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FINANCING AND GOVERNANCE OF YOUTH POLICIES: THE CASE OF REPUBLIC OF NORTH MACEDONIA

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-abstract-

The paper evaluates the current developments of the youth policy in North Macedonia, focusing on the financing and governance mechanisms. Through an overview of the youth policies and key actors in the country, the authors emphasize the inconsistency and lack of continuity in the inclusion of young people in decision-making processes in North Macedonia. Although some progress has been made in the enhancement of the legal and institutional framework for advancing youth policies in the past few years, it is still early to record significant visible results. State financing of youth policies and youth organizations in Republic of North Macedonia and mechanisms for providing public funds for implementation of youth policies still remain as one of the main challenges of the state funding reform that the Government needs to focus on further. Analyzing the management and capacity for policy implementation, we came to conclusion that the newly established Local Youth Councils should provide an institutional channel for influence and representation, direct involvement of young people in decision-making processes, as well as developing and building partnerships between youth and local governments. Finally, we conclude that in the policy making process, the youth can be stable and powerful partner of the central and local government in determining the needs, problems and priorities of the youth, but also in the implementation of plans, measures and policies. However, the reform of the existing model of state funding should be one of the priorities of the government.

Keywords: youth policies, financing, governance.

I. INTRODUCTION

Youth policy is very often associated with legislative solutions to youth issues. However, youth policy is a much broader concept that includes important aspects of youth participation, through non-formal education to innovation and research. In the policy making process, the relevant actors should include and treat the young people as a resource, not as a problem and this problem-oriented approach in youth policy gives short-term perspectives and problem-solving

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outlook. Otherwise, the perception of young people as resource gives focus on long-term solutions, identifying needs and developing policies which will lead towards utilization of their full potential as citizens and intellectual capital as social investment. According to the Council of Europe "The purpose of youth policy is to create conditions and opportunities for learning and experiences that will enable and secure young people to develop their skills, knowledge and competencies to participate in democratic trends and to integrate into society".¹

The focus of youth policies is on young people. The term "young" has no universally accepted definition. Different age limits are found in different countries, but what is common is that the term youth is always different from the term children. Children are considered individuals who have not acquired coming of age, but what is the subject of debate and differences is the above age limit for which the individual is considered to belong to the group young people.

North Macedonia is one of the countries that do not have very specific legislation and policies in the area of youth. In addition, a general definition of the term "young" is also missing. Numerous definitions of this term are present in the legal acts and strategic documents of the country, all of which are mutually contradictory. Thus, "[...] in the absence of an internationally recognized definition, the term youth in the Republic of North Macedonia means socio-ethical category of population aged 15-24 years [...] Taking into account the consequences of the socio-economic crisis in the Republic of North Macedonia, which disables the process of developing an active one and responsible individual (prolonged time of education, difficulty to find a job, inability to start a family, economic dependence on parents or lack of economic and hence personal independence), any serious action or program for young people should take into account people aged 24-30 [...]".²

The long process of transition of the country and the tectonic political and socio-economic changes have affected young people, as one of the most delicate social categories, and excluded them from the processes of creating youth policies. However, there are some positive developments in the field, including adoption of the new Law on youth participation and youth policies and implementation of the National Youth Strategy. These two important acts directly strengthen the youth participation and engagement in the youth policy development processes. Moreover, other existing legal acts, including Law on secondary education, the Law on Secondary Student Standard, the Law on Student Standard, the Law on Volunteering, etc., cover to certain extent some of the important youth issues, such as education, integration, standard of living, mobility, sexual and reproductive rights etc.

However, some concerns have arisen due to the inclusion of the youth organizations and the civil sector in the youth policy development. Furthermore, the lack of representative bodies of young people and the lack of mechanisms for youth information are still seen as major challenges in the development of youth policies.

The main goal of this paper is to evaluate the current developments of the youth policy in North Macedonia, focusing on the financing and governance mechanisms. The paper is organized as follows. After the Introduction, in the first section, we present an Overview of the youth policies in North Macedonia and the key actors. In the second section, titled State financing of youth policies in Republic of North Macedonia, we discuss about the mechanisms for providing public funds for implementation of youth policies and support of the youth organizations. In the third section of the paper, we present the main findings of the analysis of the management

¹ Siurala, L. (2005), *European framework of youth policy*. Retrieved from: https://pjp-eu.coe.int/documents/42128013/47261806/COE_european_framework_4YP_EN.pdf/998de93b-bc9d-475f-bf27-d6fd9a810fed

² Government of the Republic of North Macedonia (2005), *National Youth Strategy of the Republic of Macedonia 2005-2015*. Retrieved from: <https://issuu.com/youtheducationalforum/docs/> 6342548b096811

and capacity for implementation of youth policies in the country. The Conclusions are given in the final section of the paper.

