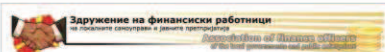




# RESEARCH ON THE FINANCIAL AND NON-FINANCIAL SUPPORT OF CIVIL SOCIETY ORGANIZATIONS BY THE LOCAL AUTHORITIES

Veles, 2019





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## INTRODUCTION

In the last two decades, the role of civil society organizations in the process of development of the democratic community has significantly increased. The terms "civil society" and "civil society organizations", although subject to many debates, are nevertheless most often used to define and explain the civil sector. Other terms used for defining the civil sector are: non-profit organizations, NGOs (Non-Governmental Organizations), the third sector, the voluntary sector, etc.<sup>1</sup> The Centre for Civil Society at John Hopkins University defines the civil society organizations as: "Every organization, regardless whether it is formal or informal, which is not part of the governmental structures, which does not distribute profit to its governing bodies, which is self-governing and where membership is a question of free choice, is a civil organization."<sup>2</sup>

The civil sector since 1991 with the proclamation of the independence of the country until today has undergone significant changes in the development process. The transition of the country from socialism to democracy also marked the new forms of organizing the citizens in non-governmental organizations. In 1990, there were 4.203 civil society organizations registered in the state, and in 2010, before the adoption of the new Law on Associations and Foundations,<sup>3</sup> 11.326 organizations were registered. In 2010, with the enactment of the Law on Associations and Foundations all organizations were required to undergo a process of re-registration, and therefore, the number of registered civil society organizations significantly decreased. Namely, only for a year and a half after the adoption of the Law, 4.650 organizations in the state completed the process of re-registration. This number of re-registered organizations, or associations and foundations, is a visible indicator that in the entire state there are very few active civil society organizations or organizations which are financially viable, equipped with personnel and operatively strong in their work. Unfortunately, there is no precise information on the number of registered and the number of active civil society organizations.

The role of the civil society organizations is to improve the level of democracy and the quality of life at local and national level. The successful achievement of this mission by the civil sector largely depends on the support and partnership they receive from the local authorities. The realization of the project titled "Civil society organizations in the Service of Local Democracy" was in this direction aiming to increase the contribution of the civil sector in the creation of policies locally. Through the promotion of interpersonal cooperation, the two parties have been making an effort to strengthen the role of the civil society organizations especially in the process of accession to the EU. The three key stakeholders identified to be involved in the project are: 1) civil society organizations, 2) municipalities, and 3) regional development centers.

The most important strengths and weaknesses identified for the civil sector are as follows:

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<sup>1</sup>Dorota I Pietrzyk, *Civil Society – Conceptual History from Hobbes to Marx*; Marie Curie Working Papers – No 1 (2001), AdranGwleidyddiaethRyngwladol The Department of International Politics, PrifysgolCymruAberystwyth University of WalesAberystwyth, 2001.

<sup>2</sup>Statement of the Sixteenth Annual Johns Hopkins International Fellows in Philanthropy Conference Nairobi, Kenya.

<sup>3</sup>Law on Associations and Foundations, Official Gazette no. 52, Friday 16 April, 2010 <http://www.slvesnik.com.mk/Issues/623772ADC92FEE42A1DB496E1E190648.pdf>

**Table 1: Strengths and weaknesses of the civil sector**

<b>Strengths of the civil sector</b>	<b>Weaknesses of the civil sector</b>
The civil society contributes to the empowerment of citizens.	Poverty eradication has a low priority, and activities are mainly ad hoc.
The civil society is the most active in the field of human rights.	Insufficient activity in relation to the national budget.
The civil society is the most active in the field of human rights.	Little participation of the citizens in the civil society.
High degree of networking, communication and cooperation between civil society organizations.	Organizations do not pay enough attention to their relations with members, citizens and other stakeholders.
Corruption in the civil society is rare.	Corruption and the “captured civil society” are a cause for fear.
The civil society has the capacity to collect financial funds from various sources.	Public confidence is low.
More opportunities for practicing freedom of association.	
Integration processes in the European Union (EU) offer a positive potential for change.	

The project consists of 5 working packages and the framework of the Building Policy and Advocacy Package contains in-depth analysis of the financial and non-financial support of the local government to the civil sector, along with the identification of key practices of cooperation between both parties. This research should provide an answer to several key issues such as:

- What are the most common practices of support from local authorities to civil society organizations?
- Does the financial support occur in a transparent manner?
- Are priorities in line with the main needs and interests of citizens?
- Is financial support dominantly for public activities and general benefits?

In addition to answering the aforementioned questions, the main objective of the research was to eventually give useful and applicable recommendations for the development of a methodology and transparency for financial and non-financial support from local authorities to civil society organizations.

## EXECUTIVE SUMMARY

This research included all 81 municipalities. The data were collected in several ways, i.e. through an online questionnaire sent to all municipalities, a request for access to public information also submitted to all municipalities, and interviews conducted in 30 municipalities. The response rate of questionnaires and requests was slightly above 50%, i.e. 53%. From the conducted research it can be concluded that:

- ✓ Municipalities mainly finance civil society organizations with legal status of associations of citizens and sports clubs. Hence, the activities dominantly supported financially by the local government units are those in the fields of arts and sports, social activities, education, volunteer and humanitarian activities.
- ✓ Almost 2/3 of the municipalities have not identified the priority areas for granting funds. Observed by planning regions, most of the municipalities in the Southwest region have not identified the priority areas for financial support.
- ✓ A little over 1/2 of the municipalities announce public calls for granting funds by municipalities. Observed by planning regions, the Southwest, Skopje and Southeast regions comprise of with the largest number of municipalities that do not announce public calls for granting funds to support the civil sector.
- ✓ The announcement of public calls is usually done through the municipality's website, local internet portals and local television channels and radio stations.
- ✓ A relatively large number or almost 2/3 of the municipalities stated that they have a clear structure for submitting a project proposal. Observed by planning regions, the municipalities of the Southwest and the Polog region do not have a structure for submitting project proposals.
- ✓ The majority of municipalities stated that they do not have any clear criteria for evaluating project proposals and that the same or the scoring system for the project proposals in most of the municipalities is not publicly announced.
- ✓ Half of the municipalities or close to 50% stated that they themselves make the final decision as to which projects will be financially supported by the municipality.
- ✓ More than half of the surveyed municipalities clearly indicated that they have not publicly announced projects that were financially supported by the municipality.
- ✓ The largest number of municipalities or over 80% indicated that they require civil society organizations to submit a report on the realized project activities financially supported by the municipality.
- ✓ A bit over half of the municipalities reported that they have been preparing an annual report on the financial resources allocated to civil society organizations and that they have monitored the realization of the project activities. Observed by planning regions, most of the municipalities from the Southwest, Polog and Skopje region have not had such practices.
- ✓ More than half of the municipalities reported that they do not have a separate sector for cooperation with civil society organizations, and that municipalities mostly have a responsible person for this kind of cooperation that is part of another sector, mostly within the LED (local economic development) sector, sector for legal affairs, the public sector and other sectors.
- ✓ The majority or over 80% of the municipalities think that projects implemented by civil society organizations provide wider benefits to citizens and society. However, the same percentage of municipalities stated that they have not been measuring the effects of the realized project activities by civil society organizations.
- ✓ Municipalities consider that the financial support to civil society organizations matches in scope and amount, while civil society organizations consider that financial support is not at the appropriate level, neither in scope nor in amount.
- ✓ The larger number of municipalities considers that cooperation with civil society organizations has been promoted in the last 5 years, while most civil society organizations consider that such cooperation has not changed significantly in the last 5 years.
- ✓ The municipalities reported that for the last 5 years they have promoted the non-financial (in kind) support for the civil society organizations. However, some of them suggest that this type of support is rarely required of them. Most of the civil society organizations have the same attitude, noting that they really request this kind of support less often.

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- ✓ The cooperation of municipalities with the civil sector on projects financially supported by the municipalities is greater than those supported by a foreign donor.
- ✓ The cooperation between municipalities and civil society organizations is greater when implementing public projects rather than on monitoring and following policy projects.
- ✓ There is a general conclusion that in all planning regions there are municipalities that face large deviations between the planned and realized funds for support of civil society organizations. In the majority of municipalities, the planned amount is higher than the realized amount. Observed by planning regions, the smallest deviations exist in Skopje, Pelagonija and the Southeast region.
- ✓ When considering the trends in budgeting and realization of financial resources by individual municipalities, it can be seen that there are deviations in two directions, that is, the planned amount is exceeded when compared to the realized amount, and vice versa. But there are also municipalities that note relatively small discrepancies over the years in the budgeted and realized funds for supporting projects in the civil sector.
- ✓ The poorest realization of planned funds for the civil sector is registered in the Southeast, Southwest, Pelagonija and Polog regions, while significantly higher realization than the previously budgeted/planned funds was registered in the Vardar and the East region.
- ✓ The biggest deviations from the planned funds for civil society organizations were noted in 2016, when the realization was only 62%, as well as in 2015, when the realization of funds for the civil sector was higher by almost 20% of the planned. In the remaining period, each year the realization of funds for civil society organizations was lower in the interval of up to 5% of the planned funds.



## STRATEGIC, REGULATORY AND INSTITUTIONAL FRAMEWORK FOR ALLOCATION OF FINANCIAL FUNDS TO CIVIL SOCIETY ORGANIZATIONS

The civil sector in the 1990s functioned in line with the Law on Association of Citizens in Associations, Social Organizations and Political Organizations established on the territory of SFRY (Official Gazette of SFRY No. 42/90) and the Law on Social Organizations and Citizens Associations (Official Gazette of SRM No. 32/83 and 12/90). On June 25, 1998, (Official Gazette No. 31/98), the new Law on Civil Associations and Foundations entered into force. The procedure for registering associations and foundations, in accordance with this Law, was conducted in the Basic Court, whereby the association/foundation was registered in the register kept by the Basic Court for the territory on which its head office was located, and the Basic Court Skopje I kept a single registry of the registered civil associations and foundations. In 2007, amendments were made to this Law, but only with regard to the procedure for registration of organizations by which the process of registration from the Basic Courts was transferred to the Central Registry. This Law regulated the work of civil society organizations until 2010, when a new Law on Associations and Foundations was adopted (Official Gazette No. 52 dated April 16, 2010). The work of civil society organizations is also conditioned by other laws: the Law on Accounting for Nonprofit Organizations<sup>4</sup>, which regulates the financial operations of organizations; The Law on Lobbying<sup>5</sup>; the Law on Prevention of Money Laundering and Other Proceeds of Crime and Financing of Terrorism<sup>6</sup>.

Furthermore, the Law on Associations and Foundations<sup>7</sup> regulates the manner, conditions and procedure for establishment, registration and termination of associations, foundations, unions, organizational forms of foreign organizations, the property they dispose of, supervision, status changes and status of the organizations of public interest. According to the Law, "organization" is any association, foundation, union, as well as any organizational form of a foreign organization, as well as other forms of association, registered in accordance with the provisions of this law.<sup>8</sup>

The registration of organizations is defined in Articles 40 to 47. The Central Registry is the institution which in line with this Law is in charge of the process of registration and re-registration of associations and foundations in the country. The funds for the work of the associations and foundations are obtained through donations, membership fees, founding deposits, gifts, legacies, revenues from services charged by the organization, income from investments, dividends, interest and other revenues stipulated in the statute of the organization, in accordance with the laws. Funding of organizations is defined in Articles 48 to 55. The budgets of state institutions and municipalities, as well as the City of Skopje, are listed in the Law as a separate funding source. Liability for damage that may arise from the work of the organization shall be exercised by all members, unless a member is exempted from the work of the organization in separate minutes. The notification of the work of the organization, according to this Law, foresees for each organization by April 30, at the latest, to publish its annual financial statements for the previous year accordingly. Failure to comply with this obligation shall be sanctioned with misdemeanor fines. The termination and the prohibition of the organization to operate are defined in detail in Articles 63 to 72. The last article provides for the organization's deletion from the Registry, whereby the organization ceases to exist as a legal entity. Articles 56 to 58 define the supervision of the work of the organization. The supervisory body of the organization is a non-mandatory body, and the Ministry of Justice is obliged by this Law to supervise the provisions of this Law. Articles 59 to 62 determine the status changes of the organization (acquisition, merging, division of the organization)<sup>9</sup>.

In line with the report of the Macedonian Center for International Cooperation (MCIC) on the implementation of the Strategy for cooperation of the Government with the civil sector within the period

<sup>4</sup>Law on Accounting for Non-profit Organizations, Official Gazette no. 24, 2003, [https://www.finance.gov.mk/files/u11/zakon\\_za\\_smetkovodstvo\\_za\\_neprofitni.pdf](https://www.finance.gov.mk/files/u11/zakon_za_smetkovodstvo_za_neprofitni.pdf)

<sup>5</sup>Law on Lobbying, Official Gazette no. 106 of 27.08.2008 [http://zeleni.org.mk/uploads/media/Zakon\\_za\\_Lobiranje.pdf](http://zeleni.org.mk/uploads/media/Zakon_za_Lobiranje.pdf)

<sup>6</sup>Law on Prevention of Money Laundering and Other Proceeds of Crime and Financing of Terrorism, Official Gazette no. 130/ 2014, 192/ 2015 and 27/2016, <http://ufr.gov.mk/files/docs/zakon.pdf>

<sup>7</sup>Law on Associations and Foundations, Official Gazette no. 52, Friday 16 April, 2010 <http://www.slvesnik.com.mk/issues/623772ADC92FEE42A1DB496E1E190648.pdf>

<sup>8</sup>Fiscal decentralization for better regional development of the civil society, Center for Economic Analyzes - CEA, 2017

<sup>9</sup>Ognenovska, S. (2015) Public Policy Document: Report on the Implementation of the Strategy for Government Cooperation with the Civil Sector for the period June 2012 - December 2014

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June 2012 - December 2014: "The new Law on Associations and Foundations was adopted in 2010 and since then, the need for continuous monitoring of the Law was imposed as it became to be the most essential Law which directly further elaborates the right to free association. Although envisaged in the Strategy, activities for monitoring the implementation of the Law Associations and Foundations have not yet been undertaken and an analysis of the needs for its improvement by the Ministry of Justice has not still been prepared.<sup>10</sup>"

Some of the more significant advantages of the new Law on Associations and Foundations are the following:

- 1) The Law distinguishes between associations and other forms of association, such as political parties, trade unions, chambers, etc.
- 2) The Law provides for tax and customs exemptions for associations and foundations.
- 3) The Law defines the principles of functioning of associations and organizations (transparency, publicity, non-profitability, independence, non-partisan activities).
- 4) The Law for the first time enables founders of associations to be legal entities, foreign natural persons and legal entities and juveniles.
- 5) The Law defines a non-profitability provision. That is, associations and foundations in their operations can generate profits through the provision of services or other kind of gain, but the activity must be closely related to the mission of the organization, the objectives in the statute and the results expected to be achieved.
- 6) The Law provides for the transfer of competencies of the organizations, i.e. public authorization of the organizations to execute competences by a state administrative body, local self-government or other bodies that have public authorizations.
- 7) Partnership between the Government and the civil sector, both nationally and locally.

The most significant weaknesses of the Law on Associations and Foundations that can be emphasized are as follows:

- 1) Many bylaws required for consistent implementation of the Law have not been adopted within the given deadline.
- 2) Although the Law provides for tax and customs exemptions, it is still not in line with other financial laws in the country.

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<sup>10</sup>Ogdenovska, S. (2015) Public Policy Document: Report on the Implementation of the Strategy for Government Cooperation with the Civil Sector for the period June 2012 - December 2014

## METHODOLOGY OF COLLECTING AND ANALYSING DATA

The analysis of the financial and non-financial support of civil society organizations was made on the basis of collecting and analyzing primary and secondary data. Primary data are data that researchers themselves have collected directly from the subjects that underwent the research. Mainly three methods of collecting direct data were used in the preparation of this study: 1) Questionnaires, 2) Request for access to public information and 3) Interviews.

First of all, a questionnaire was sent electronically to all municipalities (81), and the questionnaire was filled in and returned by 43 municipalities from 8 regions, or a response rate of 53%. Data collection took place between May 7 and June 15, 2018. The municipalities covered by the survey have different geographical, demographic and economic characteristics. Of the 43 municipalities included in the questionnaire divided in 8 different regions, 10 come from the Southwest region, while only 1 municipality is located in the Northeast region of the Republic. The East region is represented by 8 municipalities which took an active part in filling in the questionnaire, while the Vardar and Southeast regions are represented with 5 municipalities. The Polog region is represented by 4 municipalities, the Skopje region is represented by 7 municipalities, whereas the Pelagonija region by 3 municipalities. The entire questionnaire is given in the attachment at the end of the study itself.

The questionnaire was submitted to the official e-mail address of each municipality. Most of the questions were aimed at providing data on some key aspects predominantly related to the methodology for allocating funds to civil society organizations, budget planning and civil society participation in budget planning, transparency, as well as identifying forms of non-financial support (in kind) practiced by local authorities in respect of civil society organizations.

In relation to collecting primary data, 30 interviews were conducted. Half of the interviewed interviewees or 15 interviews were conducted with one representative from the municipality in charge of civil society organizations, and the remaining 15 interviews were carried out with one representative from each civil society organization, or a total of 30 interviews. The interviews were conducted in the period from June 15 to July 15, 2018. The average duration of the interviews was from 45 minutes to 1 hour.

The selection of municipalities in which interviews took place was based on the fact that those municipalities did not respond to the questionnaire and the request for access to public information in order to get more information about the situation in these municipalities, but also in municipalities that have significantly good results in order to obtain more detailed information on their good practices. As a result, interviews were conducted in the following municipalities: DemirKapija, Kavadarci, Veles, Centar, Gazi Baba, Radovish, GjorchePetrov, KiselaVoda, Kumanovo, MakedonskaKamenica, Shtip, Chair, ShutoOrizari, SvetiNikole and Arachinovo.

Interviews were structured, that is, a discussion was held with all respondents on a predefined list of questions. The interviewer took notes during the interview, and immediately after the interview, an electronic record was made for each respondent based on the notes. The main topics part of the interviews with the respondents were related to the forms of financial and non-financial support that municipalities grant to civil society organizations, as well as the transparency in giving assistance and the possibility of developing a methodology for allocating funds to civil society organizations. The content of the interviews was analyzed through several basic methods: 1) identification of similarities and differences among the respondents, 2) identification of repetitions or keywords repeated through the interviews, and 3) identification of cause-effect dependencies highlighted by the respondents.

Apart from primary data for conducting the analysis, secondary data were also collected. The secondary data were collected with a request for access to information of public character, and on the basis of Article 4 and Article 12 of the Law on Free Access to Public Information (Official Gazette No. 13/06, No.86/08, No. 6/10, 42/14, No.148/15 and No. 55/16). The request asked for data on all organizations to which funds were allocated (for the period 2013-2017) of item 463 and sub-item 489519, as well as the manner in which funds were allocated and the budgeted and planned amounts by sub-items for the same period. In addition to the data obtained through the request for access to public information, some of the data were collected during visits to the websites of the municipalities.

## ANALYSIS OF THE RESEARCH RESULTS

The first part of the analysis of the research results refers to the data collected through the questionnaire sent to municipalities. Later, the results of the qualitative analysis of the interviews (of municipalities and civil society organizations) are presented, in order to analyze the results of the data collected following the request for access to public information.

### 1. General data for civil society organizations and scope of action

The analysis of the data collected with the questionnaire is descriptive and in relation to its nature it is mainly aimed at describing the situation regarding the financial and non-financial support of the civil society organizations by municipalities. First of all, Table no. 2 presents the distribution of municipalities by planning regions covered by the analysis since they filled in the questionnaire.

Table 2: Which planning region do municipalities belong to?

Planning region	Number of municipalities included in the survey	%
Vardar region	5	12%
East region	8	19%
Southwest region	10	23%
Southeast region	5	12%
Pelagonija region	3	7%
Polog region	4	9%
Northeast region	1	2%
Skopje region	7	16%
Total	43	100%

Of the total of 43 municipalities that filled in the questionnaire, the majority of municipalities come from the Southwest region (total number 10). From the East region, the questionnaire was filled in by 8 municipalities, while the questionnaire from the Skopje region was filled in by 7 municipalities. The Vardar and the Southeast region are represented with 5 municipalities each, while from the Polog region there are 4 municipalities, and from Pelagonija only 3 municipalities. The least or only one municipality completed the questionnaire from the Northeast planning region. The third column of the Table gives the percentage representation of the municipalities in the different planning regions in order to gain a better understanding of the participation of different municipalities in the research.

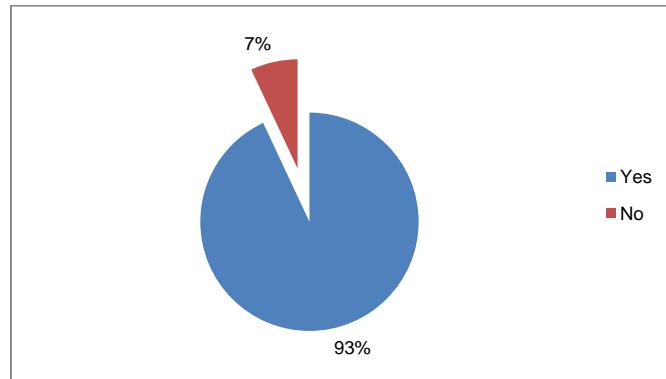
With a response rate of 53% (43 municipalities) to the questionnaire from all planning regions, it can be concluded that according to the characteristics of separate regions, this survey involves enough municipalities to represent individual regions. This sample in its size and comprehensiveness is sufficiently representative and indicative in relation to the subject of the analysis of this study.

