



Assessment  
on the State of the  
Enabling Environment  
and Capacities of  
Civil Society  
against the Guidelines  
for EU support to Civil  
Society in Enlargement  
Region, 2014-2020  
for the period  
2018-2019

# FINAL REPORT

**ANNEX 4.**  
**BRIEF IPA BENEFICIARIES**  
**OVERVIEW**

COUNTRY BRIEF: NORTH  
MACEDONIA

## COUNTRY BRIEF: NORTH MACEDONIA

The legislative changes and practical implementation of the legal acts in North Macedonia **improved the conducive environment** in which CSOs operate. Individuals as well as legal entities can establish, join and participate in associations, express themselves freely and assemble peacefully.

With regards to the **freedom of association**, there have been no main changes in the key legal provisions. The Law on Associations and Foundations regulates the right of association for all individuals without discrimination. Individuals **can establish, join and participate in associations** and this was in general **freely practiced**. Inspections that lasted over two years on the group of 22 CSOs have ceased<sup>1</sup>. The investigation was concluded without discovering any illegal operations or violations to the laws. However, the monitoring noted that certain legislative initiatives and changes implemented in other related legal acts might put at risk the principle of freedom of association. The Law on Money Laundering and Financing of Terrorism and different policies concerning the fight against terrorism and anti-money laundering adopted in June 2018 imposed requirements on CSOs with regards to provision of additional data about their founders. The Criminal Code provisions that define the term “public official” includes the legal representatives of CSOs in this definition and puts on the same type of obligations as for public officials<sup>2</sup>.

The **freedom of assembly** was **enabled and enjoyed**, as numerous gatherings on different issues have taken place in the monitoring period. Almost all protests were held peacefully and were enabled by the police. However, there was one case of disproportionate use of force against protesters where 25 people were injured, and the police used tear gas and shock bombs to disperse the crowd<sup>3</sup>. The **legal improvements** in North Macedonia included amendment to the **Criminal Code**<sup>4</sup>, containing stricter fines for public officials if they misuse their position during gatherings and the **Law on Police** by specifying conditions the means for dispersion can be used on citizens, and removing rubber bullets and electric paralyzers from the list of means for dispersion to be used<sup>5</sup>. Furthermore, at the beginning of November 2019, an extensively amended version of the Law on Public Gatherings was prepared and shared for public consultations<sup>6</sup>. The amendments proposed restrictive measures with regards to the number of people, time and place for gathering. After the reaction from the civil society, the Government withdraw the draft Law.

There have been positive legal changes introduced the **freedom of expression**. The Parliament adopted the **new Law on Free Access to Information from Public Character**, prepared in a participatory manner together with CSOs<sup>7</sup>. The Law should enable a quicker and better access

<sup>1</sup> Government of the Republic of North Macedonia (2019) It is the end of the persecution of civil society organizations, arranged in the “Night of Long Knives” by Gruevski’s regime (statement of the Minister for defence-Radmila Sekerinska. [Internet] Skopje, Government of the Republic of North Macedonia. Address: <https://vlada.mk/node/17780> [Accessed on: 25/11/2019]

<sup>2</sup> Criminal Code (“Official Gazette of the Republic of Macedonia” no. 37/96, 80/99, 4/02, 43/03, 19/04, 81/05, 60/06, 73/06, 7/08, 139/08, 114/09, 51/11, 135/11, 185/11, 142/12, 166/12, 55/2013, 82/13, 14/14, 27/14, 28/14, 41/14, 115/14, 132/14, 160/14, 199/14, 196/15 и 226/15, 97/17 and 248/18).