II. OVERVIEW OF YOUTH POLICIES IN NORTH MACEDONIA AND KEY ACTORS IN YOUTH POLICY

The youth policy in the Republic of North Macedonia, since country's independence, has been constantly accompanied by inconsistency and lack of continuity in the inclusion of young people in decision-making processes. Although declaratively young people are constantly part of state policies and decisions, in practice they are often lacking vision and concrete solutions for the specific role of young people in a given social context and for whether and how that role should be regulated by central and local authorities. The programs and practices that were inherited from the former federal state of Yugoslavia in general did not reflect the needs and the problems of young people in the new liberal political-economic context. Despite the lack of vision for young people at the national level and the low level of their inclusion in decision-making processes, young people, over the years, within their opportunities, imposed themselves in the public discourse and tried to emphasize the need for their additional recognition as a demographic-social category that deserves to be treated in the context of the proclaimed aspirations of the Republic of North Macedonia towards membership in European Union.

In terms of key actors, the youth policy is understood as a process that includes three elements, in a broad and variable format. First, the state element, which refers to legislation, strategic documents and the use of constituent bodies of state institutions. It also implies to the overall activities that the state implements independently, with local self-government units or with third parties. Second, civic element, i.e. youth policy at the level of the civil society sector, which means civil society organizations and foundations that have included young people in their strategic goals and programs, but also all other organizations that throughout their work established contact with young people. Finally, the third element covers citizens who, through the instruments of democratic and civic involvement, directly or indirectly influence the creation of youth policy. These three elements of youth politics should not be considered separately, but as a complex interconnected system, which obtains its wholeness only with the constant and parallel involvement of all three elements. However, this division is used to gain clarity to understand individual responsibilities, roles and rights, as well as to find ways towards improving mutual communication.

1. Legal and institutional framework

For a long time in North Macedonia, youth participation is seen as a right in creating and implementing social change, but also an opportunity for young people to be involved in creating, adopting and implementing policies that are of their interest. Strategic document regulating youth policies and youth participation in the country is the National Youth Strategy 2016-2025. Here, the youth participation is defined as a process of creating opportunities for young people to play a significant part in the democratic processes and to influence the creation and implementation of policies that contribute towards the development of strategies and programs. These opportunities are created by developing a wide range of formal and informal mechanisms for youth participation, from local youth councils to focus groups, from ongoing consultation on youth policies to projects run by young people".³ Moreover, the new Law on

³ Agency of youth and sport (2016), *National Youth Strategy 2016-2025*, Skopje. Retrieved from: http://ams.gov.mk/images/dokumenti/mladi/National_Youth_Strategy_20162025_eng.pdf

youth participation and youth policy that has been adopted in January 2020⁴, the revision of the programs and plans in education, the revision of the National Strategy for Youth (2016-2025), etc. may lay the groundwork for advancing public youth services and increasing government efforts to overcome the economic and other challenges young people face that limit their personal and professional development. However, these policies are still in the pilot phase or in the preparation phase and it is rare to say that there are already some visible significant results, especially in the smaller local areas.

The legal framework relevant to broader youth issues and young people is expansive, and it includes a long list of national strategic documents and laws, including: Law on Secondary education; Law on Higher Education, Law on Students standard, Law on High School Student Standard, Law on Volunteering; Integrated Education Strategy, Development Strategy for promoting volunteering, Employment Action Plan of youth, the National Strategy for Sexual and Reproductive Health in the Republic of North Macedonia, etc.

The youth opinion in North Macedonia indicates that they perceive the Parliament as an important factor in the political scene of the country and believe in the important role of this institution, but still doubt its political independence in decision-making.⁵ Therefore, additional efforts are needed by the Assembly to improve the perception and position of young people. In 2017, a Club for Youth Affairs and Policies has been established in the Assembly of the Republic of North Macedonia, following the example of the European Parliament and other Western European parliaments.

The Club for Youth Issues and Policies is an informal body in the Assembly of the Republic of Macedonia, composed of members of all parliamentary parties whose goal is to achieve the interests of young people in the Republic of Macedonia, in cooperation with youth organizations, informal youth groups and party youth.

The Government of the Republic of North Macedonia is crucial executive body in the Macedonian political system with broad competencies in policy making, including youth policy. Because of that, the government is a central actor in the youth policy in the Republic of Macedonia and a body with which the civil sector should establish the strongest communication in order to increased its influence in the country's youth policies. The Government of the Republic of North Macedonia affects the youth policies through some of its ministries and through several types of different institutions under its competence (Ministry of finance, Ministry of education and science, Ministry of Labor and social policy, National Agency for Education programs and mobility, Agency of youth and sport, etc.).

