOs' use of strategic planning has improved, and even informal initiatives have become more structured and focused.

Although official data is not yet available, the overall number of employees in the sector seems to have decreased. The roles of executive or management boards and staff members are clearly defined, but many CSO employees also serve as board members. Some CSOs utilize the services of volunteers, but this practice is not yet widespread.

Most CSOs have basic office equipment, although many organizations continue to use unlicensed software programs as they cannot afford licensed versions. Internet access remains an issue in smaller communities.



FINANCIAL VIABILITY: 4.5



CSOs' financial viability did not change significantly in 2012, although the business sector did show increased interest in CSOs. For example, two retail companies, Tinex and Tediko, allocated over €70,000 to CSOs through various funds as part of their corporate social responsibility (CSR) programs. Regional companies have established similar practices. The Center for Institutional Development (CIRa) Business Forum annually recognizes a business for good philanthropy practices, which further promotes cooperation between civil society and the business sector.

Since 2010, the Donations and Sponsorships Program of ELEM – Macedonian Power Plants has awarded approximately €500,000 to CSOs for projects in various public interest areas. Association Konekt distributes the fund through publicly announced calls for proposals. To increase transparency, this year the company produced its first annual report on its 2011 donations and sponsorships program.

The EU-funded project Technical Assistance for CSOs (TACSO) provides support to CSOs in local fundraising. In cooperation with Konekt, TACSO is preparing an overview of companies that have shared information about opportunities for cooperation with CSOs as well as their donating practices. Individual donations to CSOs are not yet common. CSOs have more success raising funds for social purposes, emergencies, or terminal illnesses, such as a child's medical treatment, than for long-term developmental issues.

Although the level of foreign funding has not increased, more CSOs have started to apply for EU funding, thus increasing their financial viability.

Government support to CSOs at the national level remains limited. Municipal governments, on the other hand, have improved service provision by providing more matching funds to programs supported by the EU Instrument for Pre-Accession (IPA). For example, the municipalities of Bitola, Valandovo, Gevgelija, Strumica, and Dojran have matched funds to CSO-managed projects for cross-border cooperation with Greece and Bulgaria.

ADVOCACY: 3.4

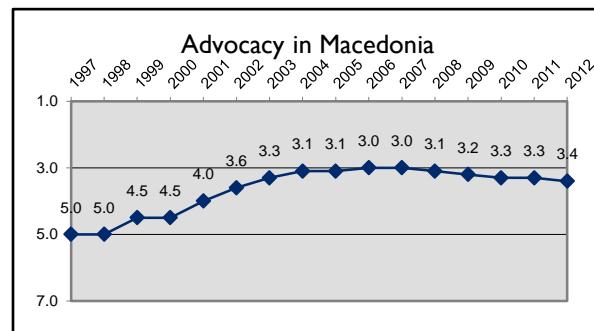
There is wide variation between the local and central levels with respect to CSO advocacy capacity and success. While advocacy efforts at the local level have been largely successful, advocacy successes at the national level have been limited.

The Regulatory Impact Assessment (RIA) instrument provides an established process for the government to consult on legal and regulatory documents with citizens and other stakeholders. However, the government and ministries do not implement the RIA fully. The government makes all draft laws and proposals available for open consultation on the Unique National Electronic Registry of legal acts in Macedonia (ENER). Although ENER underwent some changes this year, and laws are now usually published in a timely manner, the current system does not yet allow for uninterrupted monitoring of the consultation period. With funding from the OSCE and EU, the Macedonian Center for International Cooperation (MCIC) has prepared guidelines and undertaken several activities focused on building the capacities of both CSOs and civil servants on the consultative process.

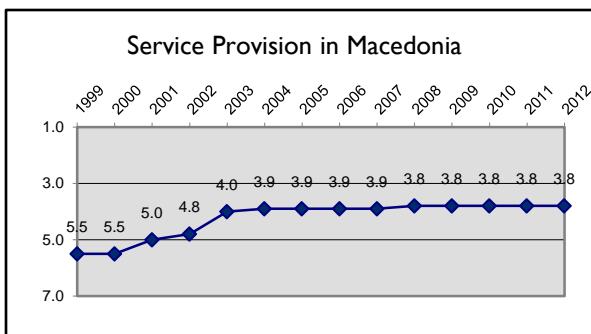
Despite the fact that CSOs participate in parliamentary commission hearings and are otherwise consulted by the central government, their impact on policy remains minimal. For example, the Macedonia Institute for Media (MIM) recommended amendments to the Electoral Law to allow the media to financially support political campaigns, but the final draft did not include these provisions. The Law on Defamation and Libel, the Criminal Code, and the new Law on Media also failed to incorporate CSO input.

Consultative processes vary depending on the institution. The Ministry for Information Technology and Administration introduced consultation mechanisms on the Regulatory Impact Assessment, and extended consultations to thirty days. On the other hand, both the project Skopje 2014 and the new Urban Plan for Skopje were adopted without inclusive decision-making processes.

Aman, an informal citizens initiative focused on central heating and electricity policies, collected 10,000 signatures on a petition opposing the rising costs of energy prices and requesting changes to the Energy Law, which will be debated in Parliament in 2013.