<sup>3</sup> Macedonian Young Lawyers Association (2018) **ANNUAL report on the efficiency of legal protection of human rights in the Republic of Macedonia: 2018**. [Internet] Skopje, MYLA. Address: <http://myla.org.mk/wp-content/uploads/2018/12/%D0%93%D0%BE%D0%B4%D0%B8%D1%88%D0%B5%D0%BD-%D0%B8%D0%B7%D0%B2%D0%B5%D1%88%D1%82%D0%B0%D1%98-%D0%B7%D0%B0%D0%B5%D1%84%D0%B8%D0%BA%D0%B0%D1%81%D0%BD%D0%BE%D1%81%D1%82%D0%B0-%D0%BD%D0%B0-%D0%BF%D1%80%D0%B0%D0%B2%D0%BD%D0%B0%D1%82%D0%B0-%D0%B7%D0%B0%D1%88%D1%82%D0%B8%D1%82%D0%B0-%D0%BD%D0%B0%D1%87%D0%BE%D0%B2%D0%B5%D0%BA%D0%BE%D0%B2%D0%B8%D1%82%D0%B5%D0%BF%D1%80%D0%B0%D0%B2%D0%B0%D0%B2%D0%BE-%D0%A0%D0%9C-2018.pdf> [Accessed on: 15.4.2019]

<sup>4</sup> Criminal Code (Official Gazette no. 37/96, 80/99, 4/02, 43/03, 19/04, 81/05, 60/06, 73/2006, 7/2008, 139/2008, 114/2009, 51/2011, 135/2011, 185/2011, 142/2012, 166/2012, 55/2013, 82/2013, 14/2014, 27/2014, 28/2014, 41/2014, 115/2014, 132/2014, 160/2014, 199/2014, 196/2015, 226/2015, 97/2017 and 248/2018).

<sup>5</sup> Law on Police (Official Gazette no. 114/2006, 6/2009, 145/2012, 41/2014, 33/2015, 31/2016, 106/2016, 120/2016, 21/2018 и 64/2018).

<sup>6</sup> ENER (2019) Draft Law on Public Assemblies. [Internet] Skopje, ENER. Available at: [https://ener.gov.mk/default.aspx?item=pub\\_regulation&subitem=view\\_reg\\_detail&itemid=FcBt7MpBDB3oYbVZe9CSBg==](https://ener.gov.mk/default.aspx?item=pub_regulation&subitem=view_reg_detail&itemid=FcBt7MpBDB3oYbVZe9CSBg==) [Accessed on: 25.11.2019]

<sup>7</sup> Law on Free Access to Public Information (Official Gazette, no. 13/06, 86/08, 6/10, 42/14, 148/15, 55/16 and 64/18).

to information by those that request the information, as well as greater transparency and accountability of the providers of information. In addition, civil society has reacted and prepared numerous activities concerning fake news and disinformation. The Government has announced and prepared an Action Plan to tackle the issue and the civil society was invited to take part<sup>8</sup>. In practice there are improvements, particularly in the media field and the climate for journalism. In North Macedonia, threats, pressures, insults, and influences are still part of daily life for independent journalists, even though the environment has improved. Progress has been made with regards to journalists' safety, as the number of attacks on journalists in 2018 was just one third of the previous year's figure.

The policies and legal environment do not stimulate and facilitate **volunteering and employment** in the sector. While the legislation regulates the volunteering, the **administrative procedures are insufficiently encouraging**. This is especially case for work of foreign volunteers. In terms of **employment**, the legislation is still not adjusted to the operation and nature of functioning of the sector. CSOs were listed as users of active measures for employment in the Operational Employment Plan for the first time in 2017. The Employment Agency has confirmed that the measure to subsidise salaries and provide in-kind grants (such as for equipment) has shown to be beneficial and of interest for CSOs<sup>9</sup>. While a new Law on Internships was adopted, the effects of its implementation are to be analysed in the next period.

Understanding about **the concept and the role of the grassroots** in North Macedonia differs among the representatives of CSOs. The emerging number of grassroots initiatives is noticeable especially, around issues such as environment, some of them being formalized while others remaining informal. Civil society actors reported that the unregistered operation of the grassroots at certain times and places puts them in a marginalized position, as they are not able to enjoy full access to donor funding, advocacy with policy-makers, take part in consultations, undertake legal action, etc..