In the country, until 2013 there was no body that would directly represent the youth before the institutions, would articulate the youth interests and would be recognized as a representative of the organized youth. Although there were attempts to establish a national youth representative organization in the country, they were not permanent or sufficiently inclusive. After a two-year initiative of a group of organizations, in June 2013 the National Youth Council of Macedonia was formally established to fill this gap, although the institutions took long time before formally recognizing the need and legitimacy of this body.⁶ However, this body so far has the support of youth organizations, the Secretariat for European Affairs of the Republic of North

⁴ *Law on Youth Participation and Youth Policies* ("Official Gazette of the Republic of North Macedonia", No. 10/20

⁵ Mihajlovski, N. (2020), *Young people and politics in North Macedonia: How is the work of the Assembly perceived?*, Skopje: Institute for democracy Societas Civilis, Policy brief no. 46/2020. Retrieved from: <https://cutt.ly/FkpphcE>

⁶ National Youth Council of Macedonia (2013), *Steps to the National Youth Council, Youth Organization in Macedonia*

Macedonia, European Youth Forum, the Government of the Republic of North Macedonia and Agency of youth and sport.

2. Interaction and interconnectedness between the key actors responsible for youth policies

In 2004, the Government established the Unit for Cooperation with NGOs within General Secretariat of the Government. Since 2007, the Government has established relations with civil society based on the Government's Strategy for Cooperation with Civil Society and the relevant Action Plan. An important achievement mentioned in the Strategy 2012-2017 is drafting a Code of Good Practice for civil society participation in policy-making processes. However, according to civil society there is great need for this document to be updated in the coming period. In addition, the Strategy was not applied on a satisfactory level and this criticism was leveled. Moreover, the capacities of the Unit for Cooperation with NGOs should be strengthened, and the public administration should increase responsiveness to citizens and NGOs.

In 2016, the Government decided to establish a Cooperation Council between the Government and the civil society sector. At the time, the election of the Council was boycotted by many NGOs.⁷ In July 2017, the new government reaffirmed this orientation and launched a dialogue with NGOs to amend existing legislation. Finally, the Department of cooperation with NGOs at the General Secretariat of the Government announced a public call for election of 16 representatives of the civil sector from the ranks of associations and foundations.

Three main institutions and mechanisms were responsible for facilitating Cooperation with CSOs: Council for Cooperation with and Development of the Civil Society Sector, Unit for cooperation with NGOs and the network of public servants to monitor implementation of the Strategy, composed of 18 state institutions. The main mechanism, the Council as a cross-sectoral advisory body in 2019 remained functional.

In 2019 there was conducted research on the Enabling environment report for the development of civil society 2019, published by the Macedonian Center for International Cooperation.⁸ As for the flow of information from the Council to CSOs, according to the survey, 61.3% of CSOs are informed about the work of the Council. When it comes to council consultations with other CSOs, according to survey, 26.4% of CSOs responded that representatives of the CSO side in. According to the same research, Implementation of the Strategy for Cooperation with and Development of the Civil Society and Action plan for the period 2018-2020 has made progress.⁹ Information relating to the implementation of measures and activities are regularly collected and published by The Unit for Cooperation with NGOs, and the Council deals with quarterly oversight. Progress in the main measures for the development of civil society is still slow (public reform funding, individual and corporate donations, social services and volunteering) because some of them were planned for 2020. CSOs undertook various activities that contributed towards realization of the action plan. Although CSOs are not listed as implementers, their contribution is mentioned in implementation report. CSOs are involved in monitoring the implementation of the Strategy, through the Council that has a mandate for that purpose. Namely, the sessions of the Council had regular discussions on the implementation of the Strategy and review of the reports of the department responsible for its implementation.

⁷ Macedonian center for international cooperation (2016), *Stop the election of representatives in the Government Cooperation Council with the civil society sector*. Retrieved from: <http://www.mcms.org.mk/mk/vesti-i-javnost/vesti/1783-da-se-zapre-izborot-na-pretstavnici-vo-sovetot-zasorabotka-na-vladata-so-gragjanskiot-sektor.html>

⁸ Ogenovska S. (2020), *Monitoring Matrix on Enabling Environment for Civil Society Development*, Skopje: Macedonian Center for International Cooperation.

⁹ Ibid.

The realization of the Strategy for 2018 was reviewed at the 10th session of the Council, with conclusion that the Report reflects the situation and the Council recommends receiving quarterly reports on the implementation of the Strategy. Next year, the Council reviewed the quarterly report (July - September 2019) for implementation of the Strategy, at the 16th session (October 2019), but the content of discussion and feedback from participants regarding this report were not reflected in it.