The analysis of the answers confirms that the vast majority of municipalities, i.e. 40 of 43 municipalities or 93% of the municipalities grant financial resources to civil society organizations. This ratio shows that in most municipalities there is financial support to civil society organizations, which is certainly one of the most important preconditions for civil society organizations to be able to accomplish their mission in strengthening the democratic processes both locally and at central level. Two municipalities which stated that they are not granting financial resources to civil society organizations come from the Southwest region, whereas one municipality, which also gave a negative response to this question, belongs to the

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Skopje region. Graph no. 1 below shows the results of the answers to the question related to granting financial resources to civil society organizations.

Graph1: Does the municipality allocate funds to civil society organizations?



In addition to the importance of seeing how many municipalities actively allocate financial resources to civil society organizations it is also very important to see how the distribution of funds across different types of civil society organizations is allocated from the aspect of their legal status.

Table 3. Legal status of organizations to which financial resources were allocated in the period 2013-2017

Legal status of organizations	Number of organizations
Citizen associations	38
Sports club	33
Foundation	6
Cultural-artistic association	1
Informal civic initiative or network	4
Professional association	2
Research institute	3
Political party	1

From the results in Table 3 one can conclude that the majority of civil society organizations that received funds in the analyzed period are organizations with legal status, citizen associations and sports clubs. Furthermore, organizations with a status of foundations, research institutes, professional associations, etc. can also be found. However, from Table 3 it can be concluded that the dominant organizations that received financial funds from municipalities have a legal status of sports clubs or citizen associations.

The geographical area where civil society organizations operate and also receive financial support is a very good indicator to assess the scope of these organizations for active operation. In view of the results from Table no. 4, it can be seen that the majority of civil society organizations (33 in total) act on a local or municipal level. Immediately behind, lower in number (10 organizations) are the civil society organizations that act on a city level, on a local community and national level. The results are to some extent expected, because it is quite justified that local authorities are dominantly supporting with finance those civil society organizations that act mainly locally and defend primarily the interests of the citizens from their municipality or the local community. However, it can be said that to a certain extent, municipalities provide financial support to civil society organizations that operate on a national, but also

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regional and international level. Such organizations, which act as such and are recipients of financial resources, mainly belong to the Skopje and the Southwest region.

Table 4. Geographical area of operation of organizations to which funds were allocated in 2013-2017

Geographical area	Number
International (in EU or wider)	2
Regional (Balkan)	3
National	10
Planning region	6
City	10
Local/municipal	33
Local community	10

Below in Table no. 5 the participation of individual civil society organizations by activity type is presented, and the same have been granted financial funds by municipalities. It can easily be seen that the largest number of organizations (total of 30) operate in the field of art and sport, represented by the cultural-artistic associations working within municipal and sports clubs competing at municipal and regional level.

Table 5: Category of activity of organizations granted financial funds for the period 2013-2017

Category of activity of the organization	Number
Communication strengthening activities	5
Voluntary/humanitarian activities	13
Art and sport	30
Social activities	15
Raising civil awareness	11
Education	15
Fire protection	1
Human resources promotion	4
Cultural manifestations	1
Civic activism	14
Research activities	7
Socio-economic development	6

The largest part of the financial support granted from municipal budgets to civil society organizations is aimed at this type of activity. The results of Table no. 4 are in accordance with the results of Table no. 2, where according to the legal status of the civil society organizations that received financial support, the dominant ones were sports, culture and art organizations. Furthermore, the second most important category refers to those civil society organizations that perform social activities, voluntary/humanitarian activities and civic activism. If we analyze the priorities of municipalities, it can be stated that sport is the biggest priority, coming before social and humanitarian activities, and also before education. In addition to Table no. 5, Table no. 6 categorizes civil society organizations according to sectors of action. From the results in Table no. 6 it can be noted that most of the organizations that received funding belong to the sector of culture, children, youth and students and people with special needs.

Results show that organizations having received funding from the municipalities and operating in the sectors of education, science and research, health and health care, the elderly, human rights and the information, communications and media sectors come in smaller numbers. The category "Other" comprises of activities such as: migration, good governance, inter-ethnic relations, international relations and European integration, agro-sector, consumer protection, civil society development.

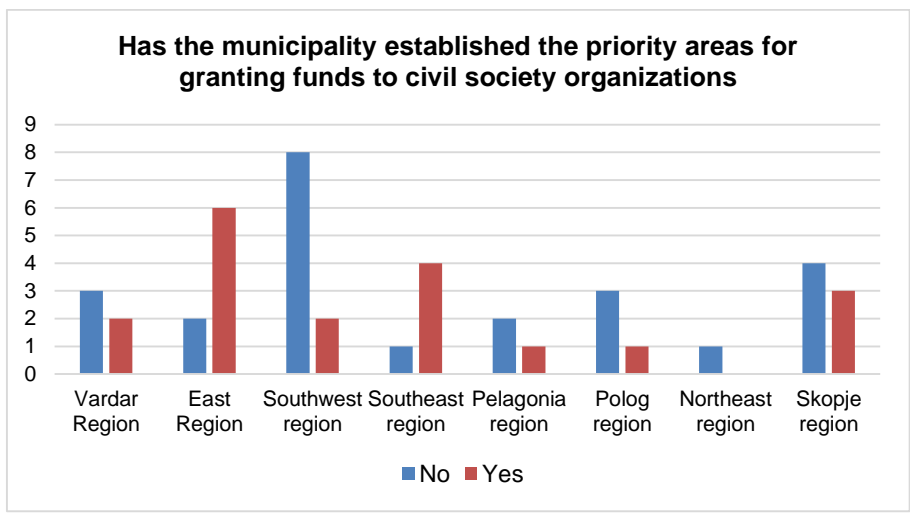
Table 6: Activity sectors of organizations receiving financial funds for the period 2013-2017

Activity sectors of organizations	Number
Children, youth and students	29
Environment and natural resources	11
Culture	31
People with special needs	20
Women and gender issues	12
Information, communication and media	2
Education, science and research	9
Health and healthcare	6
The elderly	8
Human rights	3
Other	7

**2. Granting financial support to civil society organizations**

The analysis of the received replies from municipalities in terms of their practice to determine the priority areas for granting funds to civil society organizations indicates a situation in which more than half of the municipalities have not identified their priority areas for granting funds to civil society organizations. Graph no. 2 presents the cumulative data obtained from municipalities grouped by planning regions, in order to get a representation of the comparative analysis between the separate planning regions.

Graph 2: Has the municipality established the priority areas for granting funds to civil society organizations?



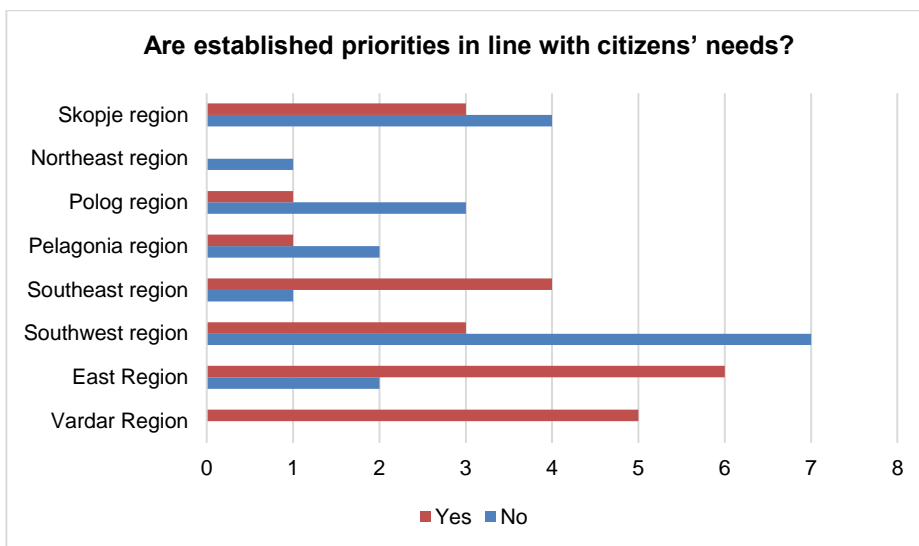
If we consider the results of the graph, it can be noticed that almost two thirds of the municipalities (29 or 67.44%) have not identified their priority areas for allocation, while only one third (14 or 32.66%) reported that they have set the priority areas. Furthermore, at the level of individual regions, it can be stated that in the Southwest region, a total of 8 municipalities have not identified their priority areas for allocation of funds, whereas only two municipalities have defined their own priority areas. On the other hand, 6 municipalities located in the East region replied positively concerning this issue, and only 2 municipalities responded negatively in this region. However, the simplest conclusion that can be derived from Graph no. 3 is that there is a large number (2/3) of the total number of municipalities that gave a negative reply,

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which means that municipalities must increase their capacities for more successful planning and more efficient spending of budget funds related to non-governmental organizations.

Graph no. 3 is a continuation of the previous question related to the identification of priority areas for funding civil society organizations by individual municipalities, and presents the replies of municipalities in terms of whether priorities set are now in line with the needs of the citizens. The results are presented by different planning regions.

Graph 3: Are established priorities in line with citizens' needs?



A total of 26 municipalities (or 60% of the municipalities that filled in the questionnaire) answered affirmatively to the question, i.e. that the priorities identified are in accordance with the needs of the citizens. The remaining 17 municipalities (or 40%) answered negatively on the question. If we look at the results in certain regions, we can notice that all 6 municipalities in the Vardar region and the same number in the East region responded positively, while 7 municipalities in the Southwest region responded negatively to the question posed. The largest proportion of municipalities that responded negatively to the question, seven in total, comes from the Southwest region.

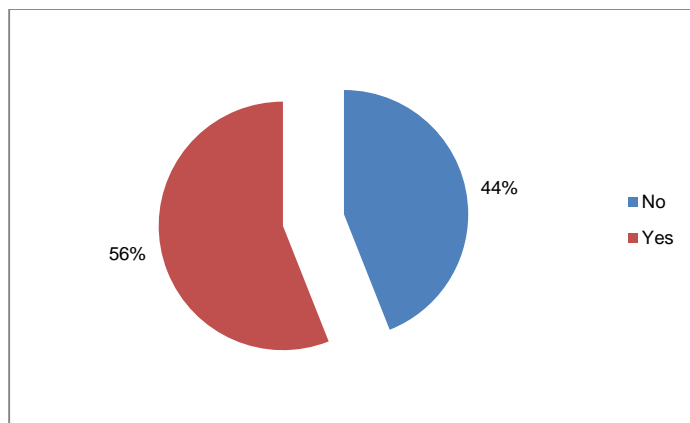
Graph no. 4 presents the results of the question of whether municipalities are issuing public calls for granting funds to civil society organizations.

The graph shows that slightly over half of the municipalities or 56% of them all publish public calls for granting financial resources to civil society organizations. This shows that there is a large number of municipalities that do not allocate funds to civil society organizations on the basis of open competition or public call. This, in turn, casts doubt on whether the best civil society organization in terms of capacity to perform, its previous experience and expertise, has received the funding when this was not granted via a public call.



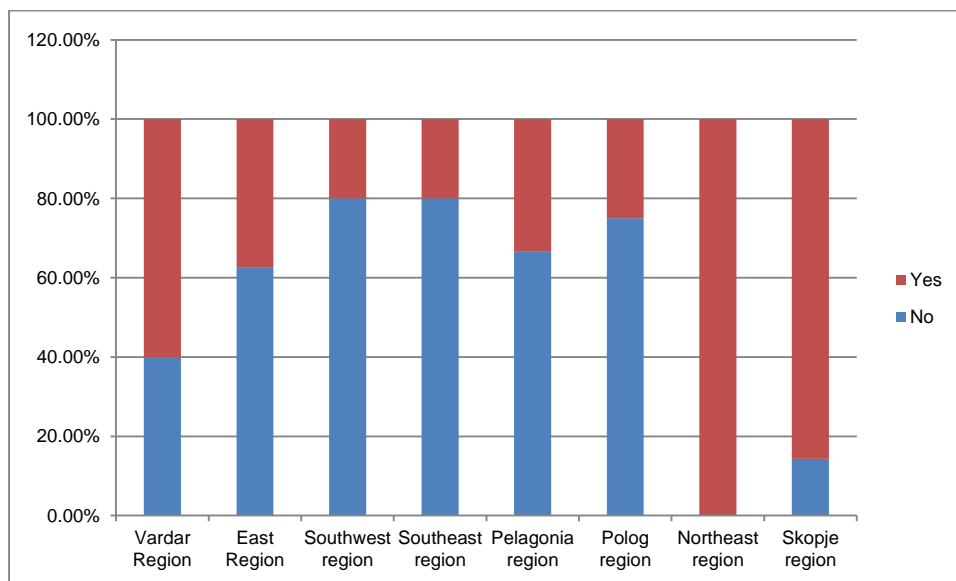
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Graph4: Announcing public calls for granting funds to civil society organizations



Graphno. 5, in turn, shows the distribution of municipalities by individual planning regions according to their practice of granting funds through an open public call.

Graph5: Announcing public calls for granting funds to civil society organizations by planning regions

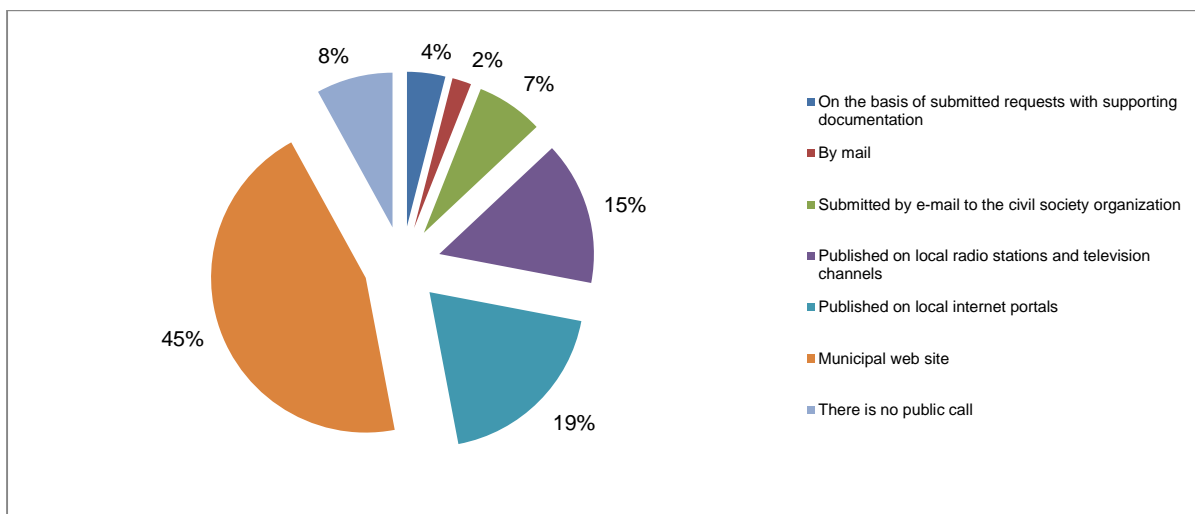


The obtained information indicate that the results in the Southwest region and the Polog region are the worst, with over 70% of municipalities having replied that they have not been publishing public calls for granting funds.

Graph no. 6 shows the procedures in which public calls for granting funds are announced. The graph shows that most of the municipalities (45%) announce the public calls on their website. Furthermore, 19% responded that public calls have been published on local internet portals, while only 15% have used the local radio and television channels as means for announcing public calls.

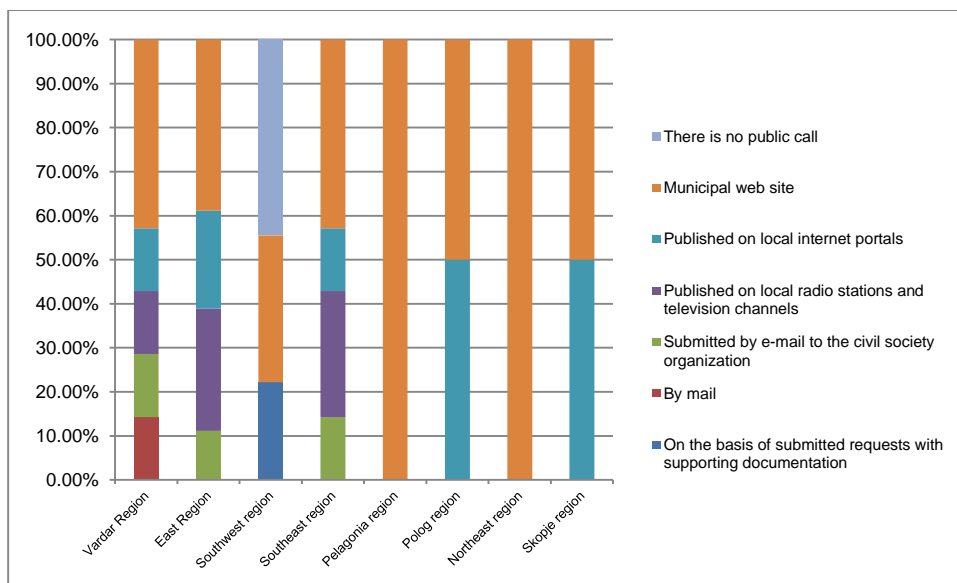
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**Graph 6: Procedure for announcing public calls for granting funds to civil society organizations**



As a quite rare practice, municipalities submitted public calls by e-mail (7%), 4% were informed upon a submitted request with supporting documentation, 2% received public calls by mail, and 8% of the municipalities stated that they have not published a public call at all. Graph no. 7 vividly presents the means for announcing public calls by planning regions.

**Graph 7: Procedure for announcing public calls by planning regions**

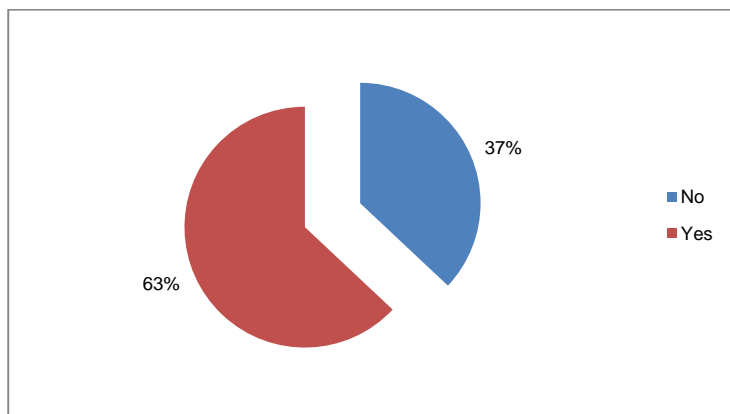


It can easily be observed that only municipalities of the Pelagonija region and the Southeast region (100%) use their website for announcing public calls. All other regions to a considerable extent also use their websites to publish calls, and to a large extent the local Internet portals. Hence, it can be concluded that the websites of the municipalities and the local internet portals appear as the most common ways of announcing public calls. Only in the Southwest planning region, 44% of the municipalities stated that no public call for granting funds to the civil sector has ever been published.

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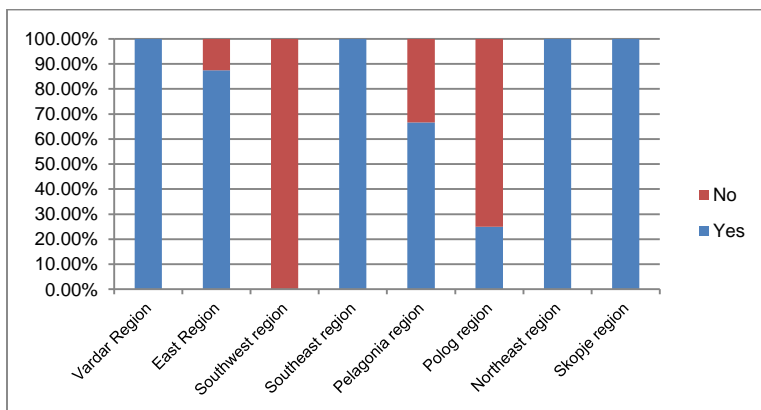
The answers given to the question concerning the existence of a clearly defined structure for submission of project proposals by the civil sector indicate that a relatively larger number of municipalities or 63% reported to have a clear structure or a form for submitting project proposals. However, the number of municipalities that responded negatively to this question is still significant (37%), (Graph no.8).

Graph8: The existence of a structure for submission of the project proposals



Graphno. 9below shows the distribution of responses of municipalities regarding the existence of a structure for submission of projects by individual planning regions.

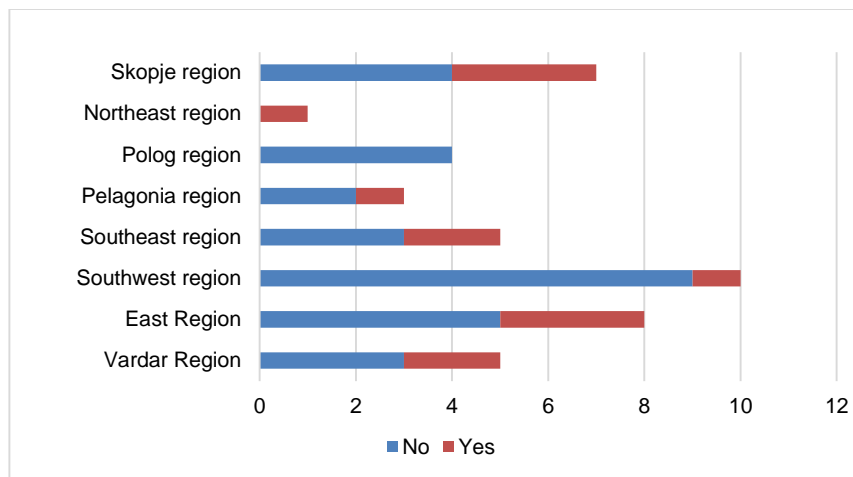
Graph9: The existence of a structure for submission of the project proposals by planning regions



When analyzing the regional structure of the given replies, it can be noted that municipalities from the following four planning regions (Vardar, Southeast, Northeast and Skopje) all responded positively to the question. Only the municipalities in the Southwest region responded (100%) negatively to this question, and second by percentage of negative replies comes the Polog region where over 70% responded negatively to this question. This means that municipalities of the Southwest and the Polog region significantly lag behind municipalities from other regions in formalizing the process of granting funds to civil society organizations.

