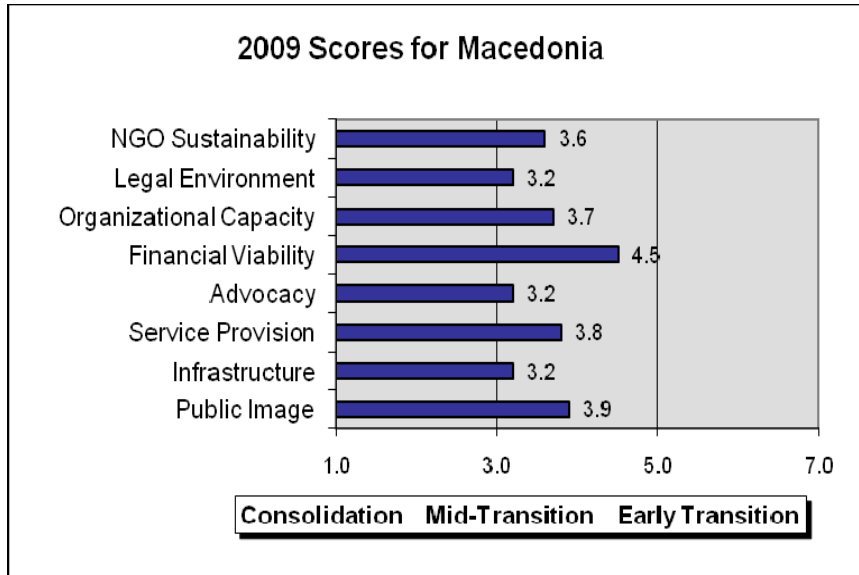


MACEDONIA



Capital: Skopje

Polity:
Parliamentary Democracy

Population:
2,072,086 (July 2010 est.)

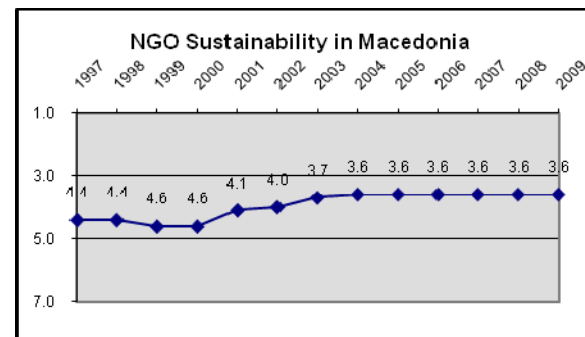
GDP per capita (PPP):
\$9,000 (2009 est.)

NGO SUSTAINABILITY: 3.6

The political climate in Macedonia in 2009 grew increasingly tense with the economic recession and with delays in progress toward Macedonia's NATO integration and EU accession. These factors exacerbated social and political divisions in society and limited the space available for government-NGO cooperation, affecting the functionality and sustainability of the NGO sector.

The revised Law on Associations and Foundations has not yet been adopted. The government has continued with the practice of including NGOs in decision making to a limited extent and to maintain the appearance of a participatory process. NGOs operate in an atmosphere of government intolerance, which creates mistrust toward NGOs, as does the tendency for political parties to form new NGOs and think tanks to represent their ideologies. NGOs remain almost entirely dependent on donors. More local grantmaking organizations emerged and launched local grant competitions. NGOs continued to provide services in a variety

of fields, such as social protection and education.

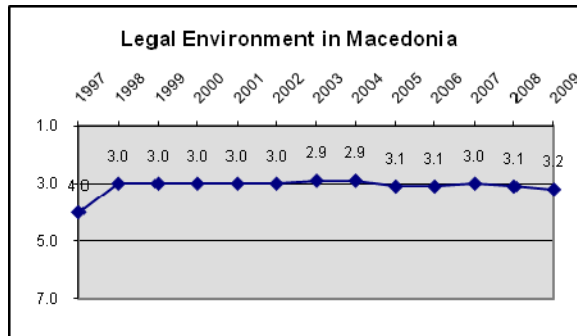


The year was marked by the emergence of several civic movements, and some NGOs raised their voices in reaction to extreme conservative groups.

