



Влада на Република Северна Македонија
Qeveria e Republikës së Maqedonisë së Veriut

STRATEGY
**of the Government of Republic of North Macedonia for Cooperation and
Development of Civil Society with Action Plan 2022 - 2024**

Skopje, December 2021

1. INTRODUCTION

The civil society development is of paramount importance for the democratic values of a country and for promoting civic awareness. The role and contribution of civil society in promoting and building a democratic culture at all levels of society reflects the need for cooperation between the Government of the Republic of North Macedonia and civil society in order to effectively respond to the challenges facing the country. The Government of the Republic of North Macedonia actively takes measures to build a continuous, transparent and fully inclusive dialogue with civil society, treating it as an equal partner and a corrective of its decisions, with full right to participate in policymaking, to suggest and criticize.

In 2007, the Government of the Republic of North Macedonia adopted the first Strategy for cooperation of the Government with the civil society, with Action Plan 2007 – 2011. In this strategic document, the Government has addressed the importance of the civil society, it has set up the fundamentals of its cooperation with the civil society and it has committed to systematically strengthen the basic conditions for faster and more efficient civil society development.

Appreciating the contribution of the civil society and its significant role in the development of society, the promotion of pluralism, tolerance, and the development of democracy, the second Strategy for Cooperation between the Government and the Civil Society Sector with an Action Plan for 2012-2017 was adopted in 2012. The aim of this strategic document was to promote, support and advance partnership relations between the Government of the Republic of North Macedonia and civil society, through measures to strengthen cooperation.

The Government Strategy for Cooperation with and Development of the Civil Society Sector 2018-2020 enabled further advancement of the cooperation and encouraged the development of civil society as a corrective to policies, a service to citizens, a channel for solidarity, a partner to the state and the business, and a driver of EU integration.

The vision of the Government Strategy for Cooperation with and Development of the Civil Society 2022-2024 is to advance the environment in which civil society operates and develops, contributing to strengthening democratic governance and establishing a structural dialogue with civil society.

The main goal of the Strategy is to provide a supportive and sustainable environment in which civil society operates and develops, enabling dynamic, independent, active, and sustainable civil society organisations that contribute to strengthening democratic governance, reflecting the interests and needs of citizens, and engaging in a structured dialogue for the advancement of the society.

The Strategy is based on the principles of mutual trust, partnership, independence, pluralism, participation, transparency (public), accountability, equal opportunities, and non-discrimination.

The establishment of a meaningful dialogue between the Government of the Republic of North Macedonia and the civil society organisations and the creation of an enabling environment for civil society development is an important prerequisite for the sustainability of reforms for accession to the European Union in priority areas such as the rule of law, the fight against corruption, fundamental rights and good governance. In that context, the European Commission continuously emphasizes the benefits of quality structures for policy dialogue between the Government of the Republic of North Macedonia and the civil society, as an essential component of the political criteria for membership.

The state of the environment for civil society development is part of the political criteria for accession to the European Union. Since 2014, in the Annual Reports of the European Commission, civil society has been treated as a sub-chapter of "Democracy", and since 2008, a unique

comprehensive financial framework for supporting civil society in the region (Civil Society Facility) has been established.

The Strategy for the Western Balkans calls for a structured dialogue with empowered civil society and emphasizes the need for an enabling environment for civil society organisations. Moreover, in the internal EU Better Regulation Agenda, the European Commission commits to listening more closely to citizens and stakeholders, and to ensuring that those affected by policies have the opportunity to contribute to their improvement. The 2030 Agenda for Sustainable Development and the new EU Consensus on Development reiterate this commitment, calling for stronger and more inclusive multi-stakeholder partnerships. In addition, in order to give citizens, civil society and institutions more influence in the creation of the European Union policies, on 9th May 2021, the implementation of the so-called Conference on the Future of Europe (CoFoE) began, as an initiative that enables debating and making recommendations in the most significant areas related to EU reforms, climate change and the environment, digital transformation, rule of law and strengthening democratic processes. The Conference on the Future of Europe gives the opportunity for participation also to the citizens of the Western Balkans, represented precisely through civil society organisations.

In the Report of the European Commission on North Macedonia for 2021, it is noted that "civil society organisations continue to work, overall, in an enabling environment. They continued to be active and have an important role in the reform process. Additional efforts are needed to ensure a more timely, meaningful and transparent consultation process with civil society. Concerning the challenges they face in recovering from the COVID-19 crisis, governmental and non-governmental actors are expected to build long-term partnerships and strengthen existing cooperation. The financial framework under which civil society organisations operate still needs to be improved."

The Government of the Republic of North Macedonia, in the Work Program for the period 2020-2024, in one of the main strategic priorities - Democracy that works for the citizens, determined: "The Government is determined to improve the environment in which civil society works and develops, which contributes in strengthening democratic governance and establishing a structural dialogue with civil society that will contribute and provide support on the path of reforms for the country's integration into the European Union. We will comprehensively reform the current system of state funding of civil society, which is largely based on legal regulation and practice that was created several decades ago and does not reflect the current needs of civil society and does not follow positive practices and trends in the EU and in developed countries. ... The government will organize consultations with civil society in the early phase of the analysis, for the needs and the preparation of policies and laws. In addition, the Government will commit to and guarantee feedback to civil society and stakeholders from any consultation process on policies and laws."

The measures envisaged in the Strategy of the Government of the Republic of North Macedonia for Cooperation with and Development of Civil Society 2022-2024 are fully directed towards finding rational and feasible solutions for the challenges and the guidelines contained in the Report of the European Commission for North Macedonia for 2021, the Draft Guidelines on EU Support to Civil Society in the Enlargement Region 2021-2027, the proposal of civil society organisations for urgent democratic reforms (2017), the draft roadmap for the development of civil society in Macedonia 2018-2020 and the contribution of the civil society organisations involved in the drafting process of the Strategy, and following the guidelines of the Work Program of the Government of the Republic of North Macedonia in the period 2020-2024 and the strategic documents Strategy on Transparency of the Government of the Republic of North Macedonia 2019-2021, National Strategy for the Development of the Concept of One Society and Interculturalism 2020-2022, Strategy for Public Administration Reform 2018-2022, National Action Plan for Open Government Partnership 2021-2023, National Strategy for the Development of Social Enterprises in

the Republic of North Macedonia 2021-2027, Strategy for Promotion and Development of Volunteering 2021-2025 and others.

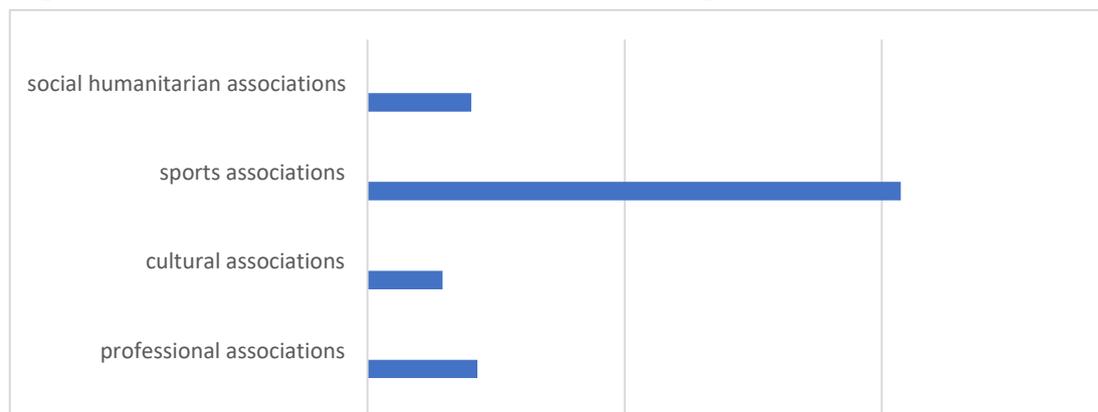
2. CIVIL SOCIETY IN THE REPUBLIC OF NORTH MACEDONIA

2.1. Characteristics of the civil society

The terms "civil society organisation", "civil society" and "civil society sector" for the purposes of this Strategy include associations, foundations, unions, organisational forms of foreign organisations and other forms of association, registered in accordance with the provisions of the Law on Associations and Foundations and they do not apply to political parties, churches, religious communities and religious groups, trade unions, chambers and other types of association regulated by special laws. Civil society organisations are non-profit, non-partisan and are founded for the realization and protection of rights, interests and beliefs in accordance with the Constitution of the Republic of North Macedonia and law.