Graph no. 10 gives information on the possible practices of municipalities to publicly announce the scoring system on the basis of which project proposals are being evaluated. Through the answers to this question we shall make an attempt to find out the level of transparency provided by the municipalities in respect of the method for evaluation of projects.

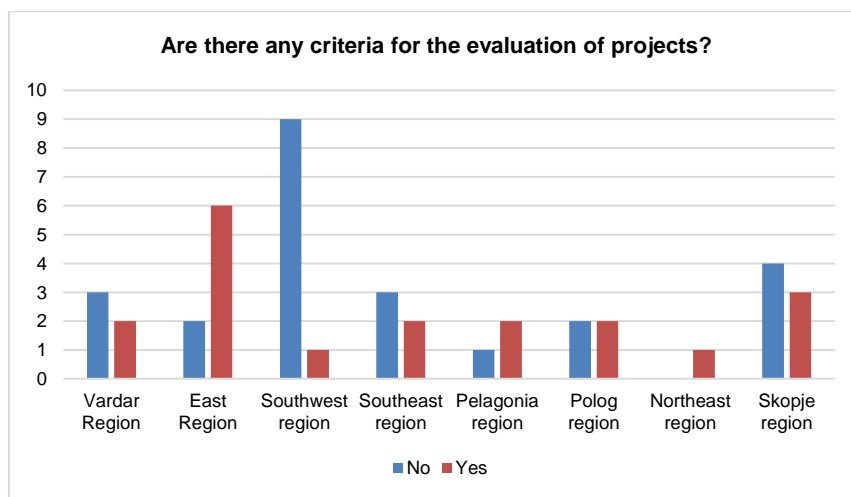
Graph 10: Is the scoring system for evaluation of projects publicly announced?



Observing the results it can be noted that with the exception of the Northeast region, where the only municipality that responded to the questionnaire has announced the project evaluation system, in all other regions there are municipalities that have not published the scoring system for evaluation of projects publicly. Thus, for example, in the Southwest region, which is the region with the largest number of municipalities that answered the questionnaire, only one of the 10 has published a scoring system for evaluating projects. In the Eastern region, out of eight municipalities, only 3 have published a scoring system, and in the Polog region, none of the four municipalities has published a scoring system for evaluating projects. Hence, it is easy to conclude that the level of transparency regarding the scoring system of project proposals in most municipalities is low and an improvement is certainly needed.

In addition to the information on the transparency of the project evaluation criteria, it is very important to know whether municipalities generally have such criteria. Hence, Graph no. 11 shows the replies of municipalities precisely to this question.

Graph 11: Are there any criteria for the evaluation of projects?

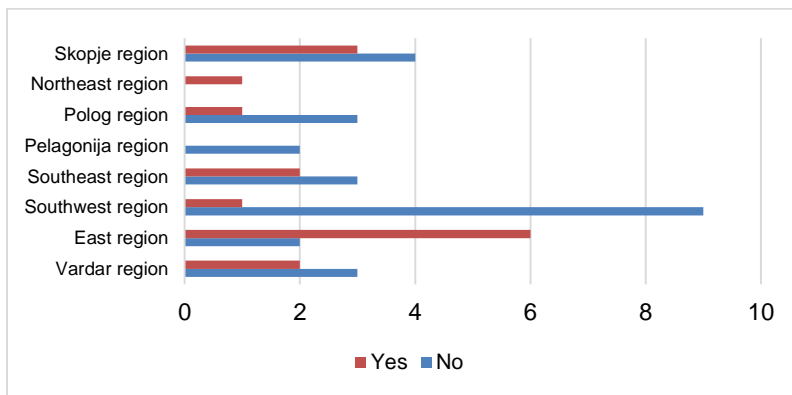


Results show that the majority of municipalities have responded negatively. This means that the municipalities do not publish the criteria for evaluating the submitted projects because most of them have not even defined them. Municipalities in which there are criteria for evaluation of projects mostly come from the East region, the Southeast region, the Pelagonija region and the Northeast region.

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Graph no. 12 presents the results by planning regions regarding the need of municipalities to establish a commission for evaluating the submitted projects.

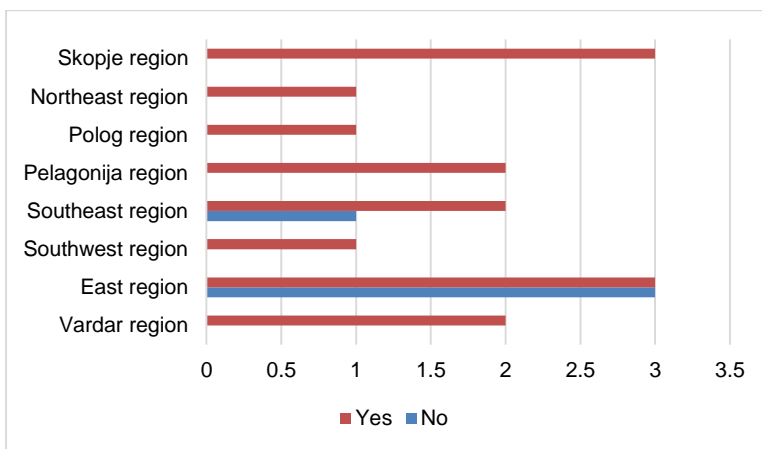
Graph 12: Is the establishment of a commission for project evaluation stipulated?



Most of the municipalities in the East and Northeast region have a formally prescribed obligation to establish a commission for project evaluation. Out of 8 municipalities in the East region, even 6 replied affirmatively on this question. The municipality of StaroNagorichane, which is the only municipality covered in the Northeast region sample, also positively reported on this question. On the other hand, in the Southwest region, a great percentage of 90% of the municipalities, that is, in absolute amount 9 out of 10 municipalities do not have a formal prescribed need for establishing a commission for project evaluation. In the Skopje region, although this share is lower, still the percentage is relatively high or 57%. In the Polog region, this share is 75%, i.e. 3 out of 4 municipalities that come from the Polog region have responded that they do not have a formal prescribed need for establishing a commission for evaluation of the submitted projects.

The results of the responses of municipalities on the basis of the transparency that municipalities provide to civil society organizations for the work of the commission that evaluates the submitted projects are presented in Graph no. 13.

Graph 13: Is the work of the commission public and open to all stakeholders?



In municipalities where there is a stipulated formation of this type of commission, the majority stated that the work of the commission is public and available to all stakeholders. Only in the East and Southeast region, part of the municipalities where this type of commission has been prescribed stated that the work

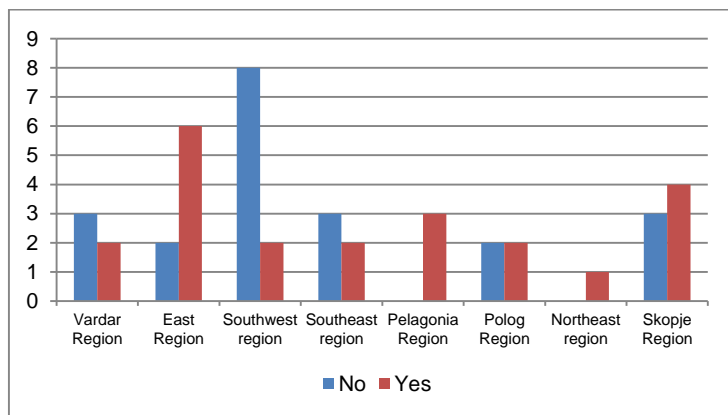
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of the commission is not public and is not open to all stakeholders. This conclusion points to the fact that there is a certain level of transparency and inclusion of all stakeholders, which are directly affected by the activities in the work of municipalities.

Graph no. 14 presents the results related to the place of decision making which project will be financially supported. The answers to this question should provide an overview of whether municipalities are the ones that bring the funding decisions for the projects supported by the budget funds of the municipality.

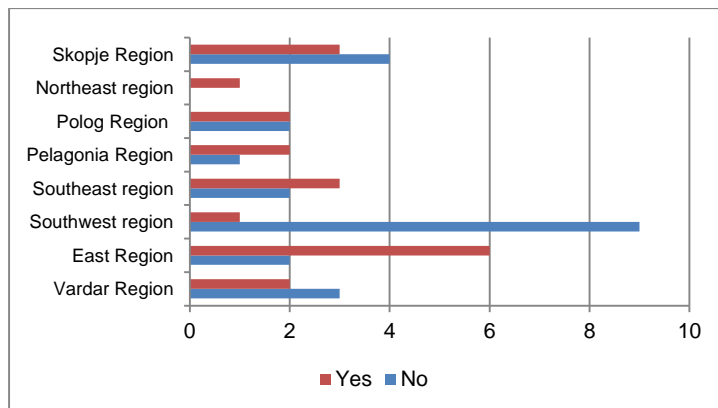
Of the 43 municipalities included in this survey, 21 municipalities negatively responded to this question, while 22 municipalities reported that they are taking the decision to select the project to be funded. Out of 8 municipalities in the East region, 6 municipalities declared that the municipalities are making the decision of selecting the project to be funded. On the other hand, in the Southwest region, out of 10 municipalities, 8 have answered negatively on this question, while only 2 municipalities confirmed that they are taking the decision to select the project to be funded.

Graph 14: Does the municipality make the decision to select the project to be funded?



Graph no. 15 offers an overview of the answers related to the question of public information on selected projects by the municipality. Of the 43 municipalities subject to examination in this survey, 23 municipalities responded negatively on this question, which means they did not use to make public announcement of the selected projects. On the other hand, 20 municipalities replied positively that they give publicly available information on the projects that have been selected.

Graph 15: Does the municipality publicly announce the selected projects?



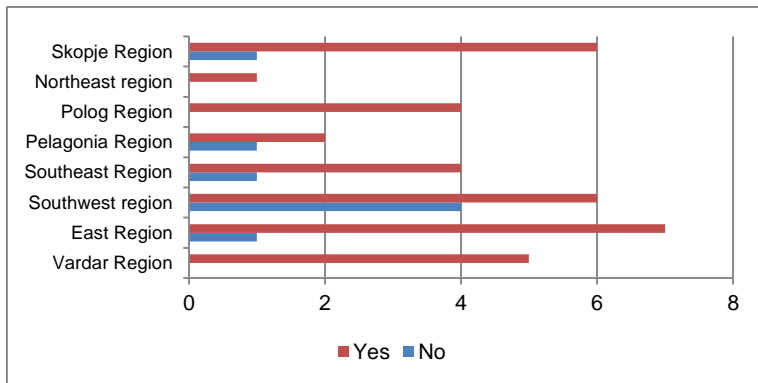
If we consider the responses in different planning regions, the municipalities that come from the East Region in large numbers (75%) practice public announcement of the selected projects. In the Southwest

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region , however, the situation is quite the opposite, where 90% of the municipalities do not publicly announce information about projects that were financially supported by the municipal budget.

Graph no. 16 shows the results regarding the obligations municipalities have on the basis of reporting on the implemented projects from the budget funds of the municipalities.

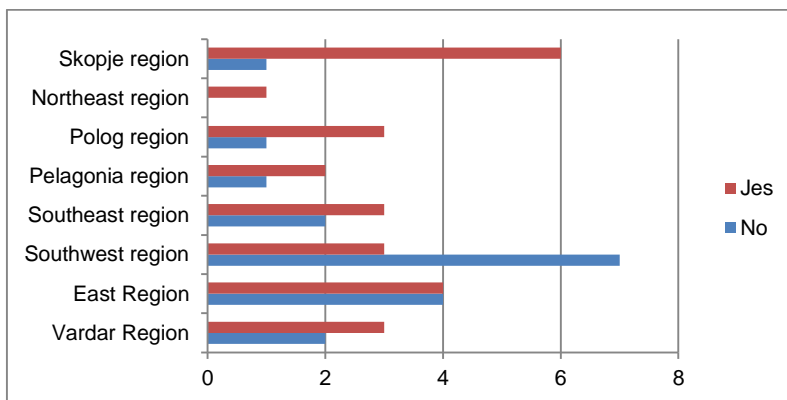
**Graph 16: Do civil society organizations exploiting funds from municipalities should submit a report on the use of funds?**



Of the 43 municipalities covered by the questionnaire, as much as 81%, or in an absolute amount, 35 municipalities stated that they asked civil society organizations to submit a report on the funds granted to them by municipalities. In municipalities that come from the Vardar region, 100% of the municipalities reported that civil society organizations have an obligation to submit a report on the use of allocated funds. The same figure (100%) can be noted in municipalities that come from the Polog region. In the East region, 87.5% of the municipalities obligate civil society organizations to submit a report on the utilization of funds, whereas in the Southwest region this percentage is 60%, which is also the lowest share compared to the other analyzed municipalities in different regions. Regarding municipalities that come from the Skopje region, 6 out of 7 surveyed municipalities reported that civil society organizations are obliged to submit a report on the exploitation of funds. From these results, it can be concluded that the number of municipalities that ask civil society organizations to submit a report on the funds used by them and granted by the municipalities for financing project activities is relatively high.

Graph no. 17 presents the responses of municipalities regarding the monitoring they carry out with reference to the realization of projects by civil society organizations.

**Graph 17: Does the municipality monitor the implementation of the projects it has financed?**

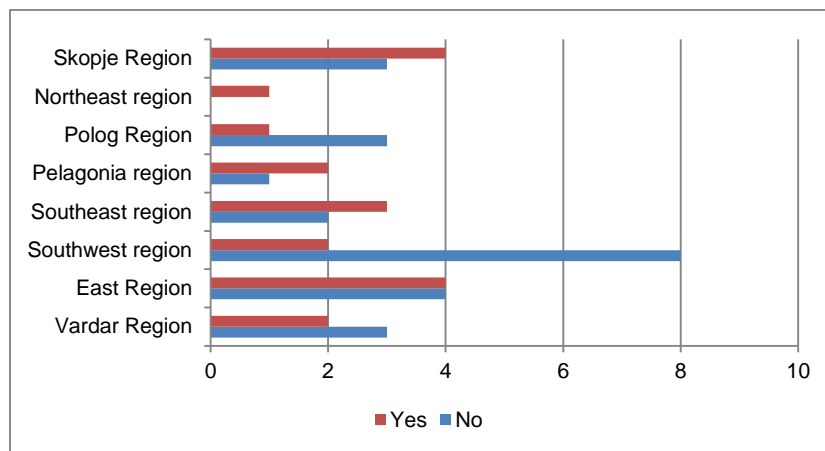


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Furthermore, 25 out of 43 municipalities (58.13%) affirmatively responded on this question noting that they are monitoring civil society organizations during the realization of projects. The other 18 municipalities, or 41.87%, replied negatively on the same question. The largest number of municipalities that monitor the projects implemented by the civil sector are municipalities coming from the Skopje region, where 85% of the municipalities conduct monitoring of the implementation of projects, while on the other hand, a high percentage (70%) of the negative responses come from municipalities in the Southwest region, which stated that they have not been carrying out any monitoring over the realization of projects they financed.

Graph no. 18 shows the results of the practice of municipalities to prepare an annual report on the financial support granted to civil society organizations.

Graph 18: Does the municipality prepare an annual report on the realized support to CSOs?



Namely, out of the total number of surveyed municipalities, 55% reported that they do not submit an annual report on the realized support to civil society organizations, while only 19 municipalities or 45% have prepared such a report. When analyzing the data for the different planning regions, it can be noted that in the East region, half of the surveyed municipalities (or 50%) answered affirmatively to the question posed. In the Southwest region of 10 municipalities, only 2 municipalities have been preparing this kind of report, the remaining 8 municipalities stated that they have not been preparing such reports on the realized support to civil society organizations.

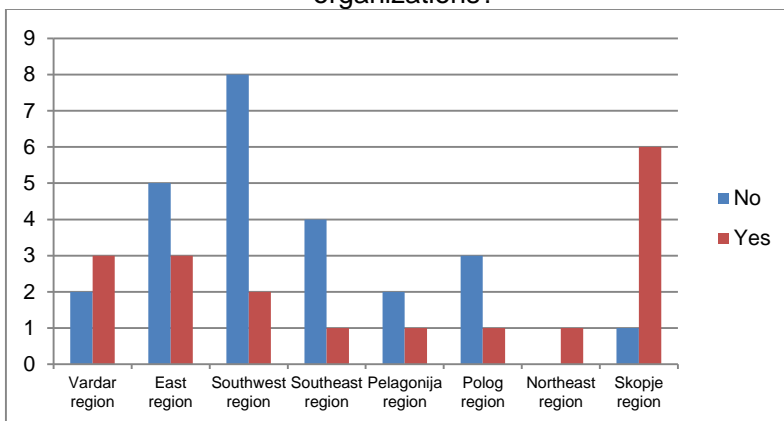
### 3. Inclusion of civil society organizations in the work of Local Government Units

Graph no. 19 presents the results obtained from the examination of municipalities on whether they have a separate organizational unit whose task is to cooperate with civil society organizations. From the graph it can be noticed that in 25 municipalities there is no separate organizational unit in charge of cooperation with civil society organizations. Only 18 municipalities have such an organizational unit. If we analyze the data by individual planning regions, we can conclude that in the municipalities that belong to the Skopje region, even 6 of the 7 municipalities have such an organizational unit. On the other hand, in the Southeast region, out of 5 municipalities only 1 municipality stated that within its organizational structure there is an organizational unit in charge of cooperation with civil society organizations. In the Southwest region, out of a total of 10 municipalities 8 municipalities (or 80%) reported that they do not have a separate organizational unit in charge of such work.



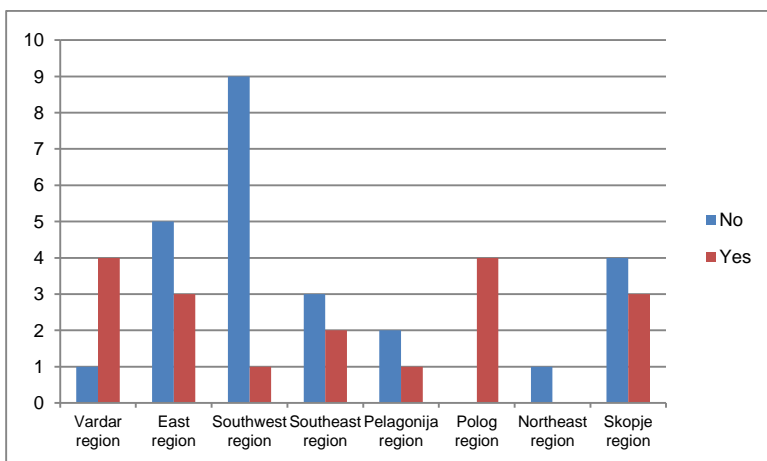
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**Graph19: Is there an organizational unit in the municipality responsible for cooperation with civil society organizations?**



Graph no. 20 presents the results from replies of municipalities regarding the presence or absence of an official person in the municipality, specifically in charge of cooperation with the civil sector. In some ways, this question is a logical continuation of the previous one, in order to see whether municipalities which do not have a separate organizational unit, have at least an official person in charge of cooperation with the civil sector.

**Graph 20: If there is no organizational unit, is there an official person in charge of cooperation and communication with civil society organizations?**

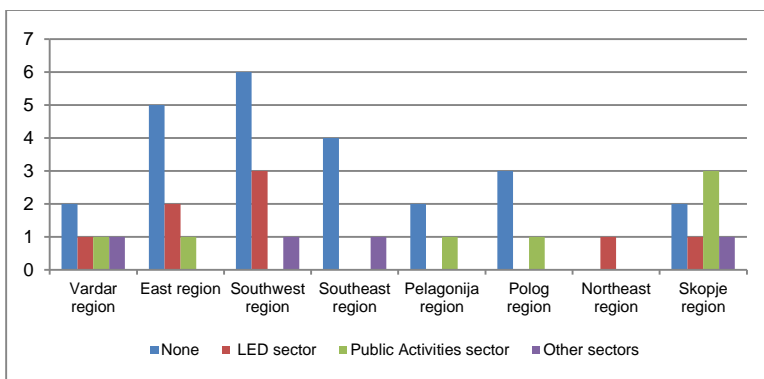


It can be said that in most of the municipalities which do not have a separate unit for cooperation with the civil sector, there is a special person in charge of such activities. Graph no. 20 shows that most of the municipalities in the Polog region have an engaged person in the municipality that is supposed to perform these activities. The lowest number of municipalities that have a responsible person for cooperation with civil society organizations is in the Southwest region. According to the results shown in the graph, only 18 of the surveyed municipalities responded affirmatively on the question related to the existence of a person for contact and cooperation with civil society organizations, whereas 25 of the municipalities said that there is no person in charge of such tasks.

Graph no. 21 shows the results of the responses of municipalities related to the clear identification of the organizational unit in charge of cooperation with the civil sector.

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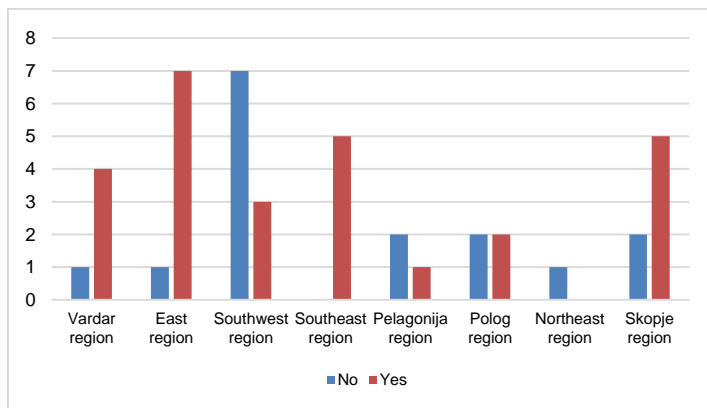
Graph 21: If any, which organizational units in charge of cooperation with civil society organizations?