III. STATE FINANCING OF YOUTH POLICIES IN REPUBLIC OF NORTH MACEDONIA

Law on associations and foundations¹⁰ stipulates that NGOs can perform economic activities that are in accordance with their statutory objectives. However, the NGO sector emphasizes the need from the harmonization of the Law with the tax legislation. NGOs can participate in public procurement at national and local level under the same conditions as others subjects. However, they cannot receive special benefits as unprofitable associations. For profitable entities there is better regulation compared to that for NGOs, especially tax regulations reliefs. With the Law on Donations and Sponsorship for Activities of Public Interest (adopted in April 2006) opportunities were introduced for companies and individuals to support NGOs which perform activities of public interest (tax exemptions and reliefs), but according to the TACSO (Technical Assistance for Civil Society) Report for 2014, there were significant challenges in the implementation of the Law on Donations and sponsorship related to “unclear definition and interpretation of key terms and compliance with other laws; lack of objective criteria for determination of public interest; complicated procedures for applying tax incentives; and delegating competencies to several institutions”.¹¹

In its 2016 report, TACSO notes that “despite the fact that the legislation does not provide for taxation benefits for NGOs, the experience of NGOs show that the procedure for exemption from VAT continues to apply only to a portion of their projects, which are finances with funds received on the basis of donation agreements between the Former Yugoslav Republic of Macedonia” and foreign donors.¹² In 2017, it was amended the Law on Personal Income Tax where certain were entered positive provisions regarding the obligations of NGOs. Further changes are needed, as stated in the Map for Development of Civil Society Organizations 2017-2022 and in the Criminal Code.

The progressive tax reform, which was introduced at the end of 2018, included adoption of amendments to two laws that are relevant to civil society organizations, the Law on Profit Tax¹³ and, the Law on Personal Income Tax.¹⁴ However, in 2019, part of the legal solutions from the reform for progressive taxation “Were put on hold for the next three years” by the new minister for finance.¹⁵

Fortunately, there were no changes in the provisions affecting NGOs. Namely, NGOs are not subject to the Law on Profit Tax, and the new Law on Personal Tax income excludes them in

¹⁰ *Law on Associations and Foundations* ("Official Gazette of the Republic of Macedonia, 52/2010, 135/2011 and 55/2016)

¹¹ TACSO (2014), *Needs Assessment Report on the Former Yugoslav Republic of Macedonia*.

¹² TACSO (2016), *Needs Assessment Report on the Former Yugoslav Republic of Macedonia*.

¹³ *Law on Profit Tax* ("Official Gazette of the Republic of North Macedonia" No. 112/14, 129/15, 23/16, 190/16 and 248/18)

¹⁴ *Law on Personal Income Tax* ("Official Gazette of the Republic of North Macedonia" no. 241/2018 and 275/2019).

¹⁵ Ministry of Finance (2019), *Supplementary Budget of the Republic of North Macedonia for 2019*. Retrieved form: <https://finance.gov.mk/files/u6/REBALANS%202019%20-%20za%20objavuvanje%20%2808.10.2019%29.pdf>

terms of volunteer compensation, then all costs for accommodation, food and transportation for participants in events organized by NGOs and travel costs for persons participating in educational activities and events at educational institutions and organizations abroad.

Furthermore, the Law on Value Added Tax (VAT) was changed and became more favorable for NGOs. Namely, with the amendment all taxpayers (including civil society organizations), whose total turnover exceeds the amount of 2 million denars (approximately 32,000 euros) in the past calendar year or whose total turnover is expected to exceed the amount of start doing business or exceed the amount during year, is required to register for VAT. The previous threshold was significantly lower, 1 million MKD (about 16,000 euros) and was a burden on NGOs that planned to get involved in economic activity.

Finally, grants and donations from foreign donors are exempted from VAT, and a prerequisite is that the project is registered in the Central Database for Donor Assistance led by the Secretariat for European Affairs.¹⁶ VAT exemptions are the most common used tax exemptions.

1. Availability and distribution of public funds

The legislation contains certain provisions for state support for institutional development, project support and co-financing of EU-funded projects, which usually target segments or subsectors of civil society. There are several legal documents which provide a basis for a decentralized mechanism for allocating public funds of civil society organizations, and which exists with major shortcomings. The budget allocation mechanism for NGOs is decentralized. The main item of the budget for NGOs from the budget which is 463 – transfers to NGOs, continues to cause confusion that the funds are intended for non-governmental, organizations although the largest distribution of this budget item is for political parties and sports clubs. Additionally, the absence of insight into the amount of funds allocated by budget sub-items in the budget (or final account) published by the Ministry of Finance.¹⁷ In addition, other budget items are used for distribution of funds by various state institutions, such as 464 – Different transfers. According to the survey, 25% of CSOs agree that they participate in the process of determining priorities for state funding, 65.5% of CSOs do not agree.¹⁸