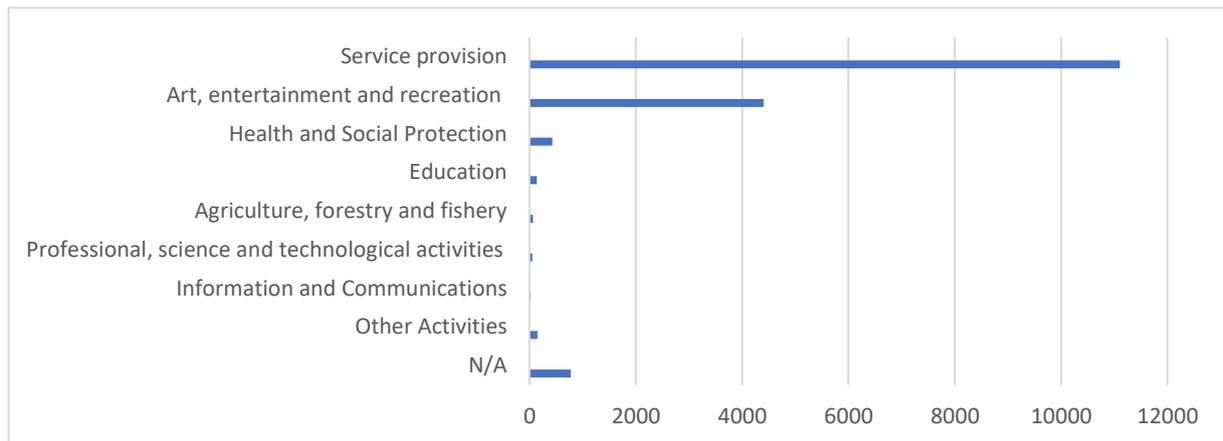
According to the statistical bulletin - open data of the Central Registry of the Republic of North Macedonia, in the group of organisational form 10.0 social organisations, foundations and associations of citizens, in 2020 a total of 17,138 organisations were recorded, of which 16,923 were associations (806 social humanitarian associations, 4,148 sports associations, 583 cultural associations, 854 professional (vocational) associations, 297 environmental associations and 10,238 other organisations) and 215 foundations. During 2020, the Central Registry of the Republic of North Macedonia made registrations of the establishment of 544 civil society organisations, 866 registrations of changes and 77 registrations of deletion from the register.

Graph 1: Structure of the civil society according to the group of organisational form 10.0



According to the priority activity/code, 11,107 organisations (64.8%) are registered in service provision, 4,400 (25.7%) in art, entertainment and recreation, 427 (2.5%) in health and social protection activities, 137 (0.8%) in education, 65 organisations (0.4%) in agriculture, forestry and fisheries, 53 (0.3%) in professional, scientific and technical activities, 24 (0.1%) in information and communications. In the other activities provided by the classification of the Central Register of the Republic of North Macedonia, 0.9% of the organisations were recorded, and for 775 organisations (4.5%) no data for priority activity/code was recorded.

Graph 2: Structure of the civil society by priority activity/code



Regarding the regional representation of the civil society organisations in the country, in 2020, out of a total of 17,138 organisations, 6,956 (40.6%) have their headquarters in the Skopje planning region, 2,205 (12.9%) in Pelagonia region, 1,596 (9, 3%) in Southwest, 1,398 (8.2%) in Polog Region, 1,392 (8.1%) in East, 1,323 (7.7%) in Southeast, 1,277 (7.5%) in Vardar Region and 987 (5.7%) in the Northeast planning region.

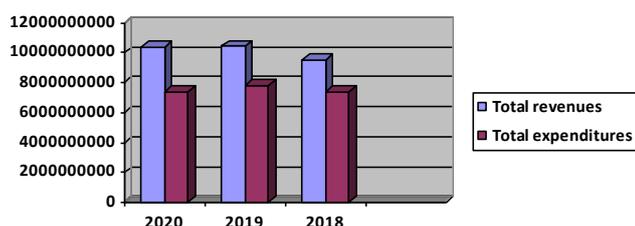
Graph 3: Regional representation of the civil society organisations in the Republic of North Macedonia in 2020



Out of 17,138 civil society organisations, 2,727 organisations submitted an end-of-year financial report for 2020, which is 4.62% less compared to 2019 (2,859 organisations) and 1.02% compared to 2018 (2,755 organisations). 4,937 organisations submitted a notification to the Central Registry of the Republic of North Macedonia for lack of business activities in 2020, which represents an increase of 5.19% compared to 2019 (4,681 organisations) and an increase of 4.92% compared to 2018 (4,694 organisations).

According to the statistical bulletin - open data of the Central Registry of the Republic of North Macedonia, the total revenues of the organisations in 2020 (10,367,475,248 denars) is insignificantly reduced by 0.82% compared to the total revenues in 2019 (10,452,877,792 denars). but increased by 8.31% compared to the total revenues of the organisations in 2018 (9,505,779,720 denars). The total expenses of the organisations in 2020 (7,365,227,400 denars) show a decrease of 5.83% compared to 2019 (7,821,174,327 denars) and a decrease of 0.38% compared to 2018 (7,388,774,629 denars).

Graph 4: Total revenues and expenditures of the civil society organisations according to submitted end-of-year financial reports for 2020, 2019 and 2018



The total number of employees in civil society organisations in 2020 was 2,391, which represents a decrease of 9.57% compared to 2019 (2,644 employees) and an insignificant increase of 0.92% compared to 2018 (2,369 employees).

The Central Registry of the Republic of North Macedonia, in accordance with Article 47 of the Law on Associations and Foundations, and in connection with the priority "Civil Society" from the Plan 3-6-9 of the Government of the Republic of North Macedonia, publishes a list of civil society organisations in an open format, which contains organisation name, ID number and contact email address. In addition, there is the possibility of an individual search through the service Basic profile of a registered entity, which allows free access to the following data: unique registration number, tax number, full name, abbreviated name, date of establishment, legal form, legal status, address, additional information (in bankruptcy /liquidation), predominant activity and size. At this moment, without compensation, among other things, the following data are not available: the act of establishment, information about founders and authorized persons, goals and activities, status of an organisation of public interest. In policy-making processes, the participation of the civil society organisations is considered a democratic minimum. The institutions (Unit for Cooperation with Non-Governmental Organisations of the General Secretariat of the Government of the Republic of North Macedonia, Secretariat for European Affairs) and non-state actors, that need wider consultations, communication and networking, use registers that they create themselves (Dialogue towards the EU, Civica Mobilitas), but these registers are partial, with data only on the organisations that have registered for their needs. Although the Central Register of the Republic of North Macedonia offers free access to information for the state institutions, additional data and an integrated register are necessary, i.e. expansion of the data that the Central Register of the Republic of North Macedonia publishes about civil society organisations in an open format, which will facilitate the assessment of the structure of the civil society, will enable thematic, geographic, and other type of targeting of the civil society organisations in order to include them in the processes of creation and monitoring of the public policies and improvement of the policies for the civil society development, based on credible and reliable information.