The results show that in municipalities where there is an organizational unit in charge of cooperation with civil society organizations, this is most often within the LED sector (local economic development), the public activities sector and other sectors (such as the sectors for education, sports, culture and protection, sector for social, health, child and other care). According to the results of the survey, this organizational unit in 8 cases is within the local economic development sector, in 7 cases within the public activities sector, while in 4 cases it is within other sectors.

Graph no. 22 outlines the results of the survey regarding the active involvement of civil society organizations in the preparation of the part of the municipal budget intended precisely for the support of the civil sector.

Graph 22: Are civil society organizations involved in the preparation of the municipal budget in the part for their support?



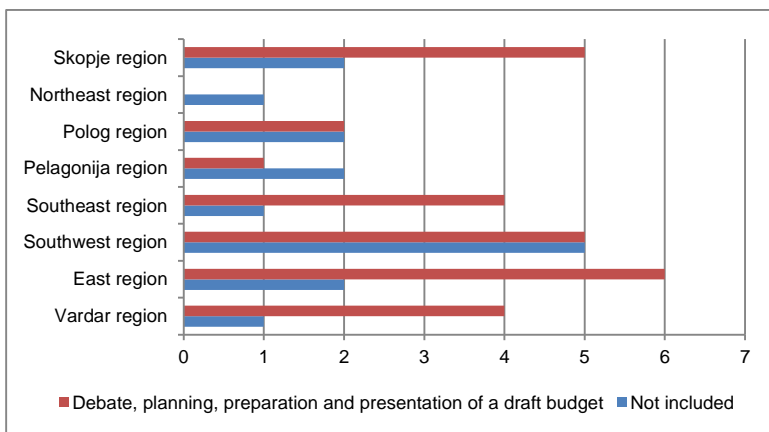
In respect of the results in the part describing the level of involvement of civil society organizations in the preparation of the municipal budget, the same are given in Graph no. 23. From this Graph, it can be concluded that the largest involvement of civil society organizations in the preparation of the budget is in the East, Southeast and the Skopje region, respectively. Only the municipalities located in the Southwest region in general note less involvement of civil society organizations in their work. Of the 10 municipalities in this region, 7 reported that civil society organizations are not involved in the budget preparation, in the part referring to the support of civil society organizations. However, three municipalities in this region have actually included civil society organizations in the preparation of the budget.

Graph no. 23 presents the results regarding the phase i.e. the part in which civil society organizations are most actively involved by municipalities when creating the budget for the support of the civil sector. If

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the results are viewed in aggregate form, it can be noted that 70% of municipalities include civil society organizations in the phase of budget planning and drafting and presentation of the draft budget, but on the other hand, 30% of the municipalities clearly stated that they do not include civil society organizations in the preparation of the budget.

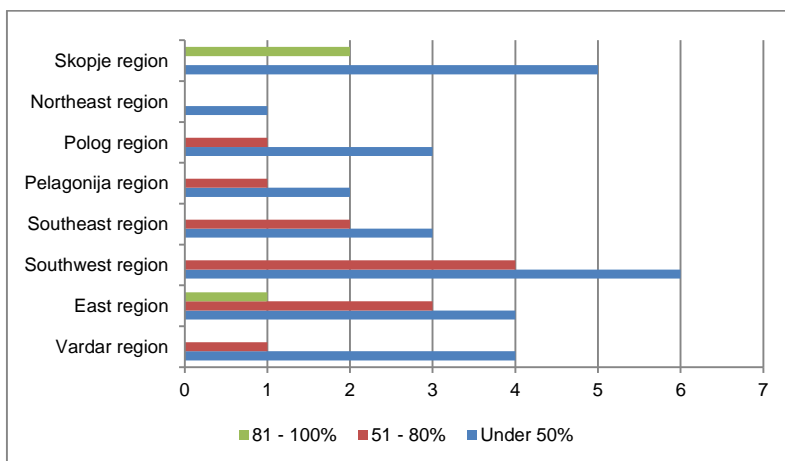
Graph 23: At what stage of the budgeting process are civil society organizations involved?



If we look at the results in certain planning regions, it can be noted that 75% of the municipalities located in the East region include civil society organizations in the preparation of the budgets, more precisely in the phase of planning, preparation and presentation of the draft budget. Within the Southeast region, where a total of 5 municipalities are covered in the survey, 4 of the municipalities clearly stated that they have included civil society organizations in the preparation of the budget for financing the civil sector. Overall, out of 43 municipalities subject to analysis in this survey, 27 (or 62.79%) municipalities reported that they have enabled a certain degree of inclusion of civil society organizations in the preparation of the municipal budget in the individual phases, while 16 municipalities (or 37.21%) answered negatively on this question. Almost 2/3 of the municipalities reported that there is a certain level of involvement of civil society organizations in the preparation of the budget for financing the civil sector.

Graph no. 24 shows the results of the surveyed municipalities on their openness and willingness to accept funding proposals offered by civil society organizations. The level of readiness and openness of municipalities to accept proposals submitted by the civil sector is expressed in percentages as follows: under 50%, which means that less than half of the offered proposals are accepted, from 51 to 80% of the offered proposals are accepted and from 81 to 100% of the offered proposals are accepted.

Graph 24: To what extent are proposals from CSOs adopted as part of the final budget?

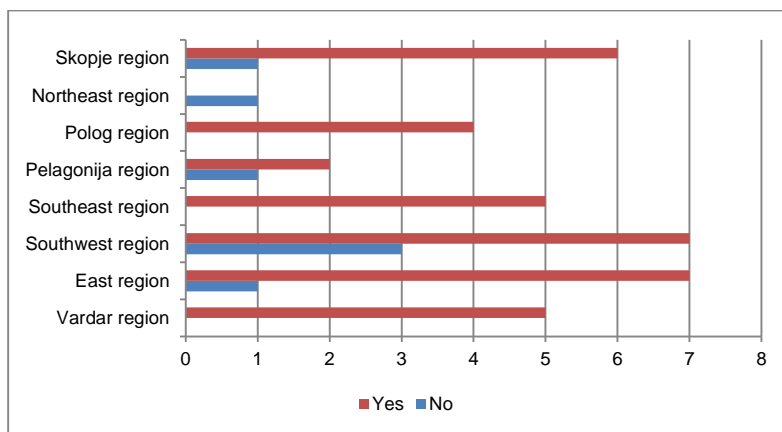


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Out of 7 municipalities in the Skopje region, two municipalities are characterized by a degree of adoption of proposals from civil society organizations at the level of 81 to 100%. This degree of adoption of proposals can also be noted in the East region, where out of eight municipalities only one expressed such a high readiness for accepting proposals from the civil sector. It should be emphasized that about 65% of the municipalities monitored, according to the level of adoption of civil society organization proposals, showed a low level of acceptance, or 50% and less. Only 12% of the municipalities fall into the second category, positioned at a medium level of readiness (51% -81%) to accept proposals by municipalities. Very few or only 3% of the municipalities are at the highest level of openness and willingness to accept funding proposals provided by the civil sector.

Graph no. 25 shows the responses of municipalities related to their opinion on the potential benefits for the society provided by the projects realized by civil society organizations.

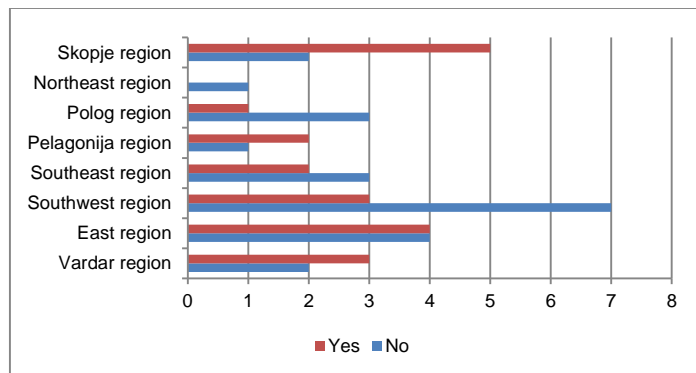
Graph 25: Do policies of implemented projects or results generally achieved with donated funds have a comprehensive benefit for the society?



The majority of the surveyed municipalities or 84% reported that projects implemented in cooperation with civil society organizations and financed by municipal funds, are in function of increasing the benefits of society. Only a smaller number of municipalities or 16% of the total number of municipalities surveyed responded negatively to this question. If we consider this data, it can be noted that most of the municipalities that have negatively responded are from the Southwest region, where from a total of 10 municipalities, 3 replied negatively. All municipalities belonging to the Vardar, Polog and Southeast regions responded positively considering that such projects are in function of increasing the benefits for the citizens.

Graph no. 26 shows the results that give answers to municipalities regarding their participation in measuring the potential effects of the realization of projects by civil society organizations financed from the budget funds of the municipality. The answers to this question are very important especially for better monitoring of the realization of projects, as well as for better determining the efficiency of the projects and checking the optimization of the public funds spent. Less than half (or 46%) of municipalities stated that they measure the effects of projects implemented by civil society organizations and financed with municipal budget funds.

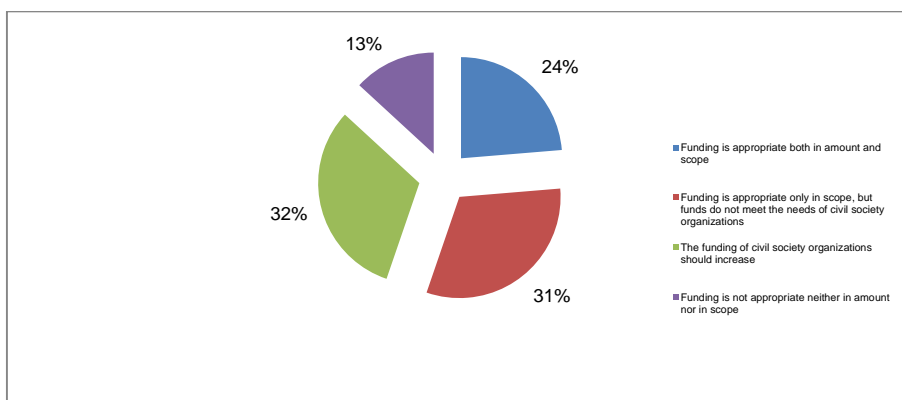
Graph 26: Does the municipality measure the effects of the implemented projects or funds spent?



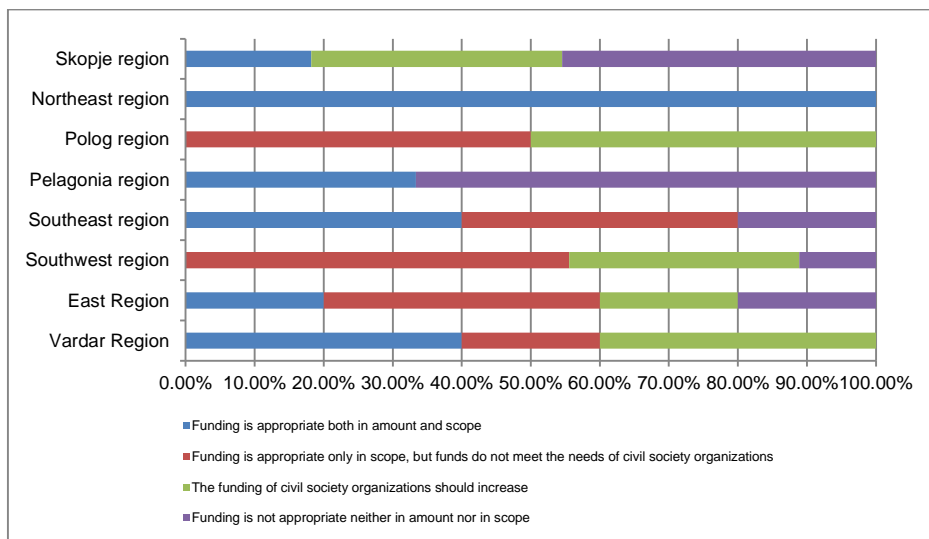
If, however, the results are analyzed by different planning regions, it can be noticed that municipalities that mainly come from the Southwest, Polog and the Northeast region do not predominantly measure the realized effects of such projects. Of the 10 municipalities in the Southwest region, as much as 7 do not measure any of the effects of the implemented projects, while in the Polog region 3 out of 4 municipalities responded that they do not measure the effects of the projects in which they have a significant share of financing.

Graph no. 27 below shows the responses of municipalities regarding their opinion whether financial support that comes from municipalities is in line with the needs of civil society organizations. The analysis shows that 32% of the surveyed municipalities reckon that the current funding of civil society organizations is not enough and that it should be increased; 31% responded that funding is only relevant in respect of the scope, but the amount of funds is not sufficient to meet the needs of civil society organizations; 24% responded that the funding corresponds both in amount and in scope; and only 13% of the surveyed municipalities replied that the financing does not correspond neither to the amount nor to the scope in order to meet the needs of civil society organizations. If responses to the same question are analyzed by individual planning regions, it can be noticed that only the municipalities in the Northeast planning region responded with 100% that the allocated funds to the civil society organizations correspond both in amount and in scope. Municipalities from the greatest number of planning regions mainly consider that financial assets are largely suitable in terms of scope, but they are insufficient in terms of the amount of funds used to fund project activities within that range. Hence, it is not uncommon for municipalities to report that funding for project activities of civil society organizations should be increased.

Graph 27: Is funding by municipalities appropriate to the needs of civil society organizations?



Graph 28: The appropriateness of funding by municipalities in view of the needs of civil society organizations by planning regions

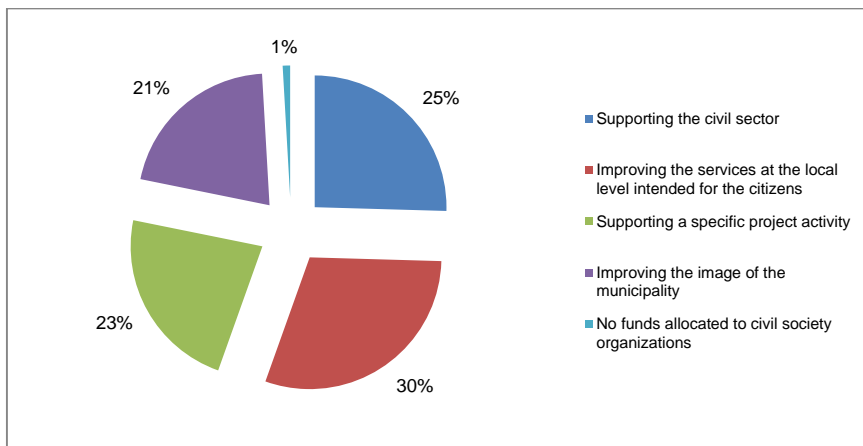


For example, 2/3 (or 66.7%) of the surveyed municipalities in the Skopje planning region and 2/3 (or 66.7%) of the surveyed municipalities in the Pelagonija planning region reported that the funding of civil society organizations should be increased.

#### 4. Cooperation of civil society organizations with stakeholders/policy makers

We begin this part of the analysis by presenting the results related to the reasons for granting funds to civil society organizations. If we look at the overall results at the level by abstracting the individual planning regions, it can be noted that the majority of municipalities (30%) have allocated funds for the improvement of services for the citizens at local level.

Graph29: Reasons for granting funds to civil society organizations

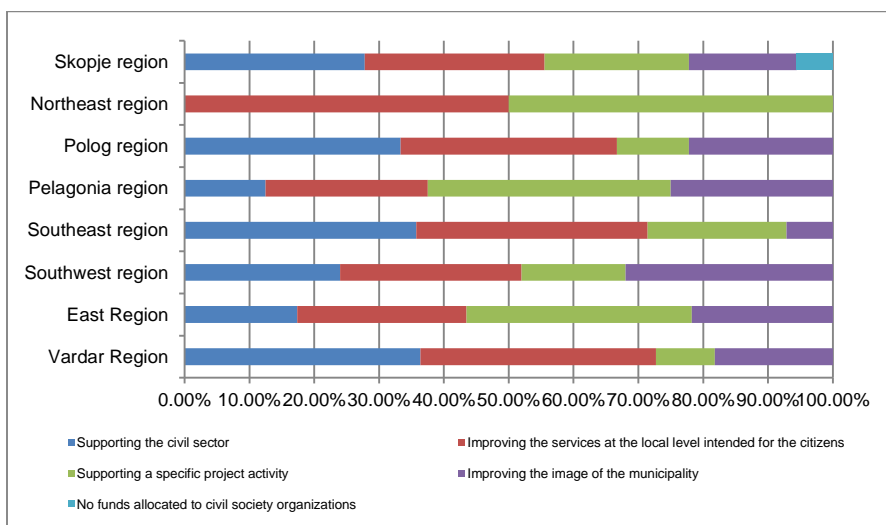


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The other three reasons, such as providing support to the civil sector, supporting a specific project activity or improving the image of the municipality, are relatively equal motivators for granting funds by municipalities to the civil sector.

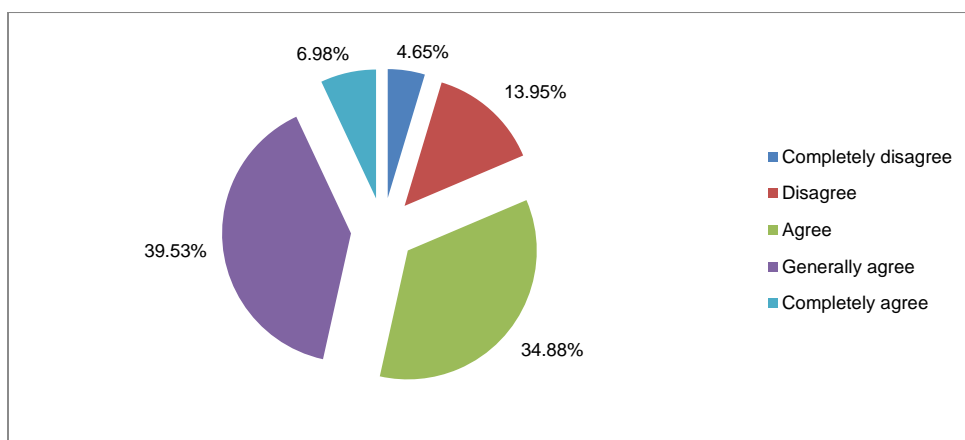
If, however, we consider Graph no. 30 and the distribution of responses of the surveyed municipalities by certain planning regions, we can easily conclude that all eight planning regions individually with a high percentage reported that improving the services at the local level intended for the citizens is the main reason for allocation of funds. A very small number of municipalities or 5.6% of the municipalities in the Skopje planning region reported that no funds were allocated to civil society organizations.

Graph 30: Reasons for granting funds to civil society organizations by planning regions



Graph no. 31 presents the results of measuring the perception of municipalities regarding their internal sense whether municipalities over the last 5 years think that their cooperation with the civil society organizations has intensified.

Graph 31: Increased level of cooperation with CSOs through financial support in the last five years



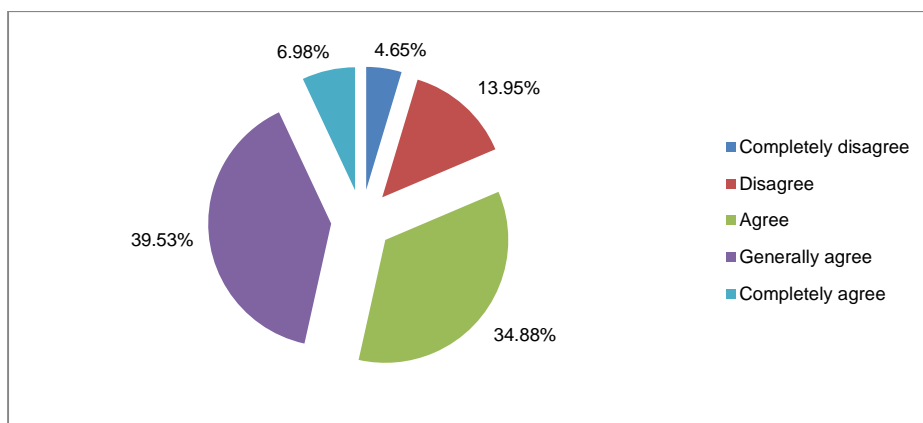
In respect of the statement: "Over the last five years the municipality has increased the level of cooperation with civil society organizations through financial support", 39% of the organizations responded that they generally agree, 35% agree, and 5% of the surveyed municipalities stated that they completely disagree. We can conclude that about 80% of the surveyed municipalities clearly expressed

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that in the last five years the municipality has increased the level of cooperation with the civil society organizations by granting financial support.

Graph no. 32 shows the results of the degree of cooperation of municipalities with civil society organizations, in the form of non-financial (in kind) support. We can notice that 40% of the municipalities reported that they have promoted their cooperation with civil society organizations through providing non-financial support. Partial agreement expressed approximately 33%, so the total figure of 73% is relatively high in terms of the perception of municipalities for the process of intensifying the “in kind” cooperation over the last 5 years.