Procedures prescribed for the participation of civil society organizations in all phases of the cycle public funding have drawbacks. Namely, the Code provides for clear procedures in relation to by applying and implementing projects by civil society organizations, but not for consultation on funding priorities or participation in project selection or monitoring and evaluation.¹⁹

Public funding is available for some parts of the civil society sector. The state funding is an almost unrecognizable source of income for NGOs and if there are certain funds available, they are for a limited number of organizations. Lack of available funds in practice is a serious

¹⁶ *Rulebook on the manner of implementation of the tax exemption from payment of value added tax on trade in goods and services intended for realization of project that is financed with funds received on the basis of a donation agreement concluded between the Republic of Macedonia and a foreign donor which stipulates that the received funds will not be used to pay taxes* ("Official Gazette of the Republic of North Macedonia" no. 98/14)

¹⁷ Ministry of Finance (2019), *Supplementary Budget of the Republic of North Macedonia for 2019*. Retrieved from: <https://finance.gov.mk/files/u6/REBALANS%202019%20-%20za%20objavuvanje%20%2808.10.2019%29.pdf>

¹⁸ Ogenovska S. (2020), *Monitoring Matrix on Enabling Environment for Civil Society Development*, Skopje: Macedonian Center for International Cooperation.

¹⁹ Government of the Republic of North Macedonia (2019), *Decision on distribution of funds from the budget of the Republic of North Macedonia for 2019 intended for financing the program activities of associations and foundations*, Skopje, Government of RSM. Retrieved from: https://www.nvosorobotka.gov.mk/sites/default/files/odluka%20za%20raspredelba%20207%202019_0.pdf

challenge for NGOs. According to the latest research on the topic²⁰, if we consider the budget item 463-Transfers to NGOs, a total of 512 million Macedonian denars (MKD) (about 8.3 million euros) are planned according to information submitted by various state institutions that allocate funds. According to the planned budget is 726 million MKD (approximately 11.8 million euros) (Ministry of finance, 2019). The average amount per civil society organization is calculated at 180,432 MKD (approximately 2,922 EUR). Further, the share of public funding in the total revenue of the sector is 15.98% (including municipalities); and 11.23% (central level funding only) for 2018. The system of public funding mostly provides annual project support to civic organizations, but there are still some forms of support that can be considered as a mix between institutional and project support. They are, 17% through the Ministry for Labor and Social Policy and 2% through the Agency for Youth and Sports (from the total available amount for NGOs for 2018).²¹ There are examples of co-financing through Ministry of Economy, Ministry of Culture, Ministry of Local self-government, but the amounts are not clearly represented. The largest share of state funding for NGOs is distributed through MLSP and AYS. According to the latest available data, Government funding although increased by 5% in 2018 compared to 2017, they are also decreased by 13% in 2019, compared to 2018.²² According to the Enabling environment report for the development of civil society 2019, published by the Macedonian Center for International Cooperation,²³ the legal framework regarding public funding of CSOs was not substantially improved throughout the year. Measures related to comprehensive reform for public funding provided for in the new Strategy is expected by the end of the first quarter of 2020. Throughout the year, high-level efforts were committed to the issue of state funding.

The system of public funding mostly provides annual project support to civic organizations, but there are still some forms of support that can be considered as a mix between institutional and project support. They are, 17% through the Ministry for Labor and Social Policy (MLSP) and 2% through the Agency for Youth and Sports (AYS) (from the total available amount for CSOs for 2018). There are examples of co-financing through Ministry of Economy, Ministry of Culture, Ministry of Local self-government, but the amounts are not clearly represented. The largest share of state funding for CSOs is distributed through MLSP and AYS. According to the latest available data, Government funding although increased by 5% in 2018 compared to 2017, however they decreased by 13% in 2019, compared to 2018.

2. Transparency and accountability of state funding

Article 49 of the Law on associations and foundations²⁴ provides for mandatory publication on the websites of the public administration, the municipalities and the city of Skopje on the names of the organizations of which funds have been allocated to them, as well as the purposes for which those funds have been allocated. In relation to tax and customs benefits will not apply to these funds if they are used contrary to Article 12 and 13 of this Law.

²⁰ Ademi, H. Mitevski, V. Stojkoski, V. and Mojanoski, G. (2019), *Analysis of the financial support for associations and foundations from the Budget of the Republic of the North Macedonia*. Retrieved from: <https://cutt.ly/fkaR6xJ>

²¹ Ibid.

²² Ibid.

²³ Ognenovska S. (2020), *Monitoring Matrix on Enabling Environment for Civil Society Development*, Skopje: Macedonian Center for International Cooperation.