SERVICE PROVISION: 3.8



CSO service provision continued to diversify in 2012. The Center for Civic Communications (CCC) and partner organizations launched an initiative to provide support services to micro and small local enterprises to successfully compete in public procurement tenders. Association CeProSard provides valuable services to agricultural workers. In 2012, the Helsinki Committee for Human Rights of the Republic of Macedonia opened the first Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) Support Center in Skopje. However, in face of public denial and non-acceptance,

the Center has been the subject of harassment, and was even set on fire a week after its opening.

CSO service provision is still largely dependent on foreign donor funding. CSOs have been criticized for responding solely to donor requirements rather than constituent needs. Service provision at the grassroots and local levels has proven to be much more successful than service provision initiatives imposed by central authorities.

The government recognizes and supports CSO service provision. For example, the government supports the CSO initiative “SOS Children’s Village.” With support from USAID, the organization Open the Windows continues to cooperate with the relevant ministries to assist elementary schools in achieving inclusive primary education for children with special needs.

INFRASTRUCTURE: 3.3

CSOs increasingly cooperate with one another, create new networks, and launch initiatives around common issues of public interest. For example, the Aman initiative is aimed at reducing electricity and heating prices, and Zaedno za Mir (Together for Peace), organized a March for Peace in March 2012.

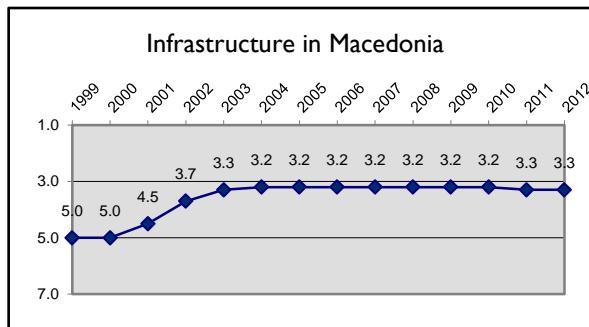
In 2012, CIRa continued to re-grant Swiss donor funding to CSOs. In addition, FOSM and Konekt re-grant local funding.

Some of the CSO support centers previously funded by FOSM still provide support and training to local CSOs. In addition, TACSO continues to provide support and training to CSOs, and the EU Info Center remains a valuable resource for organizing events in the capital city.

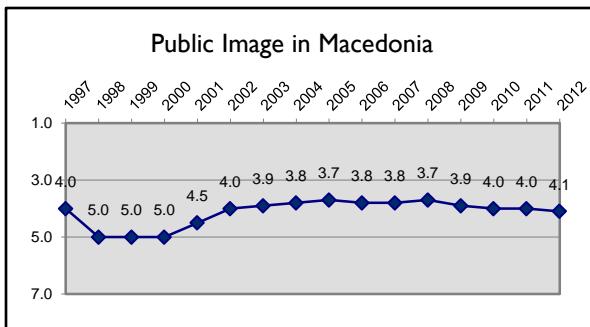
The USAID-funded civil society project, implemented by FOSM in partnership with four other organizations, provides both financial support and management training and communications skills for CSOs.

Local trainers provide training within the country and regionally. In addition, SEE University from Tetovo in partnership with CIRa has certified and started the first Master’s program in Civil Society Development, targeting civil society leaders in Macedonia and the Western Balkan countries.

In 2012, the Governmental Office for the Cooperation with CSOs, in consultation with CSOs, formulated a new Strategy for Cooperation for 2012 to 2017. The strategy is just starting to be implemented.



PUBLIC IMAGE: 4.I



In general, the media continued to promote negative stereotypes of CSOs and undervalue CSOs' utility as partners in 2012. As a result, prime time coverage of CSO work is limited.

While broadcasting licenses obligate broadcasters to produce programs in the public interest, such as educational or awareness raising programs, TV outlets often violate this requirement and instead flood their prime time slots with sensational shows.

Some organizations, such as Medjasi, MOST, and the Helsinki Committee for Human Rights, receive positive media coverage and are regularly called upon to share their expertise.

Media coverage for CSOs is better at the local level, although some CSOs pay media outlets for coverage. In 2012, some media outlets broadcast reports from activists about brutal treatment by police and threats against major CSOs and informal initiatives. FOSM and Aman have reported threats towards certain activists supporting them. In other cases, CSOs and informal initiatives that have been critical of the government have been the target of hate speech from the state-aligned media.

In 2012, MIM launched a new portal, www.aktiv.org.mk, that acts as a link between CSOs and the media to promote coverage of CSO activities. CSOs also consider Radio MOF (Youth Educational Forum) to be a reliable media outlet with national coverage.

CSOs have been reluctant to utilize new media tools for their work. A recent study by MIM shows that only two out of twenty CSOs that participated in new media training implemented the new tools to which they were introduced.

CSOs depend on donors such as FOSM, USAID, and CIRa for institutional or programmatic funding to improve their communications capacity. According to CIRa, a large number of CSOs demonstrated interest in improving their communications skills during 2012.

Government perception of CSOs, particularly those that are critical of government policies or actions, continues to be negative. The general public perception of CSOs also remains poor. The prevailing public opinion is that CSOs only serve personal purposes or interests. Within the business sector, on the other hand, increased communication has led to more interest in cooperation with CSOs, and in some cases, provision of funding.

CSOs generally publish annual reports as required by the 2010 Law on Associations and Foundations. However, CSOs have yet to reach a consensus on a formal code of conduct.