The pandemic caused by COVID-19 had a strong impact on social, economic and political developments in North Macedonia, including the work of the civil society organisations. According to the Civil Society Sustainability Index for North Macedonia in 2020, the overall sustainability of civil society saw a slight improvement in 2020, mostly due to the ability of civil society organisations to adapt and diminish the impact of the pandemic. Organisational capacities within the civil society sector were enhanced by expanding membership, increased interest in volunteering and increased use of technology, and civil society organisations quickly adapted to the new circumstances imposed by the pandemic, offering new services to meet the needs of members, which led to better success in the field of service delivery. The public image of the civil society organisations was also improved due to positive media coverage and citizens' recognition of the positive role of civil society

organisations in society, especially during the COVID-19 crisis. At the same time, the financial sustainability of the civil society sector saw a slight deterioration due to reduced state funds intended for civil society organisations, both from the central and the local budgets. The legal framework, advocacy and infrastructure of the sector remained stable.

The obligation for isolation, distance, restrictions on gatherings, significantly narrowed the civic space for action. In addition, making decisions through emergency procedures significantly limited the mechanisms for the participation of civil society in the creation of public policies in a state of emergency. In such conditions, civil society organisations in the Republic of North Macedonia were forced to relatively quickly digitize the way they work in operational and administrative terms, but also to transform the ways in which they perform the functions of civil society. Although forced by the pandemic, this change has increased access to information, processes and services to organisations and citizens regardless of geographic location, awakened innovation and improved the efficiency of the civil society organisations. Activities are needed that will ensure that the digital transformation of civil society organisations will be long-term, inclusive and properly planned and supported.

2.2. Legal frame for operation of the civil society organisations

The basic guarantees for the activities of the associations and foundations are determined by the Constitution of the Republic of North Macedonia and the Law on Associations and Foundations.

According to Article 20 of the Constitution of the Republic of North Macedonia, citizens are guaranteed freedom of association to exercise and protect their economic, social, cultural and other rights and convictions, and citizens may freely establish associations, join them or resign from them.

With the adoption of the Law on Associations and Foundations in 2010, the legal framework has been harmonized with the European standards and laid the basics for development of measures that will support the sustainability of the civil society. The Law regulates the manner, conditions and procedure for establishment, registration and termination of associations, foundations, alliances, organisational forms of foreign organisations in the Republic of North Macedonia, the property at their disposal, supervision, status changes and the status of public benefit organisations. Key novelties in the law refer to the possibility of establishing associations and foundations by legal entities, enabling economic activities and introducing a status of public benefit organisations.

According to the Report on the assessment of the legal framework affecting civil society organisations in the Republic of North Macedonia - Overview of key changes in the legislation essential for improving the enabling environment for civil society, the Constitution of the Republic of North Macedonia provides a legal basis for a favorable legal framework for civil society organisations in accordance with international standards for freedoms of assembly, association and expression. The current legal and regulatory framework covers several fundamental issues, including the forms and life cycle of civil society organisations, the fiscal treatment of civil society organisations, the relationship between the state and the civil society, as well as the role of civil society organisations as service providers.

Since the adoption of the Strategy for cooperation with and development of the civil society sector (2018-2020), several positive reforms have been completed aimed at improving the legislative and regulatory framework, especially in relation to the fiscal status of civil society organisations. The clear distinction of the types of income that may be subject to profit tax, as well as the exemption from personal income tax of certain expenses related to activities of civil society organisations (e.g., accommodation, travel expenses, refreshments, etc.) improved legal certainty and predictability of legal obligations towards civil society organisations. Additionally, cases of abuse of administrative powers and targeted and malicious inspections and investigations against civil society organisations

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However, despite the observed positive trends, certain issues regarding the legislative and regulatory framework for civil society organisations remain open and unresolved (e.g., status of organisations of public benefit, state funding, tax incentives, structural dialogue). Some of the key legislative initiatives planned in the Strategy that targeted these issues were not completed. A large part of these problems and gaps are not new and the civil society for a long period of time indicates the need to improve the legislative framework for civil society organisations, especially in the following areas:

The status and registration of civil society organisations

1. The initial step in the reform process should be the amendment of the Law on Associations and Foundations, and the key areas of this law that require a detailed revision are: the provisions on non-partisan activity, the provisions on public benefit organisations, the state funding of civil society organisations should have clear and objective criteria, conflict of interests, monitoring and evaluation of the application process, precise definition of the criteria under which civil society organisations can conduct economic activity (with protection and consistent application of the non-profit principle), as well as provisions for state authorities to ensure enabling environment for supporting civil society organisations and coordinating policies for civil society development.
2. The law on one-stop shop system and management of the trade register and the register of other legal entities and its by-laws should provide the necessary distinction between companies and non-profit entities.
3. The parts of the National Classification of Activities that are relevant to the activities of civil society organisations should be revised and reviewed to see if they meet the needs of the civil society organisations and if they have a negative impact on their work.
4. An in-depth assessment should be carried out of the status, the role and especially the financing of civil society organisations working in the area of the rights of persons with disabilities.
5. It is necessary to revise the legal framework for donations and sponsorships in public activities according to the recommendations of civil society.

State funding

6. Based on the changes and amendments to the Law on Associations and Foundations, it is necessary to foresee the adoption of a comprehensive by-law that will elaborate in detail the selection criteria for financing, the mechanisms for preventing conflicts of interest, the monitoring and evaluation tools, the obligations for reporting, selection or appointment of members in evaluation committees, as well as for the application process.
7. To expand the scope of civil society organisations that can be financed from revenues obtained in accordance with the Law on Games of Chance and Entertainment Games.

Public Benefit Organisations

8. The laws regulating personal income tax, VAT, profit tax, as well as the Customs Code must provide for specific, defined reliefs for organisations with public benefit status. These laws should

regulate the criteria and procedures for using the incentives in a non-restrictive and non-discriminatory manner.

9. Special benefits or priorities may be provided and prescribed in the Law on Associations and Foundations or in another legal act that will guarantee a certain percentage of the state budget for civil society organisations to be allocated to public benefit organisations.

Regulatory harmonisation

10. It is necessary to amend the provision of the Criminal Code by which the authorized person to represent the associations, foundations, alliances and organisational forms of foreign organisations is considered to be an official perpetrator of a crime as an authorized person in contrast to the responsible persons in companies who are considered for a responsible person in a legal entity. This wording is unclear because an authorized person is used in the context of public authorisations and may lead to unfounded prosecution for abuse of office and authority.

11. Laws regulating the fight against extremism, terrorism, money laundering and corruption should not include provisions that limit or prevent civil society organisations from undertaking legitimate activities and in practice the activities of organisations should not be limited due to unjustified or disproportionate demands.

Participation in policy-making processes

12. In relation to the Law on Public Gatherings, the duties of the organizer of the gathering should be defined with sufficient precision and clarity concerning the organising of the security service and the appropriate criminal sanctions for non-compliance, the need for a permit for foreigners and the amount of the potential fines.

13. The Law on Referendum and other forms of direct declaration of citizens should encourage and not discourage local referendums and citizens' initiatives. It is necessary to revise the required threshold of minimum signatures to support the initiative for the referendum and the time required to collect the signatures.

14. It is necessary to revise the current regulation for regulatory impact assessment (including public consultations), which is at the level of by-laws arising from the Rules of Procedure of the Government of the Republic of North Macedonia (Methodology on regulatory impact assessment and Guidelines for the way of acting in the work of the ministries in the process of implementing the regulatory impact assessment) and this procedure to be regulated by law in order to ensure full compliance.

Legislation related to civil society organisations as actors in the socio-economic development

15. Although the law regulating public-private partnership does not exclude civil society organisations as potential private partners who can enter into a public-private partnership agreement and implement public services (e.g. education, youth work, social care and protection, welfare of animals, culture, etc.) experience has shown that for now only business entities are partners in such agreements. It is necessary to review in-depth all the relevant legislation on public private partnership and outsourcing public services and determine whether changes and amendments are needed.

16. Social entrepreneurship is a key area where civil society organisations can participate in socio-economic development. Although there is a broad consensus that legislation is needed to promote this tool and the first law was proposed in 2015, no other efforts have been made at the legislative level. However, a significant incentive in this area is the adoption of the National Strategy for the Development of Social Enterprises in the Republic of North Macedonia (2021-2027). The Strategy

and the Action Plan foresee an assessment of the need for legal regulation of social entrepreneurship.