²⁴ *Law on Associations and Foundations* ("Official Gazette of the Republic of Macedonia", No. 52/2010, 135/2011 and 55/2016)

There are legal acts that provide for certain measures for accountability, monitoring and evaluation. According to the Budget Law²⁵, every expenditure and transfer from the budget should be based on reliable accounting documentation. The basis for the need to report on civil society organizations is given in the Law on Associations and Foundations, according to which the financial report is submitted to the relevant state institution when receiving funds from the Budget.

Finally, different legal acts provide an obligation for reporting within one month of project completion: Law on Environment²⁶, Law on Culture²⁷, Law on Disability organizations²⁸, Law on Sports²⁹, Code³⁰ and in the Rulebook of Agency of Youth and Sports.³¹ The evaluation of the effects of the activities carried out with funds allocated from the Budget is prescribed by Code, which states that each institution should evaluate the use of funds and the achieved results (based on the submitted reports) and accordingly give recommendations.

IV. MANAGEMENT AND CAPACITY FOR IMPLEMENTATION OF YOUTH POLICIES IN NORTH MACEDONIA

The main decision – making processes regarding youth policy is being made by the Government of the Republic of North Macedonia. The Agency of Youth and Sport (AYS) is a governmental entity designated to work on youth related issues. The Agency should lead any youth policy process in the country and should coordinate other institutions' actions and inputs related to youth. In practice, the Agency is struggling to maintain coordination of all youth policy activities, since the activities are undertaken by ministries which have bigger capacity and independence in their decision-making processes. The decision-making process on youth policies includes other institutions / ministries such as: Ministry of Education and Science, Ministry of Labor and Social Policy, Employment Service Agency, Education Development Bureau, National Agency for European Educational Programmes and Mobility, Local Self-Government units etc. Up until now there is no universal or comprehensive way of coordination of the work of all institutions that create and implement youth policies.

At local level, each local self-government unit is responsible for decision-making. The decision-making is based on the existence of Local Youth Strategies in municipalities where they are adopted. Local Youth Councils are an advisory body within the municipalities and they are integrated in the local self-government units. The initiative for establishment of Local Youth Councils came as recommendation by the Government to the municipalities in 2009. Total 63 out of 81 municipalities have established Local Youth Councils. However, majority of them are inactive, without budget and without real power to influence the decision-making processes on local level. It is expected that the Local Youth Councils will be more specifically

²⁵ *Law on budgets* („Official Gazette of the Republic of Macedonia“, No. 64/2005; 4/2008; 103/2008; 156/2009; 95/2010; 180/2011; 171/2012; 192/2015 and 167/2016, and “Official Gazette of the Republic of North Macedonia”, No. 151/2021).

²⁶ *Law on Environment* ("Official Gazette of the Republic of North Macedonia", No. 53/05; 81/05; 24/07; 159/08; 83/09; 48/10; 124/10; 51/11; 123 / 12; 93/13; 187/13; 42/14; 44/15; 129/15; 192/15; 39/16 and 99/18).

²⁷ *Law on Culture* ("Official Gazette of the Republic of North Macedonia", No. 31/98; 49/03; 82/05; 24/07; 116/10; 47/11; 51/11; 136/12; 23 / 13; 187/13; 44/14; 61/15; 154/15; 39/16 and 11/18).

²⁸ *Law on Disability Organizations* ("Official Gazette of the Republic of North Macedonia", No. 150/2015, 27/2016, 59/2012, 23/2013 and 89/2008).

²⁹ *Law on Sports* ("Official Gazette of the Republic of North Macedonia", No. 29/02, 66/04, 81/08, 18/11, 51/11, 64/12, 148/13, 187/13, 42 / 14, 138/14, 177/14, 72/15, 153/15, 6/16, 55/16, 61/16, 106/16 and 190/16).

³⁰ *Code of Good Practices for Financial Support of Associations and Foundations*, 2019 ("Official Gazette of the Republic of North Macedonia", No. 130/07)

³¹ Agency for Youth and Sports (2019), *Rulebook of the Agency for Youth and Sports for determining the procedure and determining criteria for allocating funds to support youth projects*, Skopje.

regulated with the Law on Youth, which is still in a process of being adopted. According to recently adopted Law on Youth Participation and Youth Policies, the municipalities, the municipalities in the city of Skopje and the city of Skopje should establish Local Youth Council within their Statutes.

Structured Dialogue is one of the most comprehensive and useful European practices for dialogue between young people and decision-makers on issues of their concern as well as for increasing the cooperation between young people and decision makers. In first half of 2018 National Youth Council of Macedonia held several consultation meetings with youth and representatives of youth organizations as part of the VI Cycle of Structured Dialog of the European Union. The main aim was to introduce and promote the process of structured dialogue as very efficient tool for dialogue between young people and decision-makers. Unfortunately, in Republic of North Macedonia there is still no national working group for Structured Dialogue and there is no publicly available information whether and in what extent the young people in North Macedonia use this mechanism.