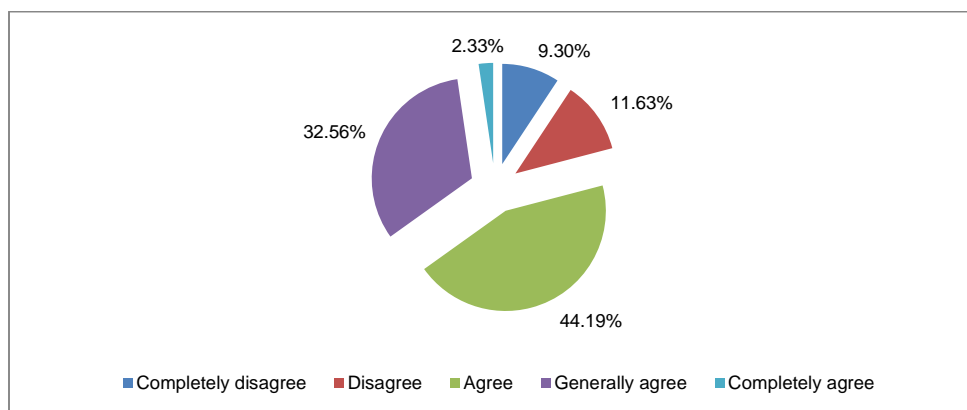
Graph 32: Increased level of cooperation with CSOs through non- financial support in the last five years



However, a smaller number of municipalities or 21% (including the “disagree” and “completely disagree” answers) have negatively reported on this question from the questionnaire. This suggests that 1/5 of municipalities have not developed “in kind” cooperation with civil society organizations in the last 5 years.

Other forms of cooperation between municipalities and civil society organizations were evaluated with the help of this questionnaire. Thus, for example, Graph 33 presents the outcome of examining the perception of municipalities, whether cooperation in the form of involvement of civil society organizations in the work of the municipality in the last 5 years has intensified.

Graph 33: Increased level of cooperation with civil society organizations through non-financial support (in kind) over the last five years



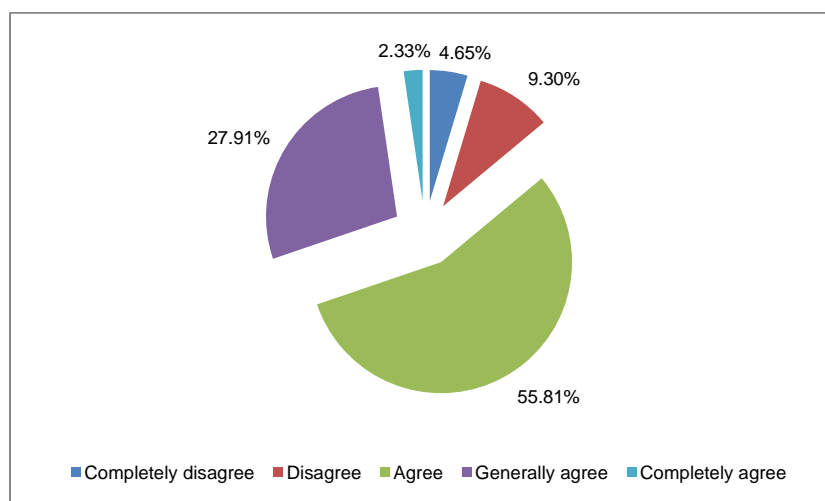


## RESEARCH ON THE FINANCIAL AND NON-FINANCIAL SUPPORT OF CIVIL SOCIETY ORGANIZATIONS BY THE LOCAL AUTHORITIES

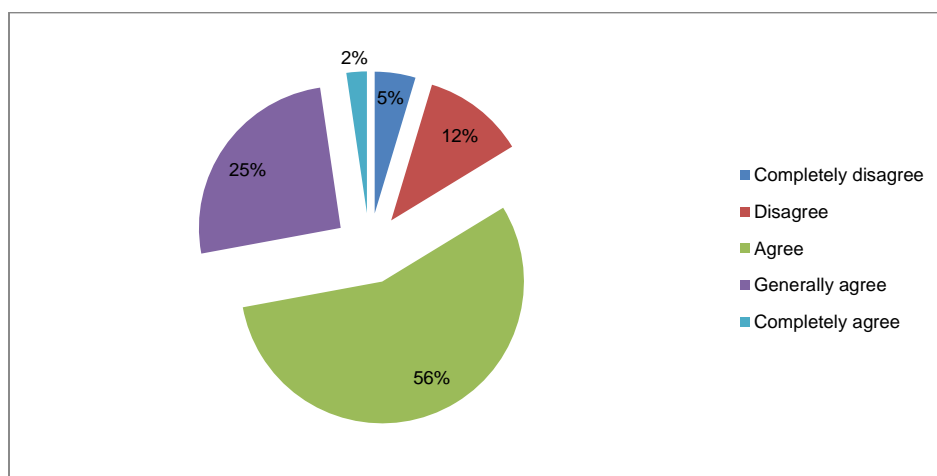
If we aggregate the municipalities that partially or fully answered positively on this question, we can conclude that about 86% of municipalities consider that this type of cooperation has intensified over the last 5 years. Only 14 percent of the surveyed municipalities stated that they completely or partially disagree with the claim that cooperation between the two parties has increased through involvement in the work.

Graph no. 34 shows the outcome of examining the perception of municipalities about the level of cooperation that has evolved over the last years in the field of adopting local policies. More than 1/2 or 58% of municipalities reported that they agree that over the last 5 years there has been an increased degree of cooperation with civil society organizations in the field of local policies. If we add those municipalities that expressed partial consent (25% of the surveyed municipalities), a total percentage of 83% of municipalities believe that this type of cooperation has intensified over the last 5 years.

Graph 34: Increased level of cooperation with civil society organizations through greater involvement in the work of the municipality in the last five years



Graph 35: Increased level of cooperation with civil society organizations through consultations on adopting local policies over the last five years

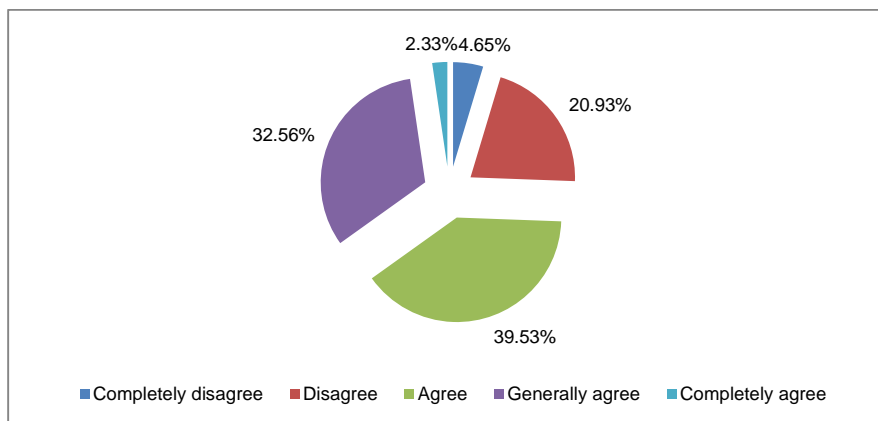


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Only a smaller portion or less than 1/5 of the municipalities (or 17%) think that this kind of mutual cooperation with civil society organizations has not improved over the last 5 years.

Graph no. 36 below shows the results of examining the perception of municipalities regarding their belief whether cooperation with civil society organizations in the area of advancement of public services has progressed over the last 5 years.

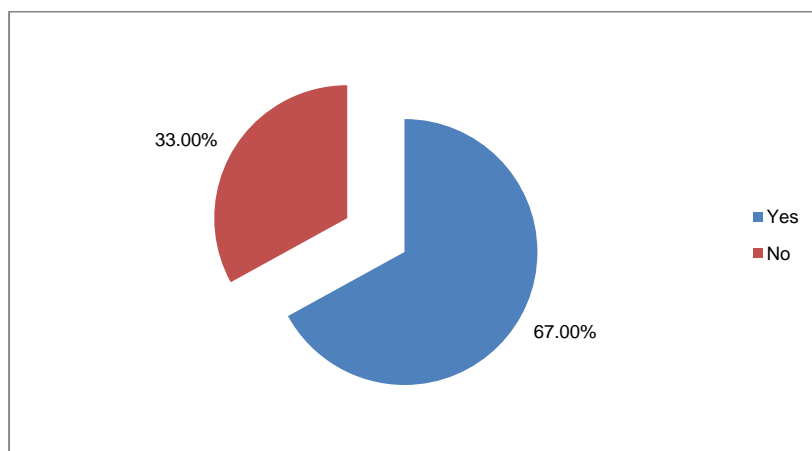
Graph 36: Increased level of cooperation with civil society organizations for the promotion of public services over the last five years



About 3/4 (or 74%) of municipalities expressed a completely or partially positive attitude agreeing that cooperation with civil society organizations in the field of public service improvement over the last 5 years has significantly progressed. The remaining 23% of municipalities reported that this type of cooperation has not enhanced over the last 5 years.

Graph 37 presents the results of the assessment of the level of cooperation of municipalities with civil society organizations on joint projects financially supported by municipalities.

Graph 37: Cooperation with civil society organizations on joint projects financed by municipalities



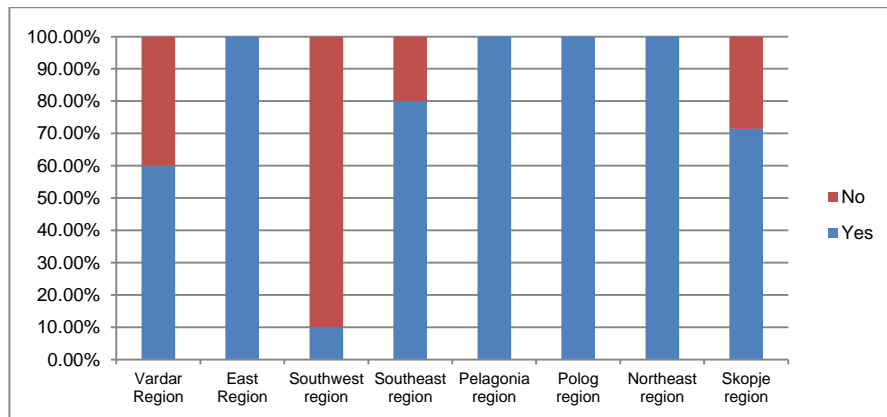
From the results presented in Graph no. 36 it can be concluded that over 2/3 (or 67%) of the surveyed municipalities responded positively that they have had certain cooperation with civil society organizations

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on joint projects financially supported by municipalities. The answers to the same question distributed by planning regions are shown below in Graph no. 38.

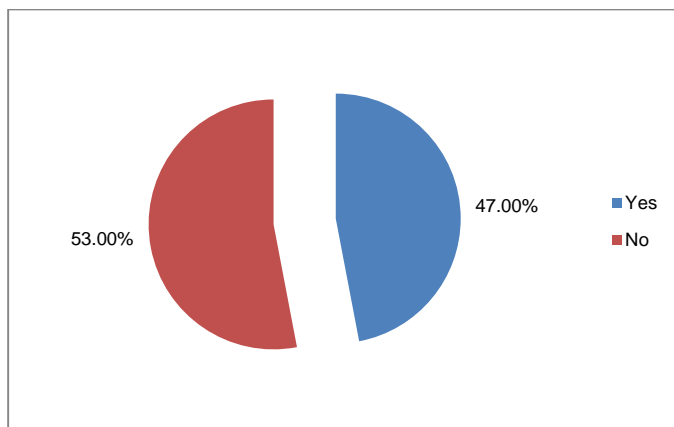
All municipalities (100%) from the three regions: Polog, Pelagonija and the Northeast responded positively to the question whether municipalities have this kind of cooperation with civil society organizations. The municipalities of two regions, the Southwest with 90% and the Vardar with 40% have the highest percentage of negative responses to this question related to the cooperation on joint projects with civil society organizations.

Graph 38: Cooperation with civil society organizations on joint projects financed by municipalities according to the regional structure



Graph no. 39 gives the replies of municipalities about the level of cooperation they have had on joint projects, but this time projects funded by a foreign donor. Graph 39 gives the same replies related to the cooperation of municipalities with civil society organizations on projects funded by a foreign donor, but according to different planning regions.

Chart 39: Cooperation with the civil society organizations on mutual projects financed by a foreign donor

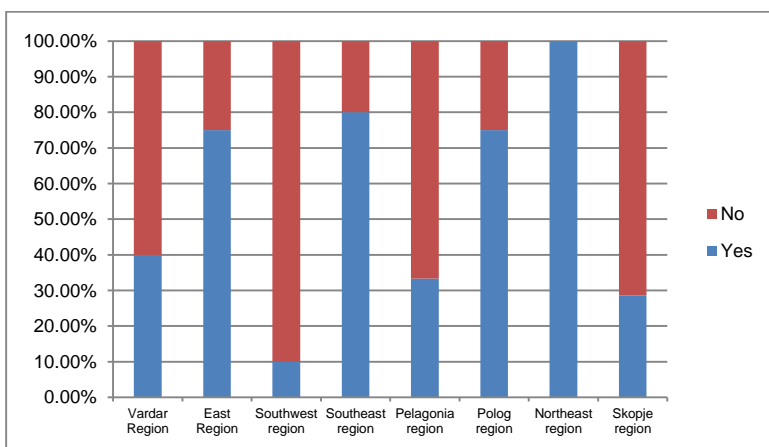


Only 47% of the municipalities positively reported that they have cooperation with civil society organizations on projects that are financed by foreign donors. This number is significantly lower when we compare the cooperation that the municipalities have with the civil society organizations on projects financed by the local self-government. If we look at the results in certain planning

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regions, we can see that the Northeast region with 100%, the Southeast region with 80% and the Polog region with about 75% are the regions in which the municipalities mostly cooperated with the civil society organizations on projects financed by a foreign donor.

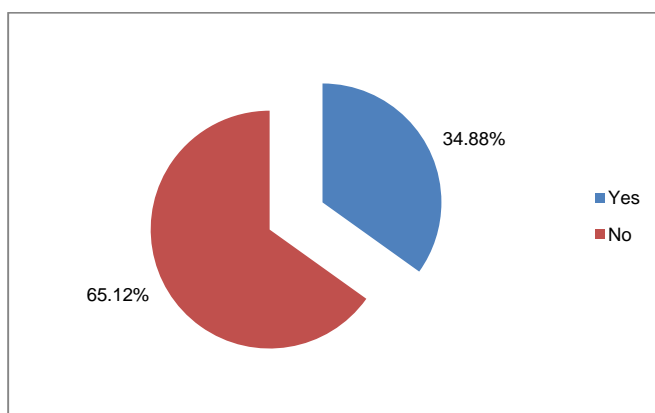
Chart 40: Cooperation with CSOs for mutual projects financed by a foreign donor according to the regional structure



The municipalities of the Southwest region with 90%, the Vardar region with 60% and the Pelagonija region with about 65% reported that they have no cooperation with the civil society organizations on mutual projects financed by a mutual donor.

In Chart no. 41 are shown the responses of municipalities in relation to other type of cooperation with civil society organizations in the field of monitoring and evaluation of politics and services. The same chart shows the results in aggregated form for all municipalities without division in planning regions.

Chart 41: Cooperation with civil society organizations in the field of monitoring and evaluation of politics and services



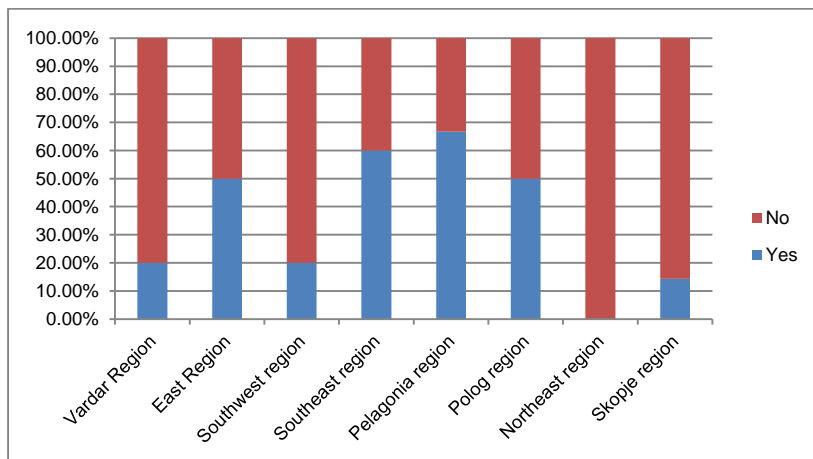
From the presented results it can be noticed that about 1/3 of the municipalities or 35% of the surveyed municipalities responded positively, indicating that the municipalities have this kind of cooperation. This means that near 2/3 or 65% of the municipalities covered by the sample of this

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survey stated that they do not practice this type of cooperation in the field of monitoring and evaluation of politics.

In Chart no. 42 the same aggregated results for this type of cooperation are shown by the individual planning regions. From the chart it is easy to notice that in this type of cooperation, the municipalities that come from the Pelagonija region lead the way with 65%, the Southeast region with 60%, as well as the Polog region and the East region with 50%.

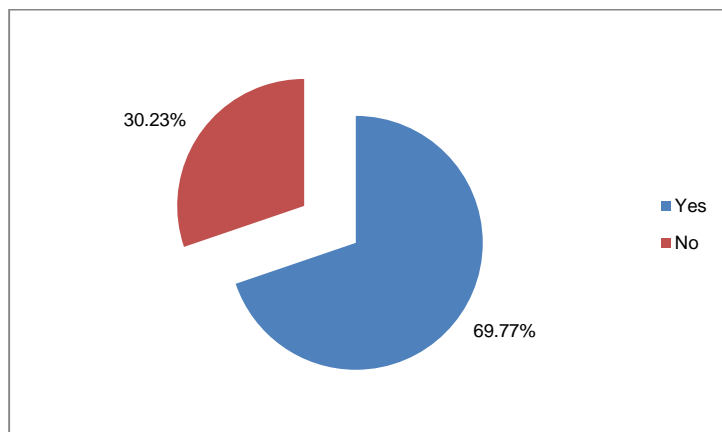
Chart 42: Cooperation with civil society organizations in the field of monitoring and evaluation of politics and services



Municipalities from other regions such as the Skopje region, the Vardar region and the Southwest region mostly (over 50%) reported that generally they do not have cooperation with civil society organizations in the field of monitoring and evaluation of politics and services.

Chart no. 43 shows us the results of the level of cooperation of the municipalities with the civil society organizations in the field of realization i.e. implementation of the project activities.

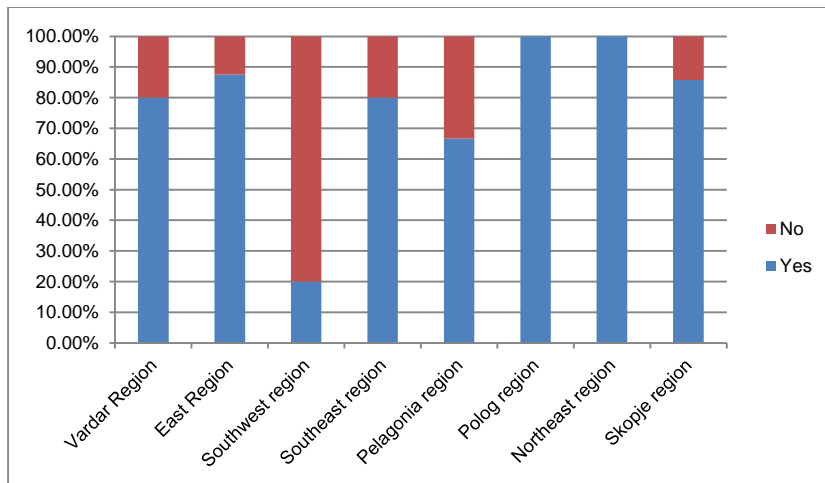
Chart 43: Cooperation with civil society organizations for realization and implementation of public projects



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A large majority of the municipalities or 70% of the municipalities in the sample answered positively that they have the practice to cooperate with the civil society organizations regarding the realization and implementation of the projects. In Chart no. 44 you can see the same results presented by separated planning regions.

Chart 44: Cooperation with civil society organizations for realization and implementation of public projects according to planning regions



Municipalities from almost all planning regions have clearly stated that they have significant cooperation with the civil society organizations regarding the implementation of public projects. Only the municipalities coming from the Southwest planning region with a high percentage (80%) reported that they do not practice this kind of cooperation.

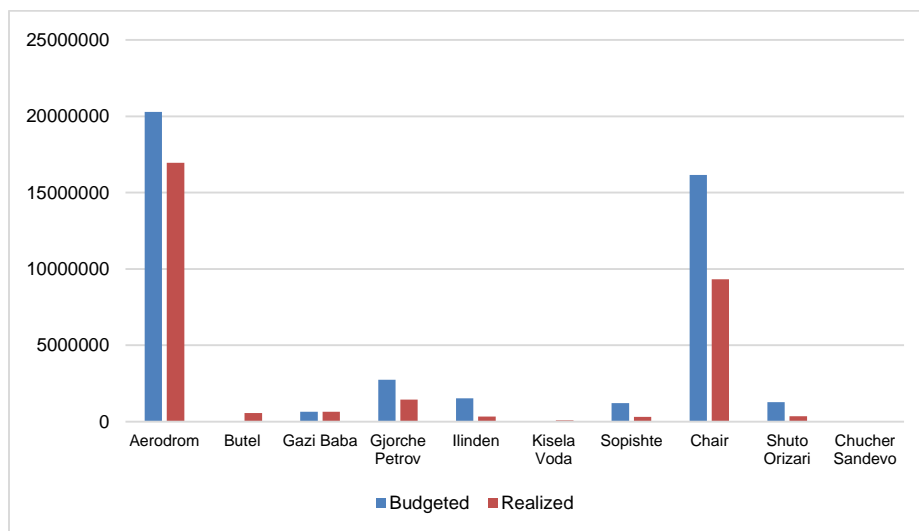
## BUDGETED AGAINST REALIZED MEANS OF MUNICIPALITIES INTENDED FOR SUPPORT TO CIVIL SOCIETY ORGANIZATIONS

### 5. Budgeted and realized amounts by planning regions for 2017

Within this part, the results are presented in the separated planning regions from the aspect of the relation between the budgeted and the realized project activities for 2017. Through the comparison of the planned, that is, the budgeted amounts and actually realized means for support of the civil society organizations, it can be obtained a better preview on the real level of support that exists from the units of the local self-government towards the civil sector. The data for the analysis were collected from secondary sources (from the municipalities) in accordance with the possibility provided by the Law on Access to Public Information.