17. The new laws on social protection and free legal aid should be subject to analysis in order to identify whether the legal framework is adequate and whether other activities are needed that may benefit civil society organisations.

2.3. Institutional structure for cooperation with the civil society organisations

In April 2018, the Government of the Republic of North Macedonia established the Council for Cooperation between the Government and Civil Society, as an advisory body to the Government for the promotion of cooperation, dialogue and encouraging the civil society development. The Council is composed of 31 members appointed by the Government of the Republic of North Macedonia, of which 15 members are from the state administration bodies and 16 members are nominated by the organisations registered according to the Law on Associations and Foundations, elected through a public call for the areas of operation: civil society development, democracy and rule of law, promotion and protection of human rights and anti-discrimination, economic and sustainable development, science, education and lifelong learning, youth, social protection and child protection, protection of marginalized persons, gender equality, health protection, agriculture and rural development, culture, media and information society, environmental protection, sports and EU integrations and policies. The mandate of the president and members of the Council is three years, with the right to another election.

The brochure "Council for Cooperation between Government and Civil Society-Dialogue and Encouragement" contains a statement by a member of the Council that the Council for Cooperation between Government and Civil Society is a complex conciliar advisory body built on the belief that mutual dialogue and the need for critical reflection is a common denominator in the relationship between the government (elected by the citizens) and the civil society (created by the citizens).

During the first three-year term (April 2018 - June 2021), the Council for Cooperation between the Government and Civil Society held 32 sessions, initiated processes and influenced the creation of policies of the Government of the Republic of North Macedonia for the creation of an enabling environment and the development of civil society. The Council contributed to the promotion of the transparency of the allocation of funds from the state budget for financing program activities of civil society organisations through: participation in the planning of areas and priorities for financial support; participation in the Commission for the distribution of financial resources intended for financing program activities of associations and foundations from the Budget of the Republic of North Macedonia for 2019, 2020 and 2021; review of the annual reports on the implementation of the programs and funded projects of the civil society organisations and the prepared Analysis of the financial support of the organisations from the Budget with a comparative analysis of the models for state funding from other countries and the Proposal-model of the Fund for institutional support of the civil society organisations and co-financing of EU projects in the Republic of North Macedonia. In order to increase the participation of civil society in the creation of public policies, the Council nominated 53 representatives of civil society organisations in 16 advisory and working bodies of the Government of the Republic of North Macedonia and state administration bodies and prepared a draft Model for the inclusion of the organisations in the accession negotiations for EU membership.

The Council for Cooperation between the Government and Civil Society was established as a bridge that will help in the creation of public policies that affect the environment in which civil society develops. Although the Council worked intensively in its first three-year term, according to the Report on Citizen Participation (Report from the survey of public opinion with citizens and civil society organisations - Citizen participation in the Republic of North Macedonia with additional

reference to the Covid-19 pandemic), 78% of civil society organisations have heard about the Council, and 45% of these organisations know the member of the Council that cover their area of operation. This may be one of the reasons why even 77% of the organisations that have heard about the Council stated that they did not propose any measures and activities to the representatives and evaluated the work of the Council with an average score of 2.65.

Aiming at ensuring continuity in the work of an independent, representative, operational and effective Council for Cooperation between the Government and civil society, additional efforts are needed that will enable a more comprehensive approach in the formation of the Council's views by establishing efficient methods for consulting and informing civil society organisations for the Council work, so that the Council becomes an effective mechanism for shaping policies for civil society.

Within the Government policy for continuous and effective cooperation with the civil society, in December 2004, in the General Secretariat - Policy Analysis and Coordination Department, a Unit for Cooperation with Non-Governmental Organisations was established, which monitors and coordinates the implementation of the Government strategy for cooperation with and development of the civil sector, provides administrative and professional support to the Council for Cooperation between the Government and Civil Society, the Commission for Organisations with the Status of Public Benefit and the Commission for the distribution of funds intended for the financing of program activities of associations and foundations from the Budget of the Republic of North Macedonia. A Network of civil servants for cooperation with civil society has been established. The Unit for Cooperation with Non-Governmental Organisations of the General Secretariat of the Government of the Republic of North Macedonia periodically organizes meetings with members of the network of ministries and carries out regular communication and mutual information for coordinated implementation of the Strategy.

In the Progress Report of the European Commission on North Macedonia for 2021, it is noted that "civil society engaged regularly with public institutions and bodies such as the Council for Cooperation between the Government and Civil Society and the Council for Open Government Partnership. Continued efforts are needed to further strengthen the existing structured dialogue, coordinated by the Government Unit for cooperation with NGOs."

2.4. Participation of the civil society organisations in the processes of creation and monitoring public policies

A strong civil society also means a democratically developed state that creates inclusive policies. To ensure a substantial contribution of the civil society organisations in the decision-making process without discrimination, an enabling environment is needed, which includes the rule of law, respect for basic democratic principles, political will, enabling legislation, clear procedures, long-term support and resources for sustainable civil society and common spaces for dialogue and cooperation. These conditions enable a constructive relationship between civil society organisations and public authorities, built on mutual trust and common understanding of participatory democracy.

The Code of good practices for the participation of the civil society sector in the policy-making process establishes that the cooperation of the Government of the Republic of North Macedonia and the state administration bodies with the civil society sector in the policy-making process can be done in the form of: information, consultation, dialogue and partnership, in all phases of the policy-making process: in the processes of determining priorities in policy-making, in the preparation of the annual work program of the Government of the Republic of North Macedonia, in the preparation of laws and by-laws, documents for policies and strategies and actions plans, in the processes of implementing, monitoring or amending the legislation.

There has been a trend of increased participation of civil society organisations at the call of the General Secretariat for contribution to the preparation of the annual Work Program of the

Government of the Republic of North Macedonia. On the call published in August 2020 for contribution to the preparation of the Work Program of the Government of the Republic of North Macedonia for 2021, initiatives from 26 civil society organisations were submitted, which is two and a half times more compared to the number of initiatives in 2019. The initiatives together with the responses from the ministries are published on the website www.nvosorabotka.gov.mk.

However, the Code as an act is not legally binding, nor does it provide guidelines for action if it is not respected by the institutions. In practice, there are more frequent cases of establishing working groups for drafting laws and strategies with the participation of representatives of the civil society organisations, but there is a lack of guidelines on how the institutions should choose the representatives who are members of the working groups, how to organise and the way of work of these working groups, the internal communication, the decision-making method, etc. According to the Report on Citizens' Participation, the reasons for non-participation of the civil society organisations are identified as: lack of knowledge about which entities to contact (35%) and lack of knowledge about the existence of groups on topics related to their field of work (17%).

In the Republic of North Macedonia, 12 sectoral working groups competent in different areas have been established, aiming at establishing the sectoral approach of the Instrument for Pre-Accession Assistance 2014-2020 (IPA II), as the central financial instrument of the European Union in the country. The sectoral working groups (SWG) represent a formal mechanism for consultation and cooperation between the executive institutions (ministries), civil society organisations, the donor community, as well as other interested parties. The shadow report of monitoring the work and effects of the sectoral working groups for the period January 2019-February 2020 states that civil society organisations are formally involved in the work of all SWGs. From the perspective of civil society, the involved representatives represent their associations or foundations, but they usually do not act as representatives of the wider civil society in the area covered by the specific SWG. The Report recommends the establishment of a selection model that will enable and promote the participation of civil society representatives in the SWG, to work on improving access to and the quality of shared information and documents, and to advance the status and participation of civil society organisations in SWG, through regular involvement in the programming and monitoring of the sectoral approach. The Secretariat for European Affairs, through regular communication and coordination, cooperates with the project Dialogue with Civil Society Organisations - Platform for structural participation in EU integrations, which ensured regular participation of the civil society organisations in all SWGs and monitoring committees in the period 2019-2020. There is an ongoing procedure for amending the rules of procedure for the work of the SWG, which will provide for the systematic inclusion of representatives of civil society organisations on a parity basis with the other members in the work of these bodies.