The Central Register of Macedonia has registered a total of 9,830 citizens' associations and foundations, although it is not clear how many are active.

LEGAL ENVIRONMENT: 3.2

In 2009 the legal environment deteriorated somewhat as a result of the postponement of adoption of the draft Law on Associations and Foundations and government hostility toward NGOs. The tendency for political parties to form NGOs and think tanks to promote their ideologies increased.



The draft Law on Associations and Foundations that was expected to be adopted last year is still under consideration by parliament, where NGOs continue to lobby for final changes. The government fast-tracked preparation of the draft, and the process lacked transparency and involved few NGOs. The Ministry of Justice did not organize public hearings on the draft law as expected, but allowed NGOs to provide input only under tightly controlled conditions. The draft has some positive aspects, such as introducing public benefit status, allowing NGOs to conduct economic activities without the need to set up companies, permitting legal entities and foreigners to establish associations, and providing citizens the right to association without the need to register a formal legal entity.

There is an initiative before the Constitutional Court to examine some of the provisions of the

ORGANIZATIONAL CAPACITY: 3.7

Mechanisms to facilitate communication between NGOs and their constituencies are lacking, but some NGOs developed mechanisms specific to their missions. Youth Council Ohrid initiated “on the street” project activities with young people. Srce za Zivotnite mobilizes its

Law on Lobbying, which limits NGOs’ ability to participate in policymaking processes.

Intolerance of independent views differing from those expressed by the government creates an atmosphere of mistrust toward NGOs. In some cases mistrust of NGOs developed into serious threats, as in the case of the NGO Green Coalition. An individual seeking to pressure the coalition threatened its members and was convicted on criminal charges.

Local legal capacity varies depending on the capacities and experience of individual lawyers. Without a cadre of expert legal professionals, NGOs lack needed support for their advocacy for reform of the legal framework affecting their operations.

An NGO must establish a business entity in order to conduct economic activities, although this is expected to change with the adoption of the revised Law on Associations and Foundations. NGOs are taxed on all income from economic activities and on the same terms as other legal entities. The professional Association of Taxation Workers sought to promote taxation policies that are more favorable to NGOs.

NGOs can easily obtain VAT reimbursement but continue to experience delays in receiving VAT-free donations as provided for by the Law on Donations and Sponsorships and the bylaw on tax deductions. The delays are mainly due to the procedure for confirmation of projects’ public interest.

constituencies through its Facebook profile, which has almost 13,000 fans. Federation of Farmers in the Republic of Macedonia conducted fifteen forums with farmers from different agricultural sectors in various regions. The trend of introducing paid membership fees

may lead to increased responsiveness to constituencies' interests.

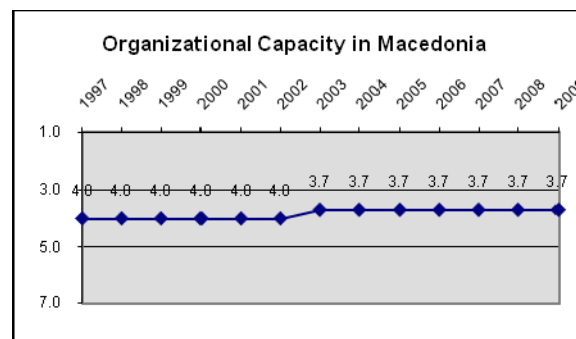
NGOs develop strategic plans, but some do so only to fulfill a donor requirement. NGOs apply for funds even though the proposed projects do not conform to their missions. Where NGOs have developed strategic plans, they often fail to prioritize building organizational capacity.

Professional and developed NGOs have a clearly defined organizational structure, but some NGOs lack a clear division of responsibilities between executive or governing boards and staff members.

NGOs tend to recruit youth and students as volunteers. Some NGOs, such as those working with people with disabilities, cannot afford paid

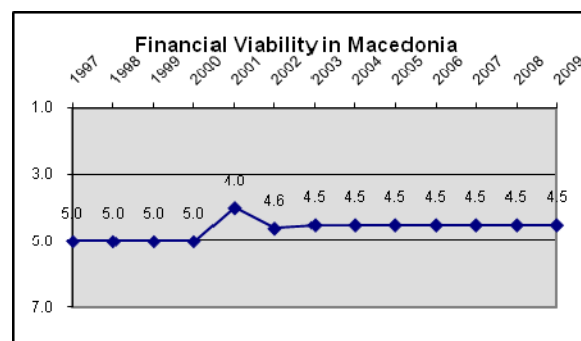
staff and most of their activities are conducted by members and volunteers.