With regards to the financial environment for CSOs, some positive steps have been noted. **Positive legislative changes** occurred with amendments to the **Law on Profit Tax** enabling general exemption of CSOs as subjects to the Law. The tax is administered only in case when CSOs earn over approximately 15.000 EUR per year from economic activity. In such case, 1% tax is calculated on the amount exceeding the 15.000 EUR threshold. In addition, all costs for accommodation, food and transportation for persons participating in events organized as part of the activities of the association established under the Law on Associations and Foundations are now tax-exempt. The **Law on Donations and Sponsorships in Public Activities** provides tax relief for individual and corporate giving. However, the administrative procedure for the tax incentives is considered **too burdensome**. The **Law on Accounting for the Non-Profit Organisations** is in the process of revision and should be **further improved**. The financial reporting obligations for CSOs remain unchanged and differ based on the level of annual turnover.

Public funding for CSOs **increased** in 2018 and 2019 subsequently. Considering the Strategy for Cooperation with and Development of the CSOs (2018-2020), the Government has for the first time explicitly expressed public willingness to work on fund for providing institutional grants and co-financing to EU and other projects<sup>10</sup>. However, the main challenges, such as the failure of the

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<sup>8</sup> Government of the Republic of North Macedonia (2019) Draft-plan for decisive action against spreading misinformation and attacks on democracy (2019). [Internet] Skopje, Government of the Republic of North Macedonia. Address <https://vlada.mk/node/18640> [Accessed on: 25/11/2019]

<sup>9</sup> Atanasova, M. (2019) Analysis of the perception and involvement of CSOs as employers in legislation and active employment measures in the Republic of North Macedonia. [Internet] Skopje, Konekt. Address: [http://konekt.org.mk/wp-content/uploads/2019/08/konekt-analiza\\_01.pdf](http://konekt.org.mk/wp-content/uploads/2019/08/konekt-analiza_01.pdf) [Accessed on: 25/11/2019]

<sup>10</sup> Government of the Republic of North Macedonia (2019) Prime Minister Zaev at the conference "Reform of the CSO state Financing System: Striving for sustainable financial support to CSOs. [Internet] Skopje, Government of the Republic of North Macedonia. Address <https://vlada.mk/node/17896> [Accessed on: 25.11.2019]

Government to provide clear objectives and reasons behind awarding government funding, lack of institutional support, lack of co-financing, lack of multi-annual financing, and lack of better geographical dispersion of grants and support, still remain.

The involvement of CSOs in public consultation processes **improved**. There is evident improvement in respecting the deadlines for electronic consultations, and in general continuous involvement of CSOs in consultations for all key legislation. The Council for Cooperation with and Development of the Civil Society was established in 2018 and operates as a functional mechanism for dialogue and cooperation. However, the direct communication between the Council and CSOs in North Macedonia should be further improved<sup>11</sup>. The Government Unit for Cooperation with CSOs, and the Council monitors the implementation of the Strategy for Cooperation with and Development of the CSOs and information about its activities are regularly posted on the Unit's website<sup>12</sup>.

The **data on the capacity of CSOs** show certain increase in some aspects of the capacity. However, the unstable political and financial environment for CSOs, must be considered as limiting factor in the capacity development processes. The official data on the number of registered CSOs can be obtained for free from the Central Registry's website. According to the latest data from December 2019, there are **16.703 CSOs** in Macedonia, out of which **2.710** have submitted annual financial reports and could be considered active. These numbers significantly differ from those obtained at the end of 2018, which confirms the need for the development of a unified methodology for data refining and restructuring. CSOs in 2018 generated a revenue of **101.929.240 EUR**.

The internal governance systems and capacities of CSOs have **increased** mostly due to donor requirements for increased accountability. The legislation, on the other hand, provides minimal requirements for CSOs with regards to internal governance structures. The majority of CSOs tend to have both the assembly and the governing board in their structure. The **functionality** of these bodies remains a challenge as well as proper **division** between the governing and the executive functions in the CSOs. The **lack of institutional support** for CSOs both at the state and foreign donor level makes the maintenance of a proper internal governance structure challenging. Smaller organizations and those considered as grassroots tend to **limit their development** of their internal structures and strategic approach to a certain level where they perform their role in the community well. On the other hand, donor requirements as well as administrative burden for grants management continues to push these limits towards development of **reliable internal systems** for administration and financial management.