The Regulatory Impact Assessment (RIA) is an integral part of the process of preparing laws, and the consultation with the stakeholders is an important step in this process according to the Methodology for the regulatory impact assessment and the Guidelines for the way of acting in the work of the ministries in the process of conducting a regulatory impact assessment. In order to increase the involvement of stakeholders in the process of creation, implementation, monitoring and evaluation of policies, at the end of 2019, a technical upgrade of the Single National Electronic Register of Regulations ENER was carried out, which enabled the submission of online initiatives and proposals from the stakeholders and interaction with ministries through forum debates. Also, with the upgrade of ENER, a central place was established for consultation of the proposed strategies and other strategic documents of the ministries, and it was ensured that the technical obstacles in the integration of the e-government system and ENER were overcome. However, the Annual Report of the Ministry of Information Society and Administration on the implementation of the regulatory impact assessment process - RIA (January - December 2020) notes a decrease in the quality of the RIA process and the consultations with the stakeholders in the past three years. In 2020, out of 121

proposals for laws subject to RIA, only 63 proposals for laws or 52.06% were submitted to the Government of the Republic of North Macedonia with a RIA Report, which is 24.94% less compared to 2019 and by 33.94% less compared to 2018. Despite the obligation from Article 68-a paragraph (1) of the Rules of Procedure of the Government of the Republic of North Macedonia, in 2020 only 58 proposals for laws or 47.93% were published on ENER, which is 3.07% less compared to 2019 and by 38.07% less compared to 2018.

The involvement of the civil society organisations and institutions is a basic prerequisite for the success of the initiative Open Government Partnership (OGP). Citizen participation is key to open government and an essential element of the national cycle of creating action plans. Hence, the OGP process in the fifth cycle was also supported by the OGP Council and the OGP Working Group, which made it possible to maximize the participation and contribution of both public and non-governmental sector representatives in a structured way, through the established OGP Network of Civil Society Organisations in which more than 70 organisations are involved. During the COVID-19 pandemic, the communication and co-creation process took place online, through timely information on all ongoing processes, online events, calls and engagement opportunities related to OGP in the country through the OGP portal and the OGP Network.

According to the Report on Citizens' Participation, there is a significant drop of 21% in the involvement of the organisations in activities related to the creation of proposals or policies during the COVID-19 pandemic in 2020 (55%), compared to the period from 2018 to 2019 (76%). However, despite the difficult circumstances during the COVID-19 pandemic, civil society organisations managed to achieve positive results through their initiatives and advocacy efforts and contributed to relevant policy-making processes, such as the draft Law on Lobbying, the preparation of the National Strategy for the Prevention of Corruption and Conflict of Interest 2021-2025 and the selection of candidates for the Commission for Prevention and Protection from Discrimination. Also, many public officials participated in the online events organized by civil society organisations, thus showing their willingness to cooperate when it comes to issues of common interest. Civil society organisations were represented by their representatives in the bodies for handling the crisis at the national and local level (on the proposal of the Council for Cooperation between the Government and Civil Society, two representatives of civil society organisations participate in the work of the Main Office for Crisis Management without the right to vote).

In the Progress Report on North Macedonia for 2021, the European Commission states that civil society organisations continued to be active and have an important role in the reform process. However, the Commission indicates that additional efforts are needed to ensure a more timely, meaningful and transparent consultation process with civil society.

Establishing a structural dialogue with the civil society and including the civil society in the consultations systematically, is one of the priorities of the Government of the Republic of North Macedonia. In the Work Program of the Government of the Republic of North Macedonia for the period 2020-2024, under section Democracy that works for the citizens, the Government of the Republic of North Macedonia clearly expressed its commitment that it will organize consultations with civil society at an early stage of the analysis, the needs and the preparation of policies and laws. The Government of the Republic of North Macedonia will undertake and guarantee feedback to civil society and stakeholders from each process of consultation on policies and laws, which means that draft laws containing a report with received opinions, proposals and comments from the consultation will be adopted at government sessions, report that will also state the reasons why the given proposals were not accepted.

2.5. Financial Sustainability of Civil Society Organisations

The improvement of the state funding of civil society organisations was foreseen as one of the priority measures in the three subsequent strategic documents in the field of cooperation and development of the civil society sector in the Republic of North Macedonia. However, there is still no complete reform of the system and procedures, especially for developing the model and the framework that would be based on defining the public good and the needs of civil society organisations based on a clear vision of the contribution of civil society organisations to society, i.e. their contribution to the socio-economic development of the country.

According to the “Analysis of financial support to associations and foundations from the Budget of the Republic of North Macedonia (from 2017 to the first half of 2019) with a Comparative analysis of state funding models from other countries and a Proposal-model of a Fund for institutional support of civil society organisations and co-financing of EU projects in the Republic of North Macedonia”, which upon the Council proposal was reviewed by the Government of the Republic of North Macedonia in the session held on 24.11.2020, the current state funding system, largely based on legal regulation and practice that was created several decades ago, does not reflect the current needs of civil society and does not follow positive practices and trends in the European Union and in developed countries. Such an unreformed system of state funding, among other things, creates the following risks for potential corruption in the sector: (a) the partial regulation that determines the model of state funding for civil society organisations creates room for abuse; (b) the existence of uneven practices of allocating funds to civil society organisations by state institutions, with varying degrees of transparency (eg. open/closed procedures); (c) practices of disbursement of funds from the budget from accounts other than account 463-transfers to non-governmental organisations, for example 464, 472, 425, etc., which makes it difficult to inspect and supervise the overall state funding of civil society organisations; (d) a decision-making system for the allocation of funds for civil society organisations, which is largely based on the needs of the executive power, not the civil society organisations.

For the analysis of the state financing of civil society organisations and the sustainability of civil society organisations, it is crucial to determine the current needs of civil society organisations or the state of their financing, i.e., their annual incomes and the share of different funding sources. In the period 2017–2018, the share of state funding from the central budget in the total income of civil society organisations is on average 10%, but if the funds allocated by the municipalities are added as state funding, that share increases to 15% on average, i.e. it amounts to a total of 975 million denars in 2017, i.e. 1.2 billion denars in 2018.

Table 1: Data on the total funding of civil society organisations and the ratio with the Budget of the Republic of North Macedonia and the budgets of the civil society organisations

	2017	2018
Funds from all municipalities in the Republic of North Macedonia	355.930.683	355.533.284
Funds from the central budget	619.440.000	839.953.000
Total funds allocated to civil society organisations	975.370.683	1.195.486.284
Budget of the Republic of North Macedonia	196.600.000.000	210.500.000.000
Total revenues of the civil society organisations (according to the Central Registry of the Republic of North Macedonia)	6.983.853.748	7.478.844.157
Participation of the budget of civil society organisations in the GDP of the Republic of North Macedonia	1,13 %	1,13 %
Funds for civil society organisations in relation to the Budget of	0,32 %	0,40 %

the Republic of North Macedonia		
Total state funding in relation to total revenues of civil society organisations (according to annual end-of-year financial reports of the Central Registry of the Republic of North Macedonia)	13,97 %	15,98 %
Funding from the central budget in relation to the total revenues of civil society organisations (according to annual end-of-year financial reports of the Central Registry of the Republic of North Macedonia)	8,87 %	11,23 %

Financial support is project-type support of a short-term duration (less than 12 months) intended for specific activities of organisations. However, funds awarded under the Law on Games of Chance and Entertainment Games also include elements typical of program or for institutional support. A significant portion of the funds from the budget is used for this type of support, i.e. 54% of all funds allocated in 2017 or 39% of all funds allocated in 2018. Although, in terms of form, such support is more like institutional support, content-wise, some of the key elements are absent, such as the multi-year determination of objectives and priorities and their financing, the contribution of such support to the development of the organisation, etc.