Generally NGOs have basic, but outdated office equipment. A number of NGOs that work with the disabled are facing difficulties obtaining offices and office equipment.



FINANCIAL VIABILITY: 4.5

Financial viability remains a crucial issue for NGOs. Foreign funding is the main source of NGO financing. Despite an increasing trend of NGOs organizing fundraising activities, local sources of funding such as NGOs' economic activities, philanthropy, membership fees, tax benefits, and funding from local and national governments are still insufficient to contribute to NGOs' sustainability. Fewer NGOs are active due to the withdrawal of foreign donors from Macedonia, a lack of civic engagement, and the economic recession. The government funding process remains nontransparent.



Although NGOs still lack strong capacity to fundraise and the culture of philanthropy is undeveloped, the number of fundraising initiatives increased. The Centre for Institutional

Development-CIRa in cooperation with the First Children's Embassy Megjashi collected €40,000 for protection of child sexual abuse victims. The organization Polio collected donations through the organization of two telethons and a fundraising concert. The National Foundation for Transplantation fully relies on local fundraising.

The global financial crisis affected fundraising. Even companies with available funds decided not to donate due to uncertainty about the future. The diminishing trust in NGOs as a result of the government's negative attitude also influenced donations. Some NGOs, especially those involved with election monitoring, decided not to seek or accept donations from companies in order to avoid association with a particular political group.

The Ministry of Labor and Social Policy supports some NGOs in the area of social protection, but the funds are minimal and were reduced in 2009. Certain NGOs choose not to obtain government funds because to do so would affect the neutrality of their work.

Some NGOs reintroduced membership fees. Coalition of Youth Organizations SEGA three

years ago introduced a two-tiered membership fee for its member NGOs. Since SEGA

introduced sanctions for nonpayment, the collection rate is almost 80 percent.

ADVOCACY: 3.2

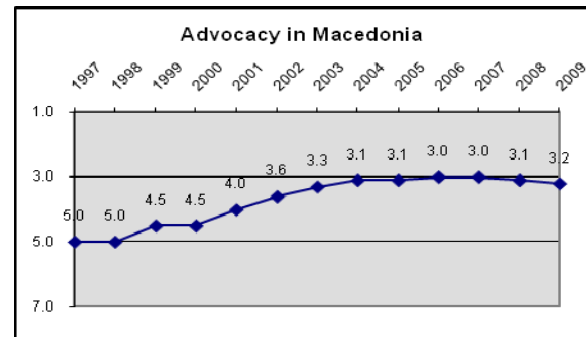
Government cooperation with NGO initiatives was lacking. Despite past cooperation, the parliament rejected NGO MOST's offer to help organize and fund the parliament's open days, but took over the assessment of the parliamentarians that was previously carried out by MOST.

The Law on Lobbying adopted last year restricted NGOs' possibilities to conduct advocacy. By introducing laws in an expedited procedure without public debates, the government and parliament limited the participation of NGOs. The impression of experts is that the government includes NGOs in decision making only to maintain the appearance of a participatory process. In most cases NGOs did not influence the content of legislation. NGOs participated in a Ministry of Justice working group to draft a new anti-discrimination law, but the version adopted by the government and sent to parliament was not the version endorsed by the NGO community.

There were some examples of NGO-government cooperation. Coalition SEGA worked with the Agency of Youth and Sports to develop an action plan for implementation of the National Youth Strategy. Disabled persons' organizations have been actively involved in the revision of the National Strategy on Equal Opportunities for Persons with Disabilities. The Republic Center for Support of Persons with Intellectual Disability (PORAKA) achieved an important change in the new Law for Social Protection regarding the rights of persons with moderate intellectual disabilities, and started to develop local disability action plans in partnership with local governments and NGOs.