In Chart no. 45 is an overview of the budgeted and realized amounts by individual municipalities in the Skopje region for 2017. It should be noted that from the presented municipalities, the Municipality of Aerodrom has the highest budgeted and realized value for 2017. For 2017, the budgeted amount is 20,956,630 denars, while the realized amount for 2017 is 16,956,630 denars or in relative ratio 83.6%. Secondly, a municipality from the Skopje region is the Municipality of Chair, where it can be noted that the budgeted amount is 16,150,000 denars, while the realized value is 9,322,000 denars. In a relative amount, this ratio of realization is 57.7%.

Chart 45: Budgeted and realized amounts of the municipalities in the Skopje region for 2017



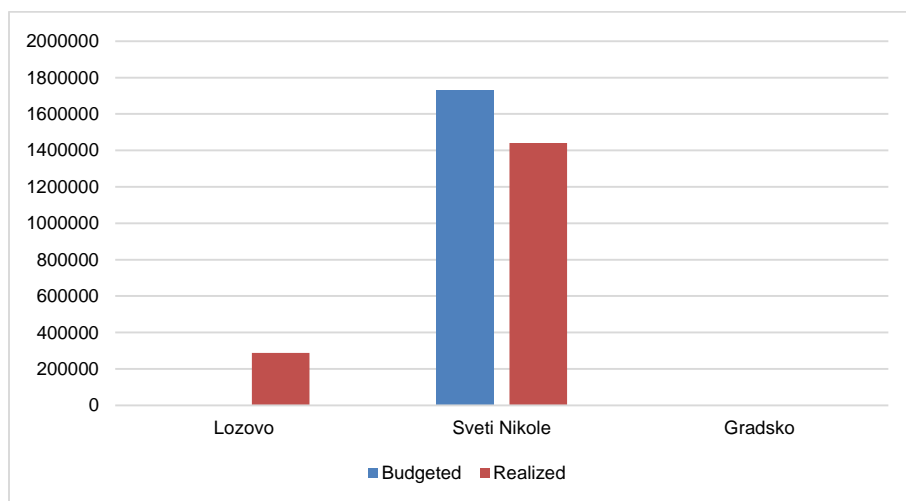
Furthermore, the Municipality of Gjorche Petrov for 2017 has a budgeted amount of 2,750,000 denars, while the realized amount is 1,452,300 denars, i.e. in relative ratio of realized - planned is about 53%. If you look at the Municipality of Gazi Baba for 2017, it can be noticed that its amounts of budgeted and realized value in absolute amount are far lower than the rest of the municipalities, but the level of realization is quite high. Namely, for 2017 the Municipality of Gazi Baba has a budgeted amount of 648 000 denars, and the realization percentage is 100%, i.e.648,000 denars were realized in the analyzed period. It is also very interesting to analyze the amounts of the Municipality of Ilinden, as one of the municipalities that has seen an increase in economic

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aggregates in the recent years. The Municipality of Ilinden for 2017 has a budgeted value of 1,530,000 denars, while the realized value amounts to 331,000 denars. In relative ratio, this amount of realized in terms of budgeted amounts is 22% for the analyzed period.

Chart no. 46 gives an overview of the budgeted and realized amounts in the municipalities of the Vardar region. Within this region, there were available information for the three municipalities included in the research: Lozovo, SvetiNikole and Gradsko. If you look at the Municipality of SvetiNikole, it can be noted that the budgeted amount for 2017 is 1,730,000 denars, while the realized amount for 2017 is 1,440,000 denars. The relative ratio of budgeted and realized in this municipality is 83%.

Chart 46: Budgeted and realized amounts of the municipalities in the Vardar region for 2017

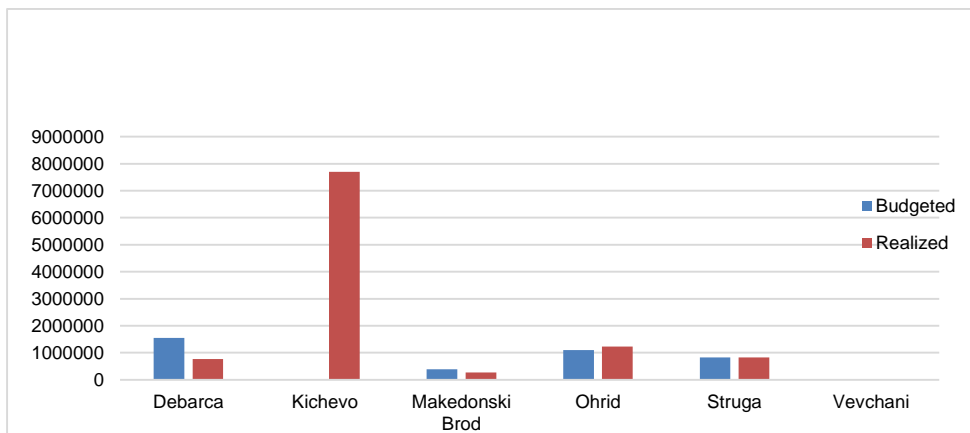


For the other two municipalities we have not provided access to the necessary data. So, for the Municipality of Lozovo we present the data only in the part for the realized amount of 287,500 denars, while for Municipality of Gradsko we do not have any data at all.

In Chart no. 46 are shown the budgeted and realized amounts of the municipalities from the Southwest region for 2017. Within this region are presented the data for the municipalities: Debrca, Kicevo, Makedonski Brod, Ohrid and Struga, while the Municipality of Vevcani does not have such information.



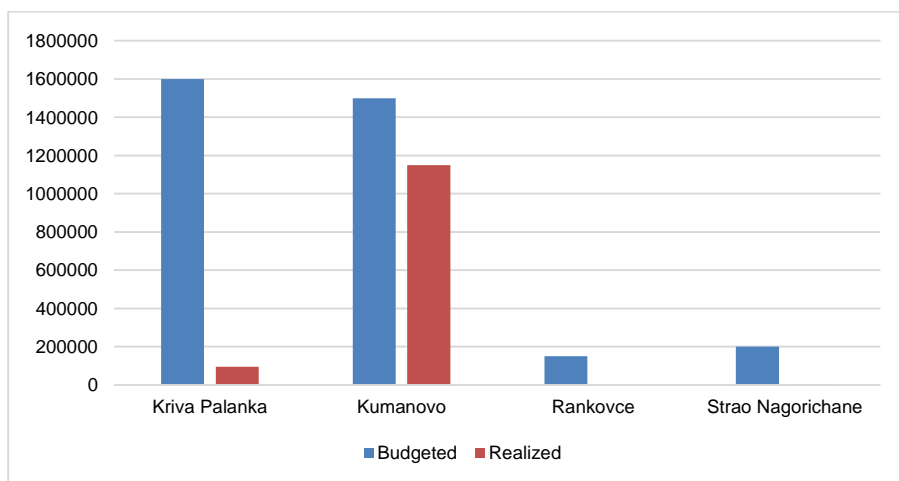
Chart 47: Budgeted and realized amounts of the municipalities in the Southwest region for 2017



From the chart it can be noticed that the Municipality of Kicevo has the highest amount of realized value for 2017 of 7,695,000 denars, while for the same year it does not have a budgeted amount. Furthermore, the Municipality of Debrca in the part of budgeted amount has a budgeted amount of 1,550,000 denars, while the realized value is 765,000 denars, or in a relative ratio is 49%. The only municipality in the Southwest region that has a higher realized value from the budgeted is the Municipality of Ohrid. The Municipality of Ohrid budgeted a value of 1,100,000 denars, while it realized a value of 1,226,855 denars. The Municipality of Struga has an identical budgeted and realized value of 830,180 denars. For the Municipality of Vevchani, as we mentioned before, we do not have access to the necessary information.

The ratios of budgeted and realized funds of the municipalities in the Northeast region are shown below in the Chart under ordinal number 48. From the data on the chart it can be noticed that the largest amount of budgeted value has the Municipality of Kriva Palanka in the amount of 1,600,000 denars, while on the other side the realized value is 95,000 denars, which in the relative ratio amounts 5,9%.

Chart 48: Budgeted and realized amounts of municipalities in the Northeast region for 2017

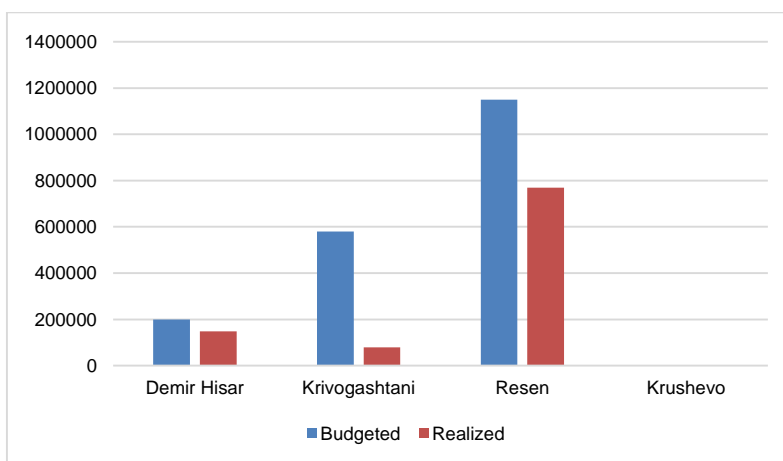


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The Municipality of Kumanovo has a budgeted amount of 1,500,000 denars, while the realized value is 1,150,000 denars. For the municipalities Rankovce and StaroNagoricane, information are available only for the budgeted amounts, and they are respectively 150,000 denars and 200,000 denars.

Chart no. 49 shows the budgeted and realized amounts of the municipalities from the Pelagonija region for 2017 of item 463 and sub-item 489519.

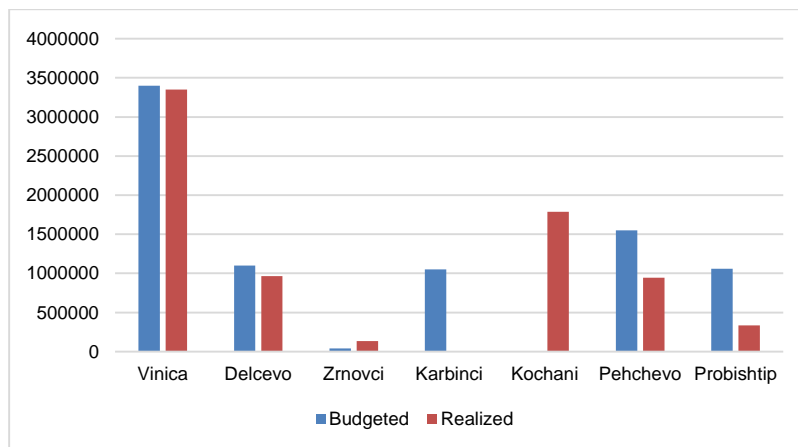
Chart 49: Budgeted and realized amounts of the municipalities from the Pelagonija region for 2017



The Pelagonia region covers nine municipalities, but the study only presents data for four municipalities, including DemirHisar, Krivogastani, Resen and Krusevo. Among the aforementioned four municipalities, the Municipality of Resen is allocated on the one side with maximum of allocated and realized amounts of funds, and on the other side the Municipality of Krusevo, which has no planned and realized funds for the civil society organizations for 2017. The Municipality of Resen for 2017 has a budget of 1,150,000 denars budgeted funds of which 769,000 denars are realized funds or 66.86% realization of the planned funds. Then follows the Municipality of Krivogashtani with budgeted 580,000 denars and realized 79,000 denars. Characterizing with low implementation rate of the budgeted funds of 13.62%, the Municipality of DemirHisar, meanwhile, has low planned and realized funds of 200,000 denars and 149,000 denars respectively are characterized by a relatively high realization rate of 74.5%.

In Chart no. 50 are presented the total planned and realized funds of the municipalities for all civil society organizations in 2017, for all sub-items of the municipalities belonging to the East region. The Eastern region includes eleven municipalities, but according to the access to information within this study, only seven municipalities are covered, including Vinica, Delchevo, Zrnovci, Karbinci, Kocani, Pehcevo and Probishtip.

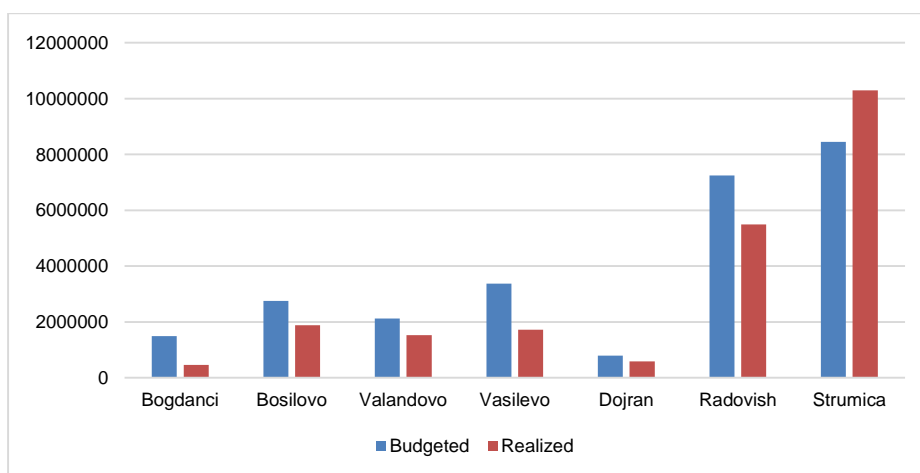
Chart 50: Budgeted and realized amounts of the municipalities in the East Planning Region for 2017



From the Chart it can be noticed that the Municipality of Vinica has planned 3,400,000 denars, and realized 3,350,998 denars and has a rate of realization of 98.6%. In addition, the Municipality of Delcevo has a high rate of realization of the budgeted funds of 87.6%. Municipality of Zrnovci has planned 40,000 denars, and realized 134,000 denars and has a dramatically higher realization rate than the planned with 335%. Municipality of Karbinci has planned funds for civil society organizations, but does not have realized funds. Municipality of Probishtip with 31.4% of realization has the lowest rate of realization of the funds intended for the civil sector.

In Chart no. 51 are shown the budgeted and realized amounts of funds for all sub-items of the municipalities belonging to the Southeast region. There are ten municipalities in this region, but only seven municipalities for which information was provided were included in this study: Bogdanci, Bosilovo, Valandovo, Vasilevo, Dojran, Radovish and Strumica.

Chart 51: Budgeted and realized amounts of funds of the municipalities in the Southeast region for 2017

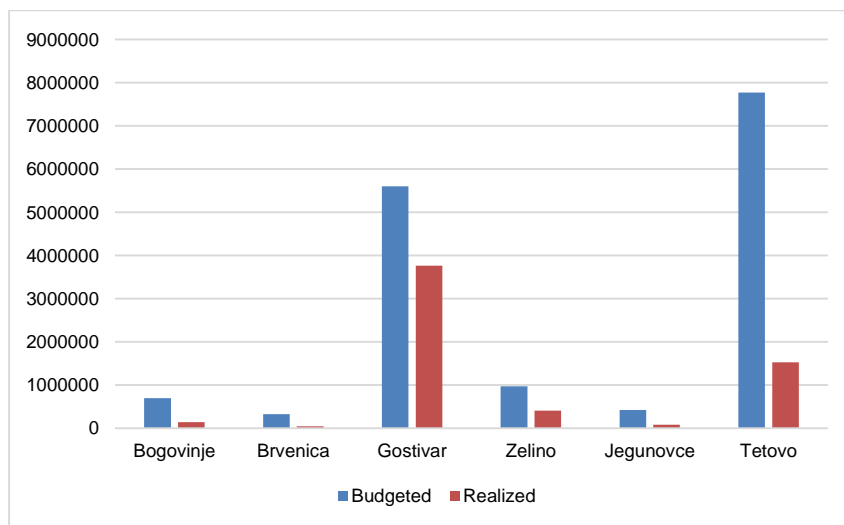


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Within this region, the municipalities of Strumica and Radovish are allocated with the most allocated and realized funds and the highest rates for realization of the funds intended for the civil society organizations. The municipality of Strumica has budgeted 8,450,000 denars, and realized 10,292,279 denars, i.e. realization rate of 121.8%. Municipality of Radovish has planned 7,248,000 denars, and realized 5,497,707 denars, or realization rate of 75.9%. Municipalities of Dojran and Valandovo have realization rates of 73.1% and 71.9%, respectively. The municipality of Bogdanci has the lowest rate of realization of the budgeted funds within this region, which has realized only 31.1% of the planned funds.

In Chart no. 52 are shown the budgeted and planned funds as support of the civil sector for all sub-items of the municipalities that belong to the Polog region. This region covers the municipalities of Bogovinje, Brvenica, Gostivar, Zelino, Jegunovce and Tetovo. Within this region the municipalities of Gostivar and Tetovo are allocated in ratio to the highest allocated funds in absolute amount. Municipality of Gostivar has budgeted 5,600,000 denars, and realized 3,767,500 denars, while the Municipality of Tetovo has budgeted 7,770,000 denars, and realized 1,529,200 denars.

Chart 52: Budgeted and realized amounts of the municipalities in the Polog region for 2017



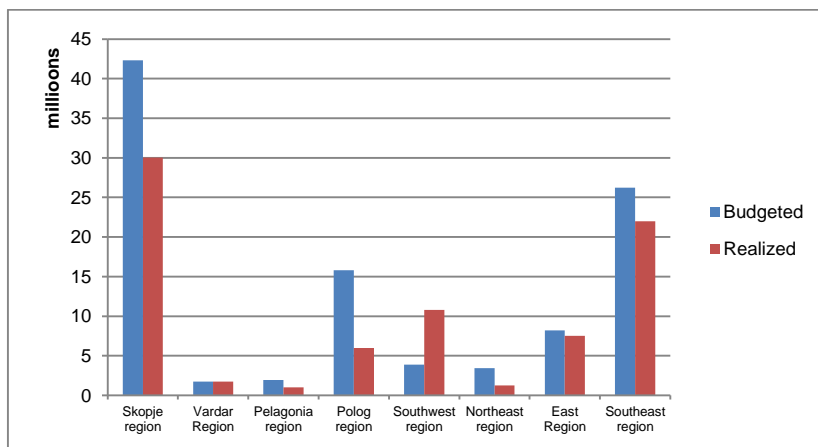
Regarding the rate of realization of the budget funds, the Municipality of Gostivar and the Municipality of Zelino are allocated with realization rates of 67.3% and 42.2%, respectively. The municipalities of Bogovinje, Tetovo, Jegunovce and Brvenica have low implementation rates (20.7%; 19.7%; 19.3% and 14.2% respectively).

### 5.1 Comparative analysis of the budgeted and realized amounts by planning regions for 2017

Within this section, the collected data on the budgeted and realized amounts in the form of financial support of the civil society organizations by individual planning regions are analyzed. The analysis by planning regions is a very useful comparative analysis because one can see the situation in certain regions and use the information in order to know which planning region mostly needs improvements.

In Chart no. 53 is presented a comparison of the budgeted and realized amounts by individual planning regions for 2017. According to the data of the Chart, it can be concluded that in the Skopje region in absolute amount there are the highest amounts of budgeted and realized value. Second place are the municipalities belonging to the Southeast region, while in the third place are the municipalities located in the Polog region.

Chart 53: Comparison of budgeted and realized amounts by planning region for 2017



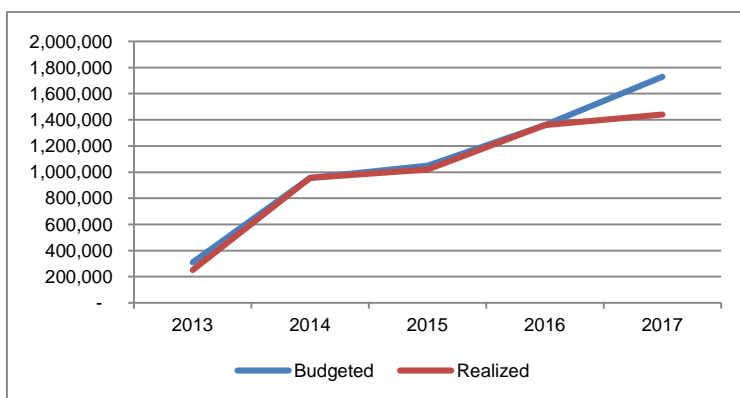
By comparing the relative ratio between the two types of values budgeted and realized, a conclusion can be brought on the level of implementation of the budgeted funds. The municipalities of the Vardar region registered the highest level of realization of the budgeted funds, with the level of realization of the funds of 99.8%. Furthermore, the municipalities located in the East region with 91.6%, the Southeast region with 83%, and at the end the municipalities from the Pelagonija, Northeast and Polog regions in which the realization rate does not exceed 51%.

## 6. Movement of budgeted and realized amounts by municipalities

The results of the analysis of the planned and realized amounts of funds for certain characteristic municipalities and characteristic regions are presented below.

In Chart no. 54 is shown the movement of the planned and realized amounts of funds intended for the civil society organizations from the Municipality of Sveti Nikole which belongs to the Vardar planning region. The data refer to the period 2013-2017.