1. Inter-sectoral cooperation for implementation of youth policies on national level (Review of the work of the Agency of youth and sport in cooperation with different actors)

In September 2017, the Parliament of the Republic of North Macedonia has established Club on Youth Affairs and Policies, based on the trend of the European Parliament and countries' parliaments. The Club on Youth Affairs and Policies is informal body within the Parliament, composed of members of all parliamentary parties aiming to accomplish the interests of youth in the country. It is established in collaboration with different youth organizations, informal youth groups and youth political wings, not in a structured way, but on ad-hoc basis.

According to the Law on Youth Participation and Youth Policies, which was adopted at the beginning of 2020, the government should form National Advisory Body for Youth Policy as a body for cooperation between youth representatives and representatives of state administration bodies that has an advisory and supervisory role in the implementation of youth policies and activities for youth. Such a body has been established on 5th August 2021 and its members have been only announced on the Facebook fan page of the Agency of youth and sport.

There are no institutionalized mechanisms of cooperation with the research community in North Macedonia. No specific Youth Research Center or Youth Institute is funded by the State. Usually, the cooperation between research institution/academic community and the policy making processes is on ad-hoc basis. For example, the latest survey of the Youth Trends in North Macedonia dates back to 2014 and was ordered by the Agency of Youth and Sport. On the other hand, most of the relevant data for youth policies come from the non-governmental organizations throughout funding from different foreign donors.

The cooperation between the Agency for Youth and Sports and other institutions during the period 2014-2016 has been established on unsatisfactory level, there were few joint projects and there is no proper documentation for the activities, shows the research "Monitoring and improving of the work of the Agency for Youth and Sports" published by Youth Educational forum.³²

The Agency, according to the research, had constant cooperation only with the Ministry of Education and Science and some cooperation with Ministry of Information Society and Administration, Employment Agency of the Republic of North Macedonia and the Ministry of Culture.

³² Kosturanova, D. (2018), *Monitoring and improving the work of the Agency of Youth and Sports*, Skopje: Youth Educational Forum. Retrieved from: <https://issuu.com/youtheducationalforum/docs/analiza-monitoring-nams?fbclid=IwAR1rYi15p837gDjNbELsRpQHbdKzbFqhpSD3bMw6VNCtj1TaS78BRViwAUK>

The cooperation, as stated in the research from YEF, with the youth organizations was especially weak. In recent years, the agency has acted as a segregator towards youth organizations and cooperated with only a few of them. From 2014 to 2016, the Agency had signed only 11 memorandums of cooperation with six organizations, which is a small number for a period of three years. The Agency's attitude towards youth and the general public has contributed to being perceived as a "sports agency" that excludes young people from its activities.

The primary goal of the Agency is to take care of the status of young people, to encourage their organization, to undertake activities that would prevent brain-drain, to follow sports and sports-recreational activities, etc. Within the scope of its competence is to delegate two representatives to the Regional Youth Cooperation Office (RYCO). However, if the projected budget items are followed, the emphasis for funding for many years has been on sports and sports activities, and an insignificant percentage of youth policies.

For six years, from 2015 to 2020, the Agency had approximately available 50 million euros from the state budget, which did not include those collected on other grounds. The amounts varied from year to year, but for 2020, the government has projected the highest budget ever, approximately 10 million euros. However, with the cut of money due to the Covid-19 pandemic, the Agency did not receive the planned budget. In fact, most of the budget was spent on sports projects, i.e., 80%, 15% were used for international programs and only 5% were allocated for young people. This manner of budget allocation did not differ much from the past years.

The revenues received by the Agency are also directed to sports. Namely, the organizers of games of chance in the betting shops and in the clubs with slot machines pay a special fee for financing the sport every month. The amounts vary, but in 2019, that item exceeded 59 million denars. Data from the Annual Financial Report for 2019 show that one third of the Agency's budget was spent on construction of sports facilities. The Agency for Youth and Sports - Youth Sector does not submit a program with established priorities to the Government of the Republic of North Macedonia. The priorities are set out in the National Youth Strategy. For 2019, the total budget of 463 - transfer to non-governmental organizations, program 3, sub-program 30, is 4,797,000.00 denars (77,516.00 EUR).

2. Management of youth policies on local level (local strategies for youth)

The aim of the local youth policy is to improve the social position of the youth in the local community, as well as to set measures to be implemented by local institutions and municipalities. The policy is based on current state in the community and it should define the goals and aims in order to meet the needs of young people. After being adopted, youth policy becomes a practical basis for future actions the democratic and political system in relation to youth as an inexhaustible and important resource in social flows.