Aiming at overall and comprehensive reform, as a prerequisite for the efficient functioning of institutional support and for the co-financing of EU projects, the following general recommendations are given in the Analysis: (1) To increase the share of state funding from the central budget, in order to reach a share of 30% (or about 2 billion denars) in the total revenues of the civil society organisations by 2024 (new three-year strategic period). The Law on Games of Chance and Entertainment Games, sectoral laws, as well as future sources from the introduction of new taxes or excises (for example, on cannabis cultivation) should serve as sources of funding for this; (2) The code of good practices for financial support of citizens' associations and foundations should be transformed into a horizontal and mandatory by-law (Decision or Decree), by adjusting the elements that proved to be weak; (3) To envisage a mechanism by which the state institutions will uniformly plan and execute the funds provided for the support of civil society organisations under budget line 463 and to adopt a multi-year government program that will determine the funds for the gradual increase of the support funds for civil society organisations. At the same time, the funding of civil society organisations registered under the Law on Associations and Foundations and other organisational forms should be clearly distinguished.

In order to implement efficient institutional support, the Analysis recommends that it is necessary: (1) The existing program support within the Law on Games of Chance and Entertainment Games, through the Ministry of Labor and Social Policy (disability organisations) and the Agency for Youth and Sports (sports associations/federations), to be transformed into full institutional support (open and public call, multi-year funding based on the needs of the organisations, articulated in strategic plans, etc.) and to expand the scope by including funding of organisations registered under the Law on Associations and Foundations; (2) Establishment of an independent body – Fund for Support and Development of Civil Society (Fund), which will be in charge of planning and managing the funds intended for the development of civil society organisations registered under the Law on Associations and Foundations, primarily through institutional support, with administrative, management, financial and program independence. It is necessary for the Fund to have an independent board (with a mixed composition) of representatives of institutions, civil society organisations and experts. The Fund should cooperate with the Council for Cooperation between the Government and Civil Society in the planning and design of institutional support and review of reports on its implementation. The fund should have the opportunity to be included in the structure for the future management of EU funds, in order to draw from them and manage funds intended for the civil society development (for example, the European Social Fund, structural funds), as well as to

have the possibility of being entrusted with funds intended for the development of civil society by other actors.

For efficient support of civil society organisations aiming at co-financing their EU-projects, the Analysis recommends: (1) by Decision of the Government of the Republic of North Macedonia, all state administration bodies should be instructed in their programs and calls to support the projects of civil society organisations to include the possibility of the funds being used for co-financing EU projects; (2) It is necessary for the Fund in its own budget to have a special program for co-financing the projects of civil society organisations financed by the EU. Civil society organisations should have the opportunity at any time to turn to the Fund for the use of funds for co-financing. It is possible that the co-financing will be in the full amount requested by the donor, or it will be a partial amount.

The European Commission notes in the Report on North Macedonia for 2021 that "the COVID-19 pandemic had an economic impact on civil society organisations. The initiated reform of state funding for civil society organisations is expected to further regulate the existing legal framework and ensure that sufficient funds are made available for this sector. The process should be conducted in a transparent and inclusive manner."

The need for a comprehensive reform of the current system of state funding of civil society is also confirmed in the Work Program of the Government of the Republic of North Macedonia in the period 2021-2024, in the section "Democracy that works for the citizens", which the Government of the Republic of North Macedonia undertakes to implement by:

- Increasing the share of state funding from the central budget and from the budgets of the local self-government units, in order to reach a share of 30% (about 2 billion denars) of the total revenues of the civil society organisations by 2024.
- Reforming the funds planning procedure (mandatory consultations on priorities); decision-making (independent commissions, regulation of conflict of interests, involvement of experts and representatives of civil society organisations); the allocation and reporting of state funding to civil society organisations; monitoring of what has been achieved and evaluation, etc.
- Introducing mechanisms for unified planning, i.e. ensuring multi-year planning of funds for civil society organisations.
- Improving the program support to civil society organisations through an independent Fund for Support and Development of Civil Society, which will be in charge of planning and managing the funds intended for the development of civil society organisations, through institutional support, with administrative, management, financial and program independence.
- Through the Fund for Support and Development of Civil Society, it will be possible to co-finance the European projects of the civil society organisations that are in accordance with the strategic priorities of the country, the program objectives of the pre-accession aid and the structural funds of the European Union.

2.6. Civil Society Organisations as an Actor in the Socio-Economic Development

Social entrepreneurship and social enterprises are a new phenomenon in Macedonian social and economic life. The current legislation in the Republic of North Macedonia does not recognize and regulate social enterprises, but a significant step is the adoption of the National Strategy for the Development of Social Enterprises, which defines the basic goals and key activities for the period 2021-2027, whose implementation will create appropriate legal, financial and institutional framework for the development of social enterprises in the Republic of North Macedonia. Civil

society organisations were the first to start developing social enterprises and therefore most social enterprises are registered as associations, followed by legal forms such as limited liability companies or artisans. The most common are social enterprises for work integration, which are independent economic entities, whose main goal is the professional integration of people who face difficulties in entering the labour market. Civic society organisations are also active in raising awareness about social entrepreneurship and have implemented numerous non-formal education programs on this topic. Such initiatives were supported by the Ministry of Economy within the Program for Competitiveness, Innovation and Entrepreneurship and the Agency for Support of Entrepreneurship. In May 2019, the Network of Social Enterprises from North Macedonia was founded, which encourages the exchange of good practices and cross-sector networking, which in the long run will stimulate public interest in the sector. In January 2020, the Network had 44 members, of which 24 are social enterprises and 20 are support members. The development of social enterprises imposes the need for new, specific entrepreneurial skills that promote values, rather than increasing profits, and civil society organisations need to diversify and adapt to meet new challenges and ensure financial sustainability.

According to data from the Central Registry of the Republic of North Macedonia, the total number of employees in civil society organisations in 2020 was 2,391, but according to the Analysis of public policies for the employment environment in civil society organisations, collective agreements refer to the private sector of the economy and the public sector and they do not recognize the civil society sector as an employer. Additionally, civil society is not active in advocacy in this domain and is not recognized as a relevant actor. For those reasons, the civil society sector needs support in developing its potential as an employer and creating a sustainable workforce through specific measures.

Encouraging volunteering among young people is particularly important for fostering a culture of volunteering and creating future generations of active citizens with the skills and knowledge to engage in community problem solving. The research carried out as part of the "Youth Development Index in Macedonia, 2018 Report" shows that only 26.5% of the young people surveyed have volunteered. In addition, the report from the research "Youth trends in the Republic of Macedonia" indicates that young people are more often involved in direct help to their peers or other people, while less (only 24%) volunteer through civil society organisations. According to the Strategy for the Promotion and Development of Volunteerism (2021-2025), the lower involvement of citizens through civil society organisations is largely due to the lack of resources for civil society organisations to involve and mobilize a greater number of volunteers. Therefore, it is necessary to provide support to civil society organisations to include more volunteers, as well as to additionally invest in the infrastructure that will connect civil society organisations with citizens interested in volunteering and facilitate the involvement and work with volunteers.

3. NOTES AND RECOMMENDATIONS FROM THE REVIEW OF THE GOVERNMENT STRATEGY FOR COOPERATION WITH AND DEVELOPMENT OF THE CIVIL SOCIETY SECTOR 2018-2020

According to the Review of the Implementation of the Action Plan of the Government Strategy for Cooperation with and Development of Civil Society 2018 - 2020, during the last 15 years, the Republic of North Macedonia implemented three cycles of strategic planning for support and cooperation with civil society and developed a solid institutional framework, systems and procedures for consultation with civil society. The Strategy and Action Plan for the period 2018-2020 are clear and consistent and provided continuity with the previous two cycles. In the implementation of the third strategic cycle, the shortening of the period from 5 to 3 years produced a positive impetus for the implementation.