Chart 54: Movement of budgeted and realized amounts of the Municipality of Sveti Nikole for the period 2013-2017

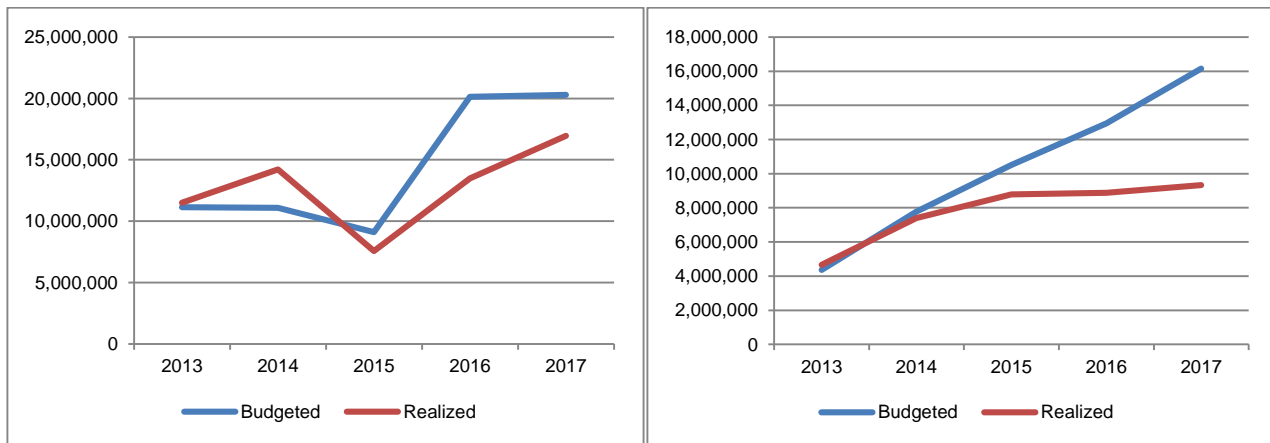


The analysis of the time series shows that during the analyzed period the budgeted and realized funds continuously increased. The planned funds increased from 310,500 denars in 2013 to 1,730,000 denars in 2017. The realized funds increased from 249,650 denars in 2013 to 1,440,000 denars in 2017. In 2014 and 2016, the rates of realization of the planned amounts of funds is 100%, while in the other years the realization rate is somewhat lower.

The Chart No. 55 shows the movements of the budgeted and planned amounts of funds of the two municipalities (the Municipality of Aerodrom and the Municipality of Cair) from the Skopje region for the period 2013-2017. While the time series in the Municipality of Aerodrom shows some variability in the movement of values, the planned and realized funds are continuously increasing in the Municipality of Cair.

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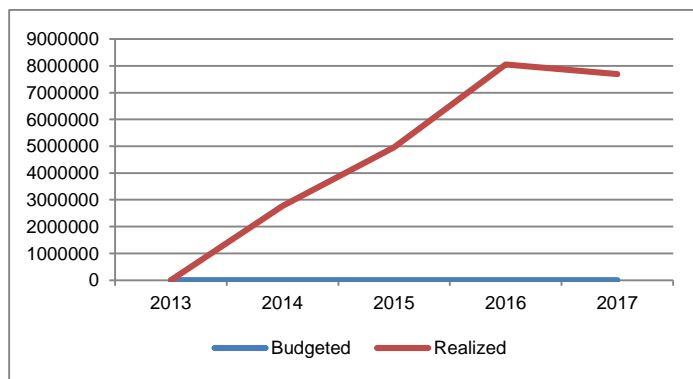
**Chart 55: Movement of budgeted and realized amounts of the Municipality of Aerodrom and the Municipality of Cair for the period 2013-2017**



After the fall of the realized funds in 2015 in the Municipality of Aerodrom, from the next 2016 their realization will increase again. In the Municipality of Cair every next year, although the planned and realized funds are increased in absolute amount, the rate of realization of the planned funds is continuously decreasing.

The Chart No. 56 shows the movement of the planned and realized funds of the Municipality of Kicevo as a municipality from the Southwest region for the period 2013-2017.

**Chart 56: Movement of budgeted and realized amounts of the Municipality of Kicevo for the period 2013-2017**



It can easily be concluded from the chart that the Municipality of Kicevo has no budgeted funds during the whole period. The realized funds in the period 2013-2016 continuously increased and in 2016 they reached a maximum amount of 8,050,000 denars, but immediately after 2017 their decline was recorded at the level of 7,695,000 denars.

The Chart No. 57 shows the movements of the planned and realized amounts of funds allocated to the civil society organizations from the Municipality of KrivaPalanka and Kumanovo. In the Municipality of KrivaPalanka, there is a steady rate of realization of the budgeted funds, and in the last 2017 it has the lowest level of realization of the funds of 95,000 denars. In the Municipality of Kumanovo, however, there is a constant amount of planned funds of 1,500,000 denars, while the

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realized funds are increasing by 2015, and they are continuously decreasing immediately after 2015, up to 2017.

Chart 57: Movement of budgeted and realized amounts of the Municipality of KrivaPalanka and the Municipality of Kumanovo for the period 2013-2017

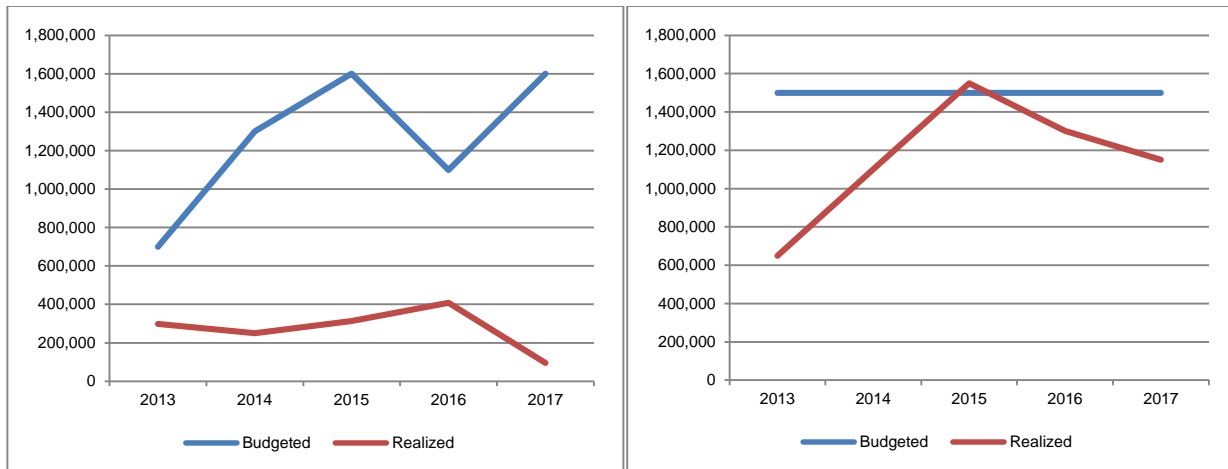
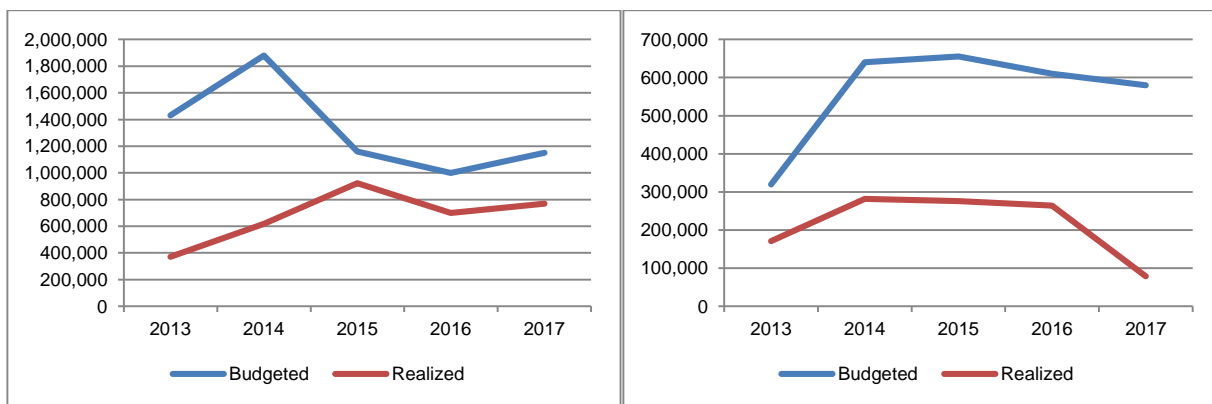


Chart No. 58 shows the movements of budgeted and realized amounts of the Municipality of Resen and the Municipality of Krivogastani, as municipalities representatives of the Pelagonija region. By 2015, the value of the realized amounts of the Municipality of Resen marks an upward trend. Within the same time period, the value of the budgeted amounts has a downward trend. In 2015, the participation of realized and budgeted value in the Municipality of Resen is the highest. From 2016, the upward trend of the two indicators begins, and the gap between them is significantly reduced compared to the period before 2015.

Chart 58: Movement of budgeted and realized amounts of the Municipality of Resen and the Municipality of Krivogastani for the period 2013-2017



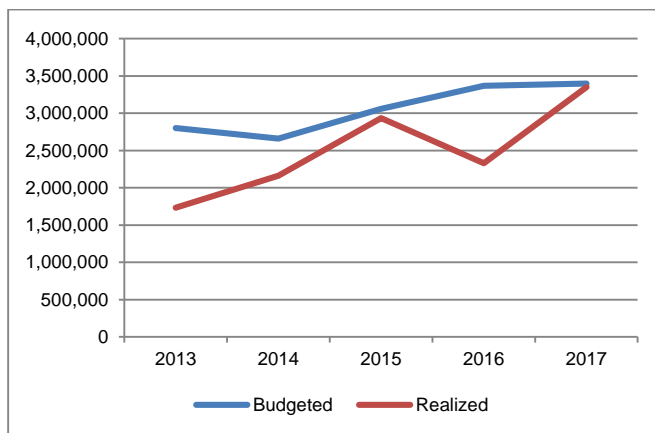
For the Municipality of Krivogastani, which is shown on the second chart, it can be noticed that, unlike the Municipality of Resen, there is a large gap in the values of budgeted and realized amounts. Observed from 2016, the realized amounts begin to decline, while the budgeted amounts remain high although they notice a slight decline.



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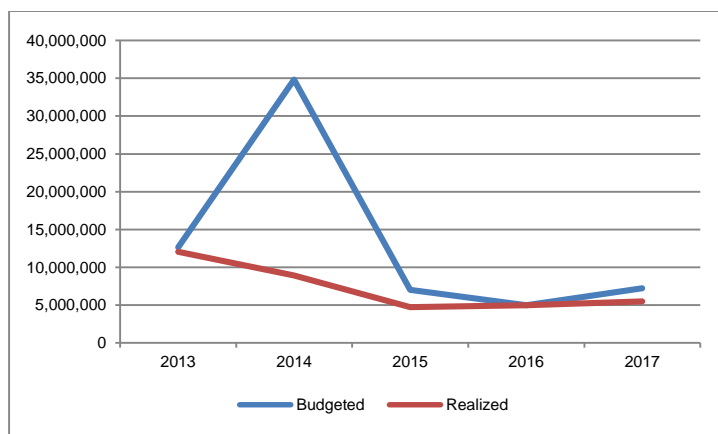
The Chart No. 59 shows the movement of the budgeted and realized amounts of the Municipality of Vinica, as a representative of the East Region. In the period 2013-2017, the values of budgeted funds show a mild upward trend with few exceptions. This trend is followed by the realized funds until 2015, when there is a decline of the realized funds in the Municipality of Vinica. This trend was terminated in 2016, so that in 2017 the level of realization reaches its highest level.

Chart 59: Movement of budgeted and realized amounts of the Municipality of Vinica for the period 2013-2017



The Chart No. 60 shows the movement of budgeted and realized funds of the Municipality of Strumica and the Municipality of Radovis, as municipalities from the Southeast region. It can be concluded that the Municipality of Strumica has a high degree of realization of the budgeted funds for the whole analyzed period. Namely, the movement of the budgeted funds is constantly monitored by the realized funds, and it should be noted that in certain period these amounts overlap, i.e. the conversion rate is above 95%.

Chart 60: Movement of budgeted and realized amounts of the Municipality of Strumica and the Municipality of Radovis for the period 2013-2017



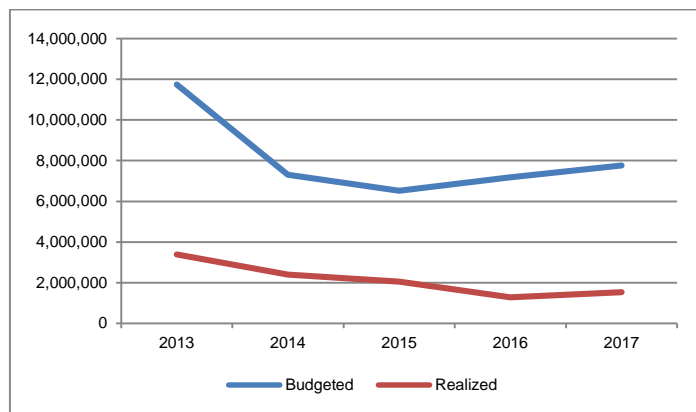
On the other hand, the Municipality of Radovis has seen a great deviation in the values of budgeted and realized amounts of funds by 2015. In 2015, the two amounts fall to about 7,000,000 denars of budgeted funds and 4,739,310 denars of realized funds, which makes the difference between them in comparison

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with previous years significantly reduced. In the coming period, the two sizes show a consolidated movement with a mild upward trend in the budgeted funds.

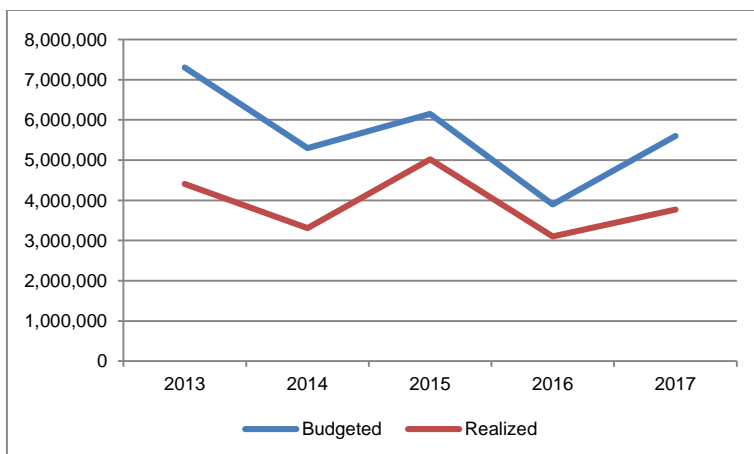
The Chart No. 61 shows us the amounts of budgeted and realized funds of the Municipality of Tetovo and the Municipality of Gostivar, as municipalities belonging to the Polog region. The first chart shows the values of planned and realized budget amounts for the Municipality of Tetovo. It should be noted that the amounts are characterized with great deviation and don't notice a visible trend in the movement. However, it can be concluded that starting from 2015, the amount of budgeted funds shows an upward increase, while the amounts of realized funds show a downward trend. On the other hand, the second chart shows the movement of budgeted and realized amounts for the Municipality of Gostivar. Unlike the Municipality of Tetovo, the amounts of realized and budgeted funds of the Municipality of Gostivar show cyclical movements throughout the analyzed period.

Chart 61: Movement of budgeted and realized amounts of the Municipality of Tetovo for the period 2013-2017



On the other hand, the second chart shows the movement of the budgeted and realized amounts for the Municipality of Gostivar. Unlike the Municipality of Tetovo, the amounts of realized and budgeted funds for the Municipality of Gostivar show cyclical movements of growths and falls throughout the analyzed period.

Chart 62: Movement of budgeted and realized amounts of the Municipality of Gostivar for the period 2013-2017

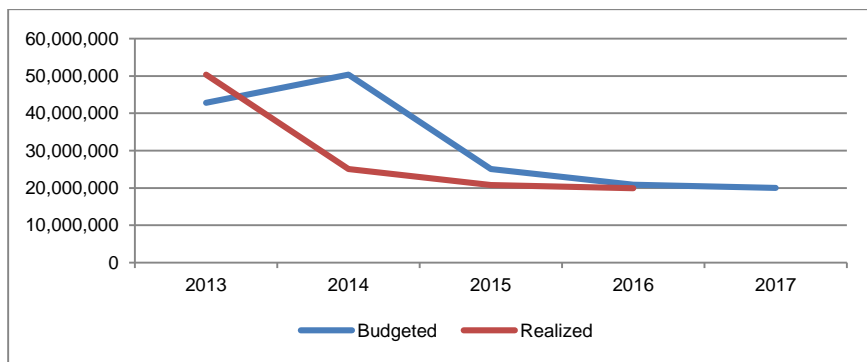


### 7. Movement of budgeted and realized amounts by individual planning regions and at the national level 2013-2017

Within this section the results of the comparative analysis of the budgeted and realized funds are presented in support of civil society organizations in selected planning regions. A comparison of the planning regions is a very useful tool that can serve in the future for better policy - making and realization of projects that would specifically be targeted in municipalities belonging to certain planning regions that require the improvement of budget planning.

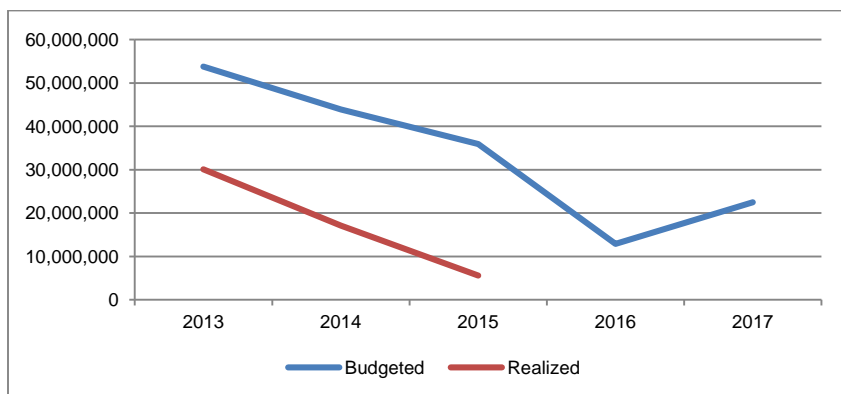
The chart shows the amounts of budgeted and realized funds of the municipalities from the Southwest planning region for the period 2013-2017. It should be noted that this analysis includes only the municipalities that provided data for their operations, i.e. responded to the request for data of public character.

Chart 63: Budgeted and realized amounts in the Southwest planning region



In Chart No. 63 are given the results for the Southwest planning region including the municipalities of Ohrid, Struga, Debrca, Kicevo and MakedonskiBrod, while the other municipalities in this region answered that they have no budgeted and realized funds for the analyzed period. It can be concluded from the chart that the realized amount of funds, starting from 2013, has a declining trend. Also, the budgeted funds, which in absolute amount are higher than realized, follow the same trend. In 2016, there is a narrowing of the gap between the budgeted and the realized amounts of funds.

Chart 64: Budgeted and realized amounts in the Polog planning region

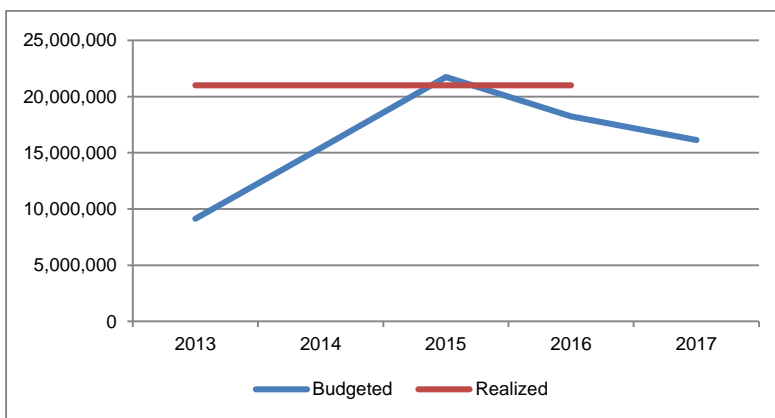


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Chart No. 64 shows the amounts of budgeted and realized funds of the municipalities of the Polog planning region for the period 2013-2017. The municipalities involved in this analysis, i.e. which responded to the request for public data are: Brvenica, Gostivar, Zelino, Jegunovce and Tetovo. According to the available data, it can be said that both indicators show a declining trend. It can also be noted that there is a high gap between the budgeted and the realized amounts. The budgeted amounts in 2017 in this planning region begin to grow, while for the realized amounts there are no data available.

Below the Chart No. 65 the results for budgeted and realized amounts are presented for the Northeast planning region.

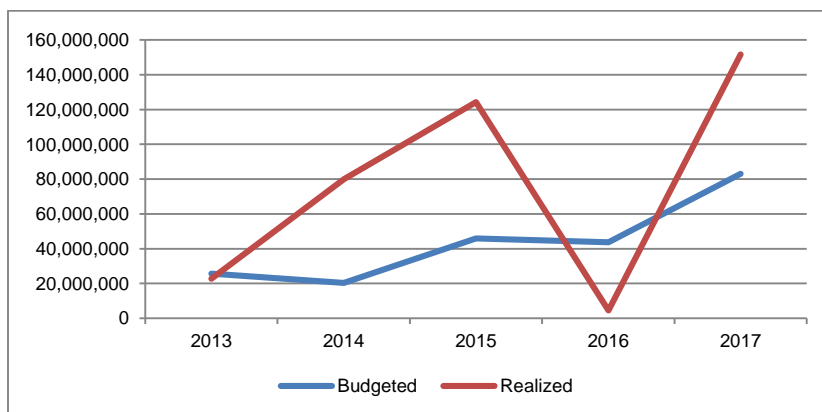
Chart 65: Budgeted and realized amounts in the Northeast planning region



The municipalities that belong to the Northeast planning region are: KrivaPalanka, Kumanovo, Rankovce and StaroNagoricane. Lipkovo and Kratovo have not submitted data. If the movement of the realized value is monitored in the period from 2013 to 2017, it can be concluded that it is a straight line, i.e. it does not show any significant changes in the analyzed period. From the other side, the budgeted amount, except 2015, is in amount that is lower compared with the realized amount. In this planning region, the municipalities exceed the budgeted amount of the allocated funds.