The communication of the results and programme activities of CSOs has **improved** to a certain extent. This is due to the increased awareness by CSOs on the possibilities of usage of different social media and visibility tools. In addition, the entire **media context has improved**, and there is increasingly positive approach of media towards CSOs where they have been presenting their work on different issues, as well as developing long-term partnerships and providing expertise for political shows and discussions on "hot" and sensitive topics. In addition, the focus of CSOs on having communication strategies has been supported by donors and has thus increased.

The employment of **staff** that are responsible for communication of results in a CSOs **remains a challenge**, due to the lack of financial support for human resources engagement.

The awareness of CSOs about transparency of their programme activities and financial management has **increased** to some extent. However, **practicing** of transparency is still **insufficient**. While most CSOs prepare annual narrative and financial reports, only half of them share these reports publicly. On the other hand, lack of transparency of some organizations that

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<sup>11</sup> Ognevska S., Chaushoska, J. (2019) Report on Enabling Environment for Civil Society Development 2018. MCIC.

<sup>12</sup> [www.nvosorabotka.gov.mk](http://www.nvosorabotka.gov.mk)

receive long-term support by the state is demotivating other CSOs to further develop positive practices in this area. There is **lack of substantial engagement of CSOs** in monitoring and evaluating their work. Most CSOs have established M&E practices on the project level and only few organizations have developed M&E systems on the strategic level.

CSOs predominantly report on increased strategic approach. The majority of CSOs and CSO networks have **strategic plans** undertaken and encouraged via the multi-year capacity development assistance. Yet, there are existing **challenges** that influence this trend negatively. The unstable political situation and failure of the state to address key societal problems has certain influence over strategic operations. The lack of institutional support for CSOs and human resources development is also challenging considering the unstable sources of funding.

With regards to the evidence-based advocacy, CSOs **increasingly use** research and other forms of evidence to provide input for certain policy changes. However, there are still **significant challenges** identified as the lack of public data collected by the state that could be further used in policy making, and the lack of support on the donors' side in preparation of baseline studies. Activist movements and organizations that solve practical issues in different areas have proven to be successful in mobilizing citizens and having success in pressuring the institutions. In addition to the success in advocacy and citizen's mobilization, an increase of active and functioning networks was identified, i.e. there is a total of 69 networks in North Macedonia<sup>13</sup>. Furthermore, there was an increase in establishing **informal networks**. Namely, the networking was recognized to give weight to the outcome of the decision-making process. However, the challenge remains of networks that tend to cease after their funding ends.

The unstable political and economic environment prevents CSOs to take up strategic approach towards funding priorities, particularly smaller organizations. The **project support dominates**, while institutional support is limited to one or two donor programmes only. In addition, there is limited funding available for certain regions of North Macedonia (e.g. other than the Skopje region) and certain thematic areas (e.g. women issues, fight against terrorism etc.). The funding base for CSOs is **not diversified** and is in most cases limited only to funding by one donor and in some cases to state funds. This is understandable, as other sources of funding are not generally available. The re-granting mechanism introduced by the EU is considered **helpful** in general to smaller organizations and contributes towards better regional coverage of support to CSOs. Yet, several challenges related to the **difficult administrative procedures** were identified. Despite the shortcomings, CSOs reported that their capacities are being strengthened and there are **positive changes in the community and at the organizational level**.

With regards to gender mainstreaming, civil society is perceived as the **sector most sensitive** to the need of engaging in gender mainstreaming. As this has also become a donor requirement, almost all CSOs using foreign funding inevitably make certain efforts concerning gender equality. On the other hand, there is an evident need to further explain why the concept of gender equality is important amongst CSOs.

The capacity building needs emphasize further organizational strengthening as priority, followed by advocacy, EU project management, digitalization as well as facilitation of networking. CSOs prefer more direct and hands-on approach such as continuous on-demand mentorship as well tailored workshops and facilitation.

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<sup>13</sup> Civil Society Resource Center (2018) "Network identification survey report in Republic of Macedonia" [Internet] Skopje, Civil Society Resource Center. Address: <https://rcgo.mk/wp-content/uploads/2019/02/izveshtaj-od-anketa-za-identifikacija-na-mrezi.pdf> [Accessed: 25.11.2019]

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