The Unit for Cooperation with Non-Governmental Organisations of the General Secretariat of the Government of the Republic of North Macedonia is a key driving force of cooperation with civil society and a vital facilitator for the participation of government institutions in the Council for cooperation between the Government and civil society. This is a complex and difficult task. The Unit is well resourced but relatively small within the government network of institutions and needs to strengthen its role and visibility in the implementation of the Strategy and the Action Plan.

The goals, measures and activities of the Action Plan 2018-2020 are solidly developed, harmonized and have a logical order. However, the indicators and the financial allocations are insufficiently developed or unclear, which makes it difficult to monitor the results based only on quantified data of implemented activities.

The reports on the implemented measures and activities from the Government Strategy for cooperation with and development of the civil society sector (2018-2020) synthesize and quantify activities. The report provides a solid basis for tracking activity progress but lacks comments on data and description of progress. The evaluation of the results is based on the implementation of the activities and contains solid sources of verification. However, the system lacks clear criteria and an assessment process. In the next planning cycle, it is necessary to adopt an advanced planning, monitoring and evaluation (PME) or monitoring, evaluation, accountability and learning (MEAL) system and a process for defining and reporting on success and achievement, including improved definitions for measuring success and results-based assessment of achievement.

4. VALUES AND PRINCIPLES OF COOPERATION

The Strategy will continue to apply, affirm and promote the values and principles used as the basis for the cooperation to present and will upgrade them substantially with the aim of deepening cooperation.

MUTUAL TRUST - The roles of the Government and civil society are complementary in the development and implementation of policies and activities. Their common goals will be most effectively accomplished if they are defined and implemented based on the mutual trust concerning the goal to be achieved and the method of doing it. The Government strives to establish relations with civil society without prejudice and with full understanding of the positive role that each of them could play in achieving common goals. The content of this principle is defined by two components: liability and public interest.

PARTNERSHIP - Successful cooperation between the Government and civil society means partnership relations and allocation of tasks to the end of more efficient realisation of citizens' interests. The principle of partnership means cooperation on equal grounds among all entities for the purpose of establishing dialogue and respect for different opinions when defining and implementing the common goals. The Government and civil society will act complementary under their relevant areas, whereas the civil society may offer its own capacity and expertise.

INDEPENDENCE - The civil society is free and independent in defining its goals, making decisions and planning its own activities. The Government respects the specific characteristics of this sector, particularly its independence in presenting the citizens' interest, in implementing activities financially supported by the Government and in their participation in the policy making processes.

PLURALISM - Strengthening the democratic society depends on the respect of the principle of pluralism, the freedom to express different opinions and attitudes and taking them into consideration in the development of plans and policies. The Government recognises and respects the existence of different goals, values and interests among citizens, which are expressed through various activities and efforts of the civil society organisations. The Government enables involvement and cooperation with all organisations based on the principle of non-discrimination, with a special focus on recognising the interests of the marginalised groups.

PARTICIPATION - The Government facilitates the involvement of the civil society in policy making, so as to integrate the interest and proposals of citizens in the processes of decision making and implementation. Civil society, with its own capacities and resources contributes to the adoption of more quality solutions, for the benefit of the community. It represents the various values and interests of citizens. Through this sector, citizens receive information and express their opinions about measures proposed by the Government. The Government is open to dialogue with the public in order to improve the quality of proposed policies and to strengthen the legitimacy of the Government policy. Also, the Government will provide for active involvement of civil society organisations with equal responsibilities and the right to make decisions in bodies that create policies for implementation of the cooperation and development of the civil society, as well as in other bodies that would define the agenda for development of the society and European integration.

TRANSPARENCY (PUBLICITY) - Activities undertaken by the Government and civil society concerning the programmes and plans necessary for development of common goals will be open and shared between the two stakeholders and with the public. The Government will place special emphasis on this principle, particularly regarding the access to information, participation in creation of public policies and legislation and allocation of funds.

RESPONSIBILITY - The Government and civil society are mutually responsible before the public and citizens about the implementation of their joint activities. This principle is expressed through the efforts of the Government and civil society to take into consideration expressed opinions of citizens when defining the priorities and policy drafting and implementation. The Government and civil society are obligated to follow the principle of joint and several liabilities also in the case of allocation and use of state funds.

EQUAL OPPORTUNITIES AND NON-DISCRIMINATION - The Government aims to respect the equal opportunities and non-discrimination of all people in realisation of their primary rights and freedoms and their benefits from political, economic and social processes and mechanisms. The civil society by the very nature of its activities, articulates the needs and interests of different target groups, including the marginalised groups. Social cohesion, as a priority area and strategic goal of this Strategy can only be achieved if the principles of equality, equal opportunities and non-discrimination are respected.

5. VISION, PRIORITIES AND GOALS

Civil society is a key component of any democratic system and continues to be recognized as such by state institutions. The Government of the Republic of North Macedonia considers the civil society as an equal partner and corrector of its decisions, with full right to participate in the construction of policies, to suggest and criticize. The Government of the Republic of North Macedonia is actively taking measures to build a continuous, transparent and fully inclusive dialogue with civil society.

The vision of the Strategy of the Government of the Republic of North Macedonia for Cooperation with and Development of Civil Society is to improve the environment in which civil society functions and develops, which contributes to the strengthening of democratic governance and the establishment of a structural dialogue with civil society.

The main objective of the Strategy is to provide an enabling and sustainable environment in which civil society functions and develops, which enables dynamic, independent, active and sustainable civil society organisations that contribute to the strengthening of democratic governance, reflect the interests and needs of citizens and engage in structural dialogue for the advancement of society.

The Government Strategy for Cooperation with and Development of the Civil Society, through mutually related strategic objectives that support the cooperation and development of the civil society, defines the guidelines for three priority areas:

- Normative, institutional and financial framework for civil society development
- Democratization, active participation of the civil society in the social processes and policy creation and monitoring, with a special emphasis on EU integration process
- Civil society as an actor of social-economic development

1. Normative, institutional and financial framework for civil society development

With the adoption of the Law on Associations and Foundations in 2010, the legal framework was harmonized with European standards and the foundations were laid for the development of measures that will help the civil society sustainability. The law envisages the possibility for organisations to perform activities with which they can gain profit and acquire the status of a public benefit organisation. The functioning of civil society organisations is conditioned by other laws. The development of the legal framework for associations and foundations, which guarantees the right to freedom of association in accordance with international standards, will be addressed.

The improvement of the environment for civil society operation will be achieved by comprehensively reforming the current system of state funding of civil society organisations, which is largely based on legal regulation and practice from several decades ago and does not reflect current needs of civil society and does not follow positive practices and trends in the European Union and in the developed countries. The improvement of the model of state funding of civil society organisations will be achieved by increasing the share of state funding from the central budget and from the budgets of the local self-government units, with the aim of reaching a share of 30% (about 2 billion denars) of the total revenues of civil society organisations until 2024; reforming the procedure for planning funds, decision-making, awarding and reporting on state funding to civil society organisations, monitoring and evaluation of what has been achieved, etc.; introducing mechanisms for unified planning, that is, providing multi-year planning of funds for civil society organisations; improving the program support of civil society organisations through an independent Fund for the Support and Development of Civil Society, which will be in charge of planning and managing the funds intended for the development of civil society organisations, through institutional support, with administrative, management, financial and programming independence. The Fund will ensure co-financing of EU projects of civil society organisations that are in accordance with the strategic priorities of the country, the program objectives of the pre-accession aid and the structural funds of the European Union.

The Government of the Republic of North Macedonia recognizes the need to improve the mechanisms for cooperation with civil society. The measures undertaken by this Strategy at the institutional level are aimed at continuity in the work of an independent, representative, operational and effective Council for cooperation between the Government and civil society and improvement of the communication and cooperation practices with civil society organisations. In order to improve the environment in which civil society works and develops, the Council will continue to be the driving force behind the reform of the system of state funding of civil society organisations, the establishment of a structural dialogue with civil society and the creation of a model for the participation of civil society organisations in the future EU negotiation structure.