Local youth policies, unlike national ones, can be more direct in addressing the needs of young people in a particular municipality. It is extremely important that the involvement of young people is secured from the very beginning of the process, that is, from the initiation, planning, preparation, implementation, monitoring of youth policy, as well as in policy evaluation.

Local Youth Council is a body of local self-government composed of young people, representatives of various forms of organization in the Municipality, which has an advisory and representative role for issues of youth interest in local self-government. The local youth council has its own president and vice-president, who represent the Council in the Municipality and are responsible for maintaining communication with the youth officer of the local self-government. The Law on Youth Participation and Youth Policies for the first-time regulates and guarantees local youth organization and participation. The legal provisions regulating this question are a result of the gained experience with the work of local youth councils, as well as

lessons learned, research and observations in this field and through discussions between involved stakeholders.

Local youth participation is defined in several articles of the mentioned law, where Articles 16, 17 and 18 regulate the formation and the work of local youth councils. Each municipality is obliged to establish Local youth council whose aim is to improve the life and the position of the youth. Local Youth Council is formed as a body that is part of the municipality, and for this purpose the municipality itself has to amend the statute by a decision and to establish a Local Youth Council. This decision can be adopted on the basis of Article 16 of the Law on Youth Participation and Youth Policies, as well as on the basis of Article 36 of the Law on Local Self-Government as well as the statutes of the municipalities, which state that municipal councils may decide to create special bodies as advisory bodies to the municipalities.

The Local Youth Council prepares a financial plan for the realization of the annual work program and planned activities. The financial plan together with the annual work program of the Local Youth Council is sent for approval to the Local Assembly of youth, and afterwards the program is submitted to the Municipal council. During the session for adoption of the financial plan, the members of the Municipal council have the right to request additional explanations for certain budget allocations, and the Local Youth Council is obliged to give an appropriate explanation for each estimated cost. The approved budget for the work of the Local Youth Council is part of the municipal budget and should be defined in a separate budget line, i.e. program, in the budget of the Municipality.

With the Law on youth participation and youth policies, the municipalities are obliged to allocate at least 0.1% of the annual funds of the budget for law enforcement. These funds include the running costs for of the Local Youth Council and the realization of its annual program.

There is no recent data available about the opening and the functioning of the Youth Local Councils according to the Law on youth participation and youth policies. However, the latest data about the youth participation on local level in three municipalities in Skopje show that the vast majority of young people have never been involved in solving a problem in the municipality: 70.4% (Aerodrom), 79.8% (Gjorce Petrov) and 72% (Karpos). Over half of the respondents were not involved in decision-making at the local level at all: 49.1% (Aerodrom), 63.7% (Gjorce Petrov) and 52.4% (Karpos). There is a huge percentage of young people who have never participated in creating a program or budget for young people within their municipality: 92.3% (Aerodrom), 91.1% (Gjorce Petrov) and 92.9% (Karpos). These are the main findings from the latest research “Needs of young people on local level” that Association of citizens Youth Can has conducted in 2021 (Jovanov, 2021). To conclude, the establishment of local youth councils provides institutional channel for influence and representation, direct involvement of young people in decision-making processes, especially in deciding on youth issues, i.e. issues of which young people are most concerned, as well as developing and building partnerships between youth and local governments.

It is important to mention that a legitimate and functionally operational local youth council can be a stable and powerful partner of the local government in determining the needs, problems and priorities of the youth, but also in the implementation of plans, measures and policies. Young people need support and opportunities to express their views and ideas, and the Local Youth Council can provide that opportunity to young people and influence the local self-government in order to create better and comprehensive youth policies.

In the process of creating a Local Youth Council it is necessary to mobilize young people, youth organizations and other forms of youth association and work on strengthening their social capital and transformation of political culture, to be followed by formal recognition and institutional recognition by the local authorities, but also joint work for the promotion of the

youth policies at the local level, development of youth activism and youth participation in the processes of decision making.

V. CONCLUSIONS

The legal and institutional architecture of youth policy is generally aligned with the international and European frameworks, according to the research. However, additional effort will be required to fully execute the solutions outlined in the legal acts and strategic documents.

The year 2019 was highlighted by a number of favorable improvements in the area of governmental support for citizen organizations. For the first time, high-level commitments were made to alter the present state finance mechanism. Despite the government's stated willingness to alter the system of public funding for CSOs, progress was slow. State funding is still a relatively unknown source of revenue for NGOs, and it is only available to a limited number of organizations. Then, financing from the Government's General Secretariat for Civil Society Organizations is still modest. The system of public funding for CSOs needs to be reformed immediately.

Finally, yet importantly, the management of youth policy should be improved, particularly at the local level. The capacities for implementation of youth policies, also, need further enhancement. In order to create sustainable and consistent youth policies, we underline the need of enhancing the civic sector's participation in the legislative process and the design of youth policies.

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