The Chart 66 shows the trends in the budgeted and realized amounts of funds in the form of support to the civil sector within the East planning region.

Chart 66: Budgeted and realized amounts in the East planning region

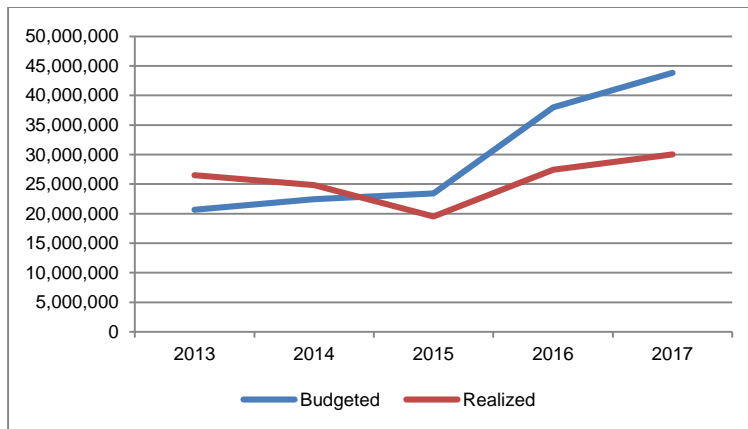


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The municipalities that belong to the East planning region are: Vinica, Delcevo, Zrnovci, Karbinci, Kocani, Probistip and Cesinovo-Oblesevo. If the realized value of the municipalities in this region is analyzed, it can be concluded that with the exception of 2016 it has an upward trend and is higher than the budgeted value. On the other hand, the budgeted value marks milder upward trend.

The Chart No.67 shows the trends in the budgeted and realized amounts of funds of municipalities belonging to the Skopje planning region for the same period 2013-2017.

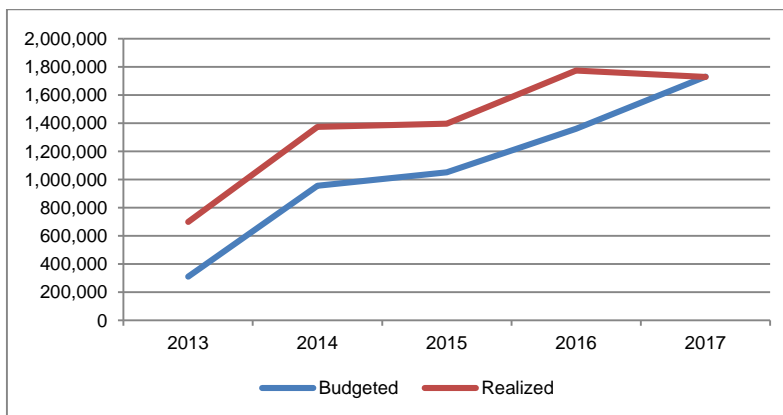
Chart 67: Budgeted and realized amounts in the Skopje planning region



Within the Skopje region we have data for the municipalities of Aerodrom, Butel, Gazi Baba, GjorcePetrov, KiselaVoda, Cair, SutoOrizari, Ilinden, Petrovec, Sopiste and CucerSandevo. The growth of the budgeted funds is obvious in the analyzed period from 20,641 million denars to 43,850 million denars. Between 2015-2016 there is a big leap in the planned funds of approximately 15 million denars. The realized funds in the period between 2013-2015 are falling to 19,520 million denars, and in the next period they are increasing to the level of 30,023 million denars. By 2015, more funds are realized in relation to the planned ones, and in the coming years, fewer funds are realized in relation to the planned ones.

The Chart No. 68 shows the trends for the budgeted and realized amounts of funds for the municipalities belonging to the Vardar region.

Chart 68: Budgeted and realized amounts in the Vardar planning region

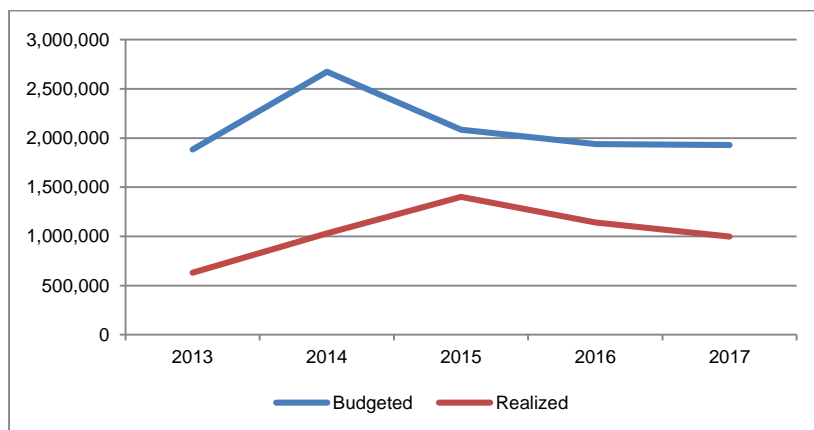


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When analyzing the trends shown in this chart, the data were collected from the municipalities Gradsko, Lozovo and SvetiNikole. For this planning region, the upward trend is evident in the planned and realized funds. Except in the last year, the realized funds are realized above the planned on average by 158%, and in the last year the budgeted funds are almost fully realized.

The Chart No. 69 analyzes the trends of the budgeted and actually realized funds for the period 2013-2017 for the municipalities belonging to the Pelagonia region.

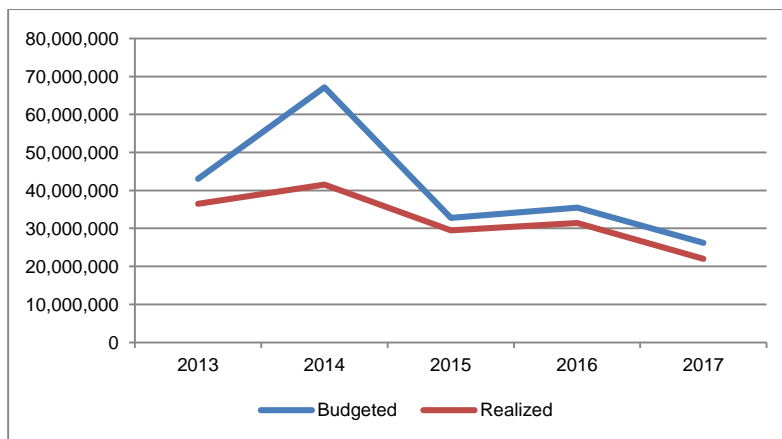
Chart 69: Budgeted and realized amounts in the Pelagonia planning region



Within the Pelagonia region, the municipalities included in the analysis of this study are: Bitola, DemirHisar, Krivogastani, Krusevo, Resen and Novaci. In the period 2013-2017, the budgeted funds are realized on average up to 50%. The budgeted funds after 2014, and the realized funds after 2015 have a significant downward trend.

In the chart below under no. 70 are analyzed data for the Southeast planning region and the municipalities that represent this region such as: Bogdanci, Bosilovo, Valandovo, Vasilevo, Gevgelia, Dojran, Radovis and Strumica.

Chart 70: Budgeted and realized amounts in the Southeast planning region

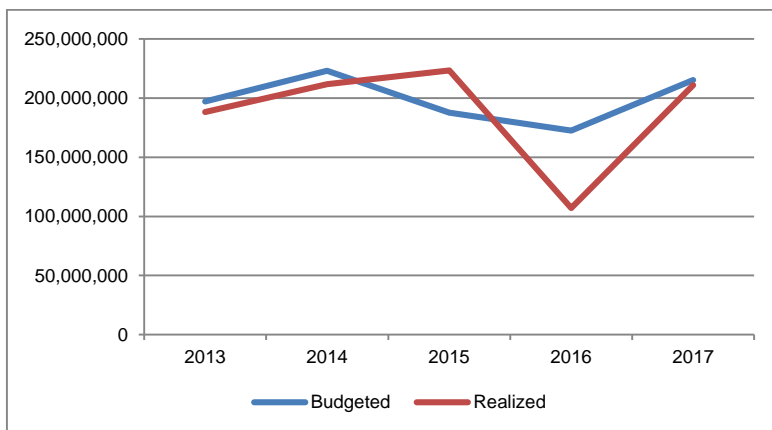


In the period 2013-2017, budgeted funds declined from 43,004 million denars to 26,240 million denars, and realized funds decreased from 36,467 million denars to 21,969 million denars. In the analyzed period, the budgeted funds were realized on average with a rate of 82%.

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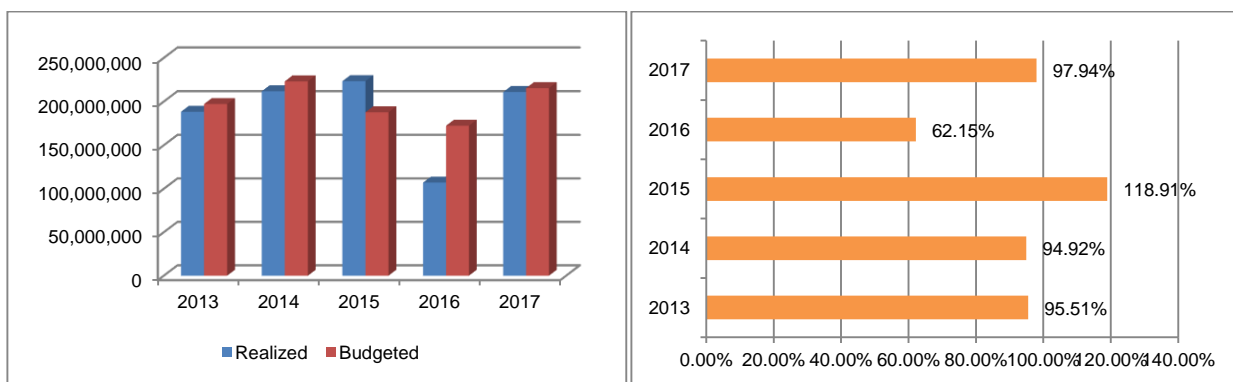
Apart from the need to make a comparative analysis of the budgeted and actually realized amounts of financial support from the municipalities to the civil sector, it is also very useful to make a comparative analysis at aggregated national level. In the chart below under no. 70 is shown the ratio between budgeted and realized at the national level (taking into account the municipalities that are part of our analysis).

Chart 71: Budgeted and realized amounts at the national level



The chart shows that the biggest deviations from the planned funds are for 2016, when the realization is only 62%, as well as in 2015, when we have realized the funds for the civil sector by almost 20% of the planned. In the remaining period, each year of implementation of funds for civil society organizations was lower on average up to 5% of the planned one.

Chart72 - Budgeted and realized amounts at the national level



## QUALITATIVE ANALYSIS OF THE IMPLEMENTED INTERVIEWS

Within this section the results of the conducted interviews with the representatives of the municipalities and civil society organizations are presented. The selection of the municipalities in which the interviews were made was based on which municipalities didn't respond to the questionnaire and the request for access to public information in order to get more information about the situation in these municipalities, but also in the municipalities that have significantly good results in order to obtain more detailed information on their good practices. Based on this, interviews were conducted in the following municipalities: DemirKapija, Kavadarci, Veles, Centar, Gazi Baba, Radovis, GjorcePetrov, KiselaVoda, Kumanovo, MakedonskaKamenica, Stip, Cair, SutoOrizari, SvetiNikole and Aracinovo.

The content of the interviews is analyzed through several basic methods: 1) Identification of similarities and differences between respondents, 2) Identification of repetitions or keywords that are repeated through interviews, and 3) Identification of cause-effect dependencies prominent among respondents. However, the analysis was mainly based on the identification of the similarities and differences between the individual municipalities and according to them, the categorization of the municipalities is done shown in Table no. 7.

<b>Table no. 7: RESULTS FROM THE IMPLEMENTED INTERVIEWS OF THE MUNICIPALITIES</b>	
<b>Question</b>	<b>Conclusions</b>
<b>1. Granting financial resources to civil society organizations</b>	1) All interviewed municipalities allocate financial resources to civil society organizations.
<b>2. Legal status of civil society organizations that are financially supported by the municipalities</b>	2) All interviewed municipalities are dominated by three forms of legal status of civil society organizations that are financially supported, as follows: <ul style="list-style-type: none"> <li>– Associations of citizens</li> <li>– Political party</li> <li>– Sports club</li> </ul>
<b>3) Financial support at the local, national or within the planning region</b>	3) Most of the municipalities (over 90%) allocate financial resources mainly to civil society organizations that act on the local level and within the planning region to which the municipality belongs. Only a few municipalities allocate financial resources to civil society organizations that act on a national level.
<b>4) Areas of action of the civil society organizations that</b>	4) There is no significant difference in all municipalities regarding the areas of action of the civil society organizations that are financially supported by the municipalities. Most often the areas



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<b>receive financial support from the municipalities</b>	of action are: volunteer/humanitarian activities, civil activism, art and sports, people with disabilities, interethnic relations and human rights, environment and natural resources and culture.
<b>5) Internal acts for financing civil society organizations</b>	5) Almost half of the municipalities interviewed have not adopted internal rulebooks, procedures or acts on how to support civil society organizations with financial resources.
<b>6) Priority areas for granting funds</b>	6) Most of the municipalities have not set priority areas for funding
<b>7) Publication of a public call for granting funds for financing civil society organizations</b>	7) Most of the municipalities publish a public call for granting funds to the municipalities and mostly on its website and local television and radio stations. A smaller number of municipalities are working on developing a template for the structure of a project proposal and submitting requests for funding from municipalities.
<b>8) Making a decision for allocation of funds and its publication</b>	8) In most of the interviewed municipalities, the decision is made by the councils of the municipality, and in a smaller number there is a commission that makes the decision. Most of the municipalities publicly announce the decision in an official messenger, and rarely on its website.
<b>9) Monitoring of the realization of project activities and preparing an annual report for the realized projects</b>	9) Almost all interviewed municipalities do not conduct monitoring of the realization of projects by civil society organizations, and most of the municipalities don't publish annual reports on realized projects by civil society organizations that are supported by the local self-government.
<b>10) Organizational unit or person in charge of cooperation with civil society organizations</b>	10) In almost all municipalities there is no separate organizational unit in the municipality for cooperation with civil society organizations. The regular practice of most of the municipalities is that role to be assigned to a person from the LED department (local economic development) or a person from the legal department of the municipality.
<b>11) Involvement of civil society organizations</b>	11) In just over half of the surveyed municipalities, civil society organizations are involved in the preparation of the municipal budget by submitting their own requests and providing suggestions for financing certain project activities of the civil sector.
<b>12) Scoring system and evaluation of projects and its transparency</b>	12) Most of the surveyed municipalities stated that they do not have a clearly defined scoring system for submitted project proposals from civil society organizations. It is also the case with regard to transparency, that is, almost all municipalities have declared that they have no practice to publicly announce the

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	scoring system of a medium such as their website official messenger.
<b>13) Range and scope of financing and measurement of the effects of the realized project activities</b>	13) Most of the surveyed municipalities responded that the financing of civil society organizations mostly corresponds with the aspect of the scope, but not from the aspect of the amount of funds allocated for this purpose. The dominant number, that is almost all municipalities do not practice measuring the effects of realized project activities by civil society organizations
<b>14) Cooperation with civil society organizations and in kind support</b>	14) Most of the municipalities that was conducted interview declared that they had not signed a cooperation agreement with the civil society organizations. Regarding in kind support, the municipalities have dominantly declared that most of them were not requested for such support and therefore most often was not given.
<b>15) The level of financial support in the last 5 years and the level of consultation with the civil sector.</b>	15) Most of the municipalities declared that they have increased their financial support to civil society organizations in recent years. However, when it comes to the level of consultation with the civil sector in terms of identifying the activities that should be supported, most municipalities responded that this type of consultation has not been improved in the last 5 years.
<b>16) Priorities that are most often supported financially by municipalities and benefits from them.</b>	16) Most often, municipalities do not differ in terms of the priorities that they financially support. Most often they are: culture, sports, tourism, art, civil activism, education, environment, pensioners, natural resources, regional development, improving the image of the municipality, children and youth, gender issues, humanitarian activities etc. From the aspect of the benefits, the municipalities think that the citizens benefit most from the realization of these projects, especially at local level and within the planning region.

Apart from interviews with municipal representatives, 15 interviews with representatives of civil society organizations were conducted in order to compare the answers between the two parties and to see possible differences. Qualitative analysis of data from the interviews is given below in Table no.8.

<b>Table no. 8: RESULTS FROM THE IMPLEMENTED INTERVIEWS OF CIVIL ORGANIZATIONS</b>	
<b>Question</b>	<b>Conclusions</b>
<b>1) Level of cooperation with the municipalities</b>	1) Most of civil society organizations indicate that they have relatively good cooperation with local authorities, but personal relations with the mayor play a major role in the level of cooperation. Certain civil society organizations openly point out that greater cooperation is achieved in those times when one of the civil organization has closer personal relations with the mayor. However, cooperation with local authorities is far more intense compared to the cooperation that civil society organizations have with the central authorities. But despite this, civil society organizations believe that it is necessary to hold regular meetings between the civil sector and the municipalities in order to promote the cooperation.
<b>2) Involvement in policy making and budget preparation</b>	2) Most of civil society organizations indicate that they often have the opportunity to participate in creating a budget and policies at the local level by providing proposals for financial support to certain project activities that are areas of action of the civil society organization. But also civil society organizations point out that municipalities have modest mechanisms and procedures for involving the public in their work. They point out that greater political will and a structured approach is needed for involving the civil sector and all local stakeholders in the creation of strategies and policies.
<b>3) Criteria for granting financial resources to civil society organizations</b>	3) Most of civil society organizations confirmed that the municipalities do not have clear criteria for allocating funds to the civil sector. Often in the smaller municipalities there are only a few civil society organizations and all the funds are received by those organizations.
<b>4) Monitoring and preparing a report on the implemented activities</b>	4) Most of civil society organizations stated that most of the municipalities do not conduct monitoring of the realization of the project activities that are financially supported by the municipality.
<b>5) Organizational unit or contact person with the civil sector</b>	5) Most of civil society organizations stated that they mostly cooperate with one person in charge of the municipality for cooperation with civil society organizations and which most often belongs to another sector or department such as LED or legal department.
<b>6) Familiarization with</b>	6) Most of civil society organizations stated that they are not

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<p><b>scoring system and projects evaluation and its transparency</b></p>	<p>familiar with the project evaluation system by the municipalities. Many of them consider that the municipalities do not have defined criteria for evaluation of the project proposals and that it is also the main reason why they are not publicly disclosed. However, civil society organizations consider that many municipalities do not have clear criteria for project evaluation in order to be able to decide autonomously on the basis of their own conviction which project they will financially support. Also, civil society organizations consider that in this way municipalities want to avoid possible objections from rejected projects on the basis of such scoring system.</p>
<p><b>7) Range and scope of the financing and measuring the effects of realized project activities</b></p>	<p>7) Unlike the municipalities that consider the scope of funding is adequate and that the volume of funding needs to be improved, most civil society organizations consider that the funds allocated to support their activities are not sufficient either from the aspect of the range or aspect of the scope. They consider that some areas are dominantly covered, such as sports and culture, and much less some other areas, such as environment, people with disabilities, interethnic relations and humanitarian activities.</p>
<p><b>8) Level of financial support in the last 5 years</b></p>	<p>8) Most civil society organizations covered in the interviews point out that in the last 5 years there has not been dramatically increased the financial support for their activities. Even some of them point out that most often the same civil society organizations receive approximately the same financial resources for realization of the same project activities. However, they point out that the change of mayors can create uncertainty as to whether the new mayor will continue to financially support some activity. Their attitude is similar in terms of the consultation levels that they have with the municipalities, which is that in the last 5 years things have not changed dramatically.</p>
<p><b>9) Non-personal (in kind) support</b></p>	<p>9) Most civil society organizations point out that they rarely require this kind of in kind support from the municipalities and that they are predominantly oriented towards financial support. However, some civil society organizations stated that they also require this type of assistance from the municipalities and that they often encountered a positive response by the municipalities.</p>

## CONCLUDING OBSERVATIONS

Based on the data analysis from primary and secondary resources for the financial and non-financial support of civil society organizations by the units of local self-government, within the entire study, several key conclusions can be drawn. The conclusions of this study are presented below in table no. 9. Based on the conclusions, the following section generates recommendations for the improvement of the areas identified as critical for improving the level of cooperation between the municipalities and the civil sector.

**Table no. 9: CONCLUSIONS FROM DATA ANALYSIS**

<p><b>1). Municipalities are predominantly financed by civil society organizations that have legal status of associations of citizens and sports clubs. Hence, the activities that are dominantly financially supported by the local government units are art and sports, social activities, education, volunteer and humanitarian activities.</b></p>
<p><b>2). Almost 2/3 of the municipalities have not identified the priority areas for granting funds. Observed by planning regions, most of the municipalities in the Southwest region have not identified the priority areas for financial support.</b></p>
<p><b>3). A little over ½ of the municipalities publish public calls for granting funds to municipalities. Observed by planning regions Southwest, Skopje and Southeast region are with the larger number of municipalities that do not publish public calls for