Strategic objectives:

1. Improvement of the legal framework for civil society organisations;
2. Strengthening the institutional framework and practices of cooperation between the Government of the Republic of North Macedonia, state administration bodies and civil society organisations.
3. Establishing a tax framework that corresponds to the specifics of the work of the civil society organisations and enables their development;
4. Improving the state funding system for civil society organisations.

Operational objectives:

1. Advancement of the legal framework for associations and foundations that provides guarantees for the exercise of the right to freedom of association in accordance with international standards;
2. Enabling free access to data on civil society organisations from the Register of registered organisations in accordance with the Law on Associations and Foundations in the Central Register of the Republic of North Macedonia;
3. Continuous operation of an independent, representative, operational and effective Council for cooperation between the Government and civil society;
4. Improving the knowledge and capacities of the Network of civil servants for cooperation with civil society;
5. Improvement of the tax framework concerning the value added tax and in accordance with the identified development needs of the civil society organisations;
6. Improving the transparency of the financial activities of the civil society organisations;
7. Preparation of an improved legal and by-law framework for the accounting of non-profit organisations;
8. Advancement of the model for financing civil society organisations from the state budget.

Responsible institutions: Council for Cooperation between the Government and Civil Society, the General Secretariat - organisational unit for cooperation with non-governmental organisations, the Ministry of Justice, the Ministry of Finance, the Ministry of Labor and Social Policy, the Ministry of Information Society and Administration, other relevant ministries and the Central Registry of the Republic of North Macedonia.

2. Democratisation, active participation of the civil society sector in the social processes, in the creation and monitoring of policies, with a special focus on the integration process in the European Union

The Government of the Republic of North Macedonia recognizes the significant role of civil society organisations as partners in defining policies related to the European integration. Regular consultation and involvement of civil society organisations will be ensured in all phases of policy creation, implementation, monitoring and evaluation, including as members of working groups. By implementing the measures of this Strategy, the defined policies and laws will respond to the needs of the community and the commitments for integration in the European Union. Civil society organisations will be actively involved in the process of accession negotiations with the European Union and in the processes of planning, programming and monitoring the use of EU funds for pre-

accession assistance. Advancement of the legal framework for the right to peaceful assembly will be undertaken in accordance with the OSCE/ODIHR Guidelines on Freedom of Peaceful Assembly and other international standards, access to mechanisms for direct participation of citizens in decision-making will be facilitated and comprehensive educational preventive mechanism against hate speech will be established, which will improve citizens' trust in the democratic capacities of the state.

Strategic objectives:

5. Increasing the involvement of the civil society organisations in the process of creation, implementation, monitoring and evaluation of policies;
6. Strengthening the partnership in the processes related to the European integration;
7. Advancement of the legal framework for the right to peaceful assembly and direct participation of citizens in decision-making.

Operational objectives:

9. Advancement of the process of consultation and participation of civil society organisations in the creation of public policies;
10. Effective consultation with stakeholders in the process of regulatory impact assessment;
11. Involvement of the civil society organisations in the process of negotiations with the European Union;
12. Improvement of the model for selection of representatives from the civil society in the sectoral working groups;
13. Support for increasing the scope of the digital transformation of civil society organisations;
14. Development of a system for monitoring the environment for civil society development;
15. Establishing a preventive mechanism against hate speech;
16. Providing a legal framework for the right to peaceful assembly in accordance with international standards and its effective implementation;
17. Advancement of the legal framework that refers to direct participation of citizens in decision-making.

Responsible institutions: Council for Cooperation between the Government and Civil Society, General Secretariat - organisational unit for cooperation with non-governmental organisations, Secretariat for European Affairs, Ministry of Information Society and Administration, Ministry of Justice, Ministry of Internal Affairs, Ministry of Local Self-Government and other relevant ministries.

3. Civil society as an actor of social-economic development

The Government of the Republic of North Macedonia is taking measures for the development of social entrepreneurship to improve the economic and social condition of the citizens, strengthening social cohesion and solidarity. The measures of this Strategy are aimed at creating an enabling legal environment for social entrepreneurship, active involvement of civil society organisations in providing services in the social sphere and other activities of public interest, promoting and developing volunteerism, as well as improving the legal framework and encouraging philanthropic donations to civil society organisations.

Strategic objectives:

8. Development of social entrepreneurship;
9. Recognition of the specifics of civil society organisations as an employer;
10. Promotion and development of volunteering;
11. Encouraging citizens and the business sector to support and contribute to civil society development;
12. Increased participation of civil society organisations in providing services for the community needs.

Operational objectives:

18. Creation of an enabling legal environment for social entrepreneurship;
19. Promotion, capacity building and provision of financial assistance to civil society organisations for the development of social entrepreneurship;
20. Recognition of the specifics of civil society organisations as an employer in legal regulations, operational programs and social dialogue;
21. Improvement of the legal framework for the promotion and development of volunteering;
22. Encouraging volunteer activities and financial support of civil society organisations that promote volunteering;
23. Improvement of the legal framework for donations and sponsorships in public activities to facilitate donations to civil society organisations;
24. Encouraging the cooperation of civil society organisations with the business sector and promoting philanthropy;
25. Development of civil society at the local level and strengthening of cooperation with civil society organisations at the local level;
26. Improvement of the conditions, including the capacities of civil society organisations for providing services at the national and local level, with equivalent quality as other service providers.

Responsible institutions: Ministry of Labour and Social Policy, Ministry of Justice, Ministry of Education and Science, Ministry of Health, Ministry of Local Self-Government, other line ministries, Employment Agency of the Republic of North Macedonia and Agency for Youth and Sports.

6. IMPLEMENTATION, MONITORING AND REPORTING

The General Secretariat of the Government of Republic of North Macedonia - Unit for Cooperation with NGOs and the Network of Civil Servants for Cooperation with the Civil Society Sector have the primary role in coordinating the implementation of the Strategy and in preparing an annual report to the Government on the undertaken activities and achieved objectives in the implementation of the Strategy.

The Council for Cooperation with and Development of the Civil Society, as an advisory body to the Government for promoting the cooperation, dialogue and encouraging the development of the civil sector in the Republic of North Macedonia, monitors the implementation of the Strategy and the Action Plan, gives an annual opinion on the implementation of the Strategy and encourages

the promotion of cooperation and building partnership relations between the Government and the state administration bodies with the civil society.

The ministries and other state administration bodies plan the activities envisaged in the Action Plan of this Strategy in their strategic plans and the annual work plan and care for providing funds necessary for their implementation.

CSOs will be involved as partners of the Government and state administration bodies in the implementation of specific measures/activities from the Strategy's Action Plan, as well as in the continuous monitoring of the Strategy implementation.

The measures of this strategy are aimed at encouraging the local self-government units to continue the good practice of cooperation and development of local civil society organisations and to adopt similar mechanisms for cooperation, support and involvement of civil society organisations in the implementation of the activities.

In order to provide timely information regarding the implementation of the Strategy for the interested public, the system of monitoring and reporting on the level of implementation of the measures will be improved, using new technologies on the website www.nvosorabotka.gov.mk aiming at increasing the transparency of the implementation process and as an additional possibility to include the civil society sector.

7. ACTION PLAN

The specific measures for the implementation of the Strategy of the Government of the Republic of North Macedonia for cooperation with and development of civil society are included in the Action Plan 2022-2024. The action plan defines:

- operational objectives and activities that will contribute to achieving the corresponding strategic objective;
- the leading institutions responsible for implementing the activities and other institutions that will be involved in the implementation;
- the quarter in the corresponding year, which represents a time frame for the implementation of the activities;
- assessment of the necessary funds and the source of financing; and
- performance measurement indicators that are defined at the level of strategic objectives, operational objectives and activities.

Annex:

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