Frequent changes of government at the local level forced NGOs to rebuild their credibility with each new administration. Local authorities lacked consistent criteria for financing NGOs or a clear strategy for cooperation with NGOs. One

positive example of cooperation between NGOs and local governments was the Swiss Agency for Development and Cooperation project "Community Forums" in which twenty municipalities engaged local stakeholders to identify local needs and priority projects.



In response to a campaign by conservative groups for the abolition of abortion and the government's promotion of higher birthrates, the association of citizens Akcija Zdruzhenska and the Movement for Social Justice–Lenka, in cooperation with other NGOs, initiated the campaign "I don't fall for!"

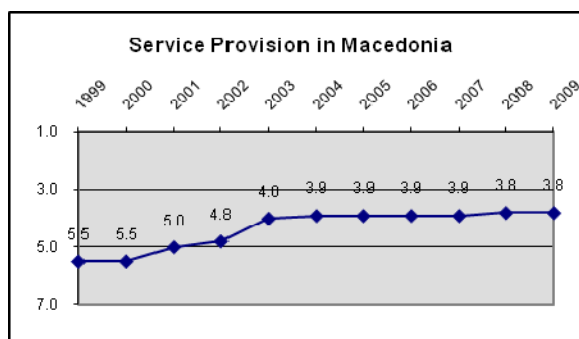
The civic movement Ploshtad Sloboda (Square Freedom) reacted to the violence used against students who protested against building religious objects on Skopje's main square. The student movement Sloboden Index (Free Index) fights for students' rights. More than 3,000 individuals joined the initiative Citizens for European Macedonia (CEM). Pro-government media and blogs characterized mass movements as political and labeled participants as traitors, enemies, and viruses.

NGOs such as Accession Watch monitor the EU accession process and the achievement of requirements for EU membership. Foundation for Open Society Macedonia (FOSIM) assessed the Macedonian education and training system in relation to EU benchmarks.

SERVICE PROVISION: 3.8

NGOs provide services in a variety of fields. Although most NGO services are well designed and tailored to their users, the range of services offered is increasing faster than the quality. NGO service providers are often considered to be rivals of state-established service providers. There is a lack of political will to accept NGOs as service providers and a lack of coordination among NGO service providers. Service providers are driven by constituencies' needs and do not consider the sustainability of services or the ability of constituents to pay.

NGOs continued to provide educational services to the Roma. Interventions implemented by FOSIM became governmental policy for Roma support in secondary education. NGOs also offered direct support to families at risk. Foundation Fokus from Veles provided clothes, snacks and school supplies for students. FOSIM created a national emergency fund to provide school supplies to children free of charge.



NGOs are expanding their range of social protection services, but sustainability is not

INFRASTRUCTURE: 3.2

FOSIM will support the well-known resource centers that long served as NGO support centers through the end of 2009, after which these centers will need to independently apply for grants in order to ensure their sustainability. Albeit on a smaller scale, they will continue to support NGOs by promoting coalition building, networking on local and national levels, advocacy and lobbying, and encouraging

supported on either the national or local levels. The newly adopted Law on Social Protection (which NGOs were not involved in preparing) did not bring any changes regarding NGO service provision.

Sometimes the state provided NGOs with facilities and funds in order to establish new services, as in the case of a psychological counseling center for domestic violence victims run by the Association for Emancipation, Solidarity and Equality of Women-ESE. In 2009, several local affiliates of PORAKA obtained financial support from local government to provide day care centers for people with intellectual disabilities. Although these are positive steps, the level of government support for service-providing NGOs is still inadequate.

NGOs expanded into new areas of service provision such as corporate social responsibility and public administration training. Association Konekt and other NGOs supported the work of the National CSR Coordinative Body as well as the Ministry of Economy. Center for Institutional Development-CIRa provided trainings to public administration bodies.

A draft law on free legal advice is under review that would limit NGOs to helping clients apply for state legal aid. The provisions of the draft are restrictive in comparison to the current practice of providing comprehensive legal aid, including court representation, for certain target groups.

intersectoral partnerships to address community problems. MOST formed an advocacy center which seeks to improve the capacities of NGOs for advocacy.

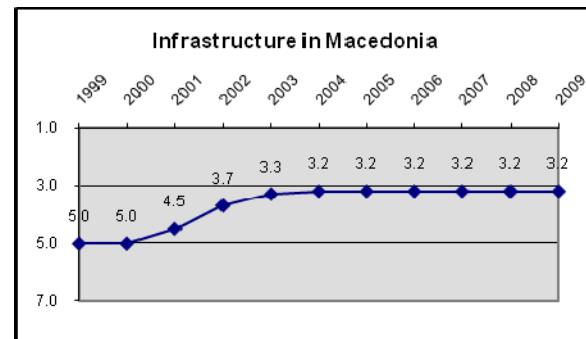
Basic and advanced capacity-building training for NGOs is available. In 2009 some NGOs assumed the role of training providers for civil servants.

More local grantmaking organizations appeared. Coalition SEGA and Fokus Foundation from Veles announced requests for applications for local initiatives. Coalition SEGA awarded two grants in Shtip and Resen, while Fokus Foundation supported eight NGOs from three municipalities. This year, Local Community Development Foundation from Shtip, the first community foundation in Macedonia, launched its first grant round from funds raised from local companies and individuals. The Swiss-funded Civica Mobilitas program began to support NGOs with €2 million in grants over three years, using local organizations for grantmaking.

NGOs continue to form networks at the national and regional levels. Several alliances of NGOs such as the National Council of Disabled People and Macedonia without Discrimination are sharing information and promoting issues of common interest. NGOs are also members of regional NGO networks. For example, CIRa is a member of a regional network of local grantmaking organizations. No single network or coalition is considered to represent the NGO sector as a whole.

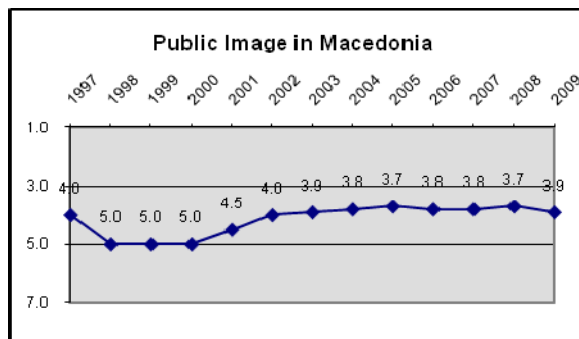
Partnerships between NGOs and local businesses, government and the media are limited by a lack of understanding among these

actors about their roles. Partnerships that occur are usually initiated by NGOs and last as long as the NGO financially supports them. This year companies that work on corporate social responsibility showed increased interest in cooperating with NGOs. An NGO initiative is underway to create a forum on corporate social responsibility issues.



Macedonia launched implementation of the EU Instrument for Pre-Accession Assistance (IPA) Civil Society Facility, which will support local initiatives and capacity building and facilitate networking between NGOs, businesses, trade unions, and other social partners with counterparts in the EU. An EU-Macedonia joint consultative committee on civil society was formed that has two Macedonian civil society representatives.

PUBLIC IMAGE: 3.9



NGOs enjoyed less recognition as organizations that have credibility and contribute to democratic development. The deteriorating public image of NGOs was a result of the public's lack of understanding about the sector, the politicization of NGOs, and the appearance

of GONGOs in recent years. The ongoing use of NGOs as instruments of political parties contributed to the worsening of NGOs' image.

According to the Democracy and Governance Survey commissioned by USAID, NGOs maintained their position as the most trustworthy institution in the country, but 36.8 percent of respondents reported that they have trust in NGOs, compared to the 54.6 percent of respondents who trusted NGOs in 2008. Nevertheless, the number of citizens demonstrating mistrust toward NGOs considerably decreased. In 2008, 38.5 percent of respondents said that they do not have trust in NGOs; in 2009 the number dropped to 21.8 percent. As for the perceived effectiveness of

NGOs, in 2009 42.7 percent of respondents reported that NGOs are effective, while in 2008, 54 percent of respondents said that NGOs are effective.

Some NGOs have developed their capacities to publicize the services that they provide. The

Macedonian Institute for Media is one organization that supports the NGO sector in these efforts. The media in general follow and report the events organized by NGOs, even though coverage in the pro-government media is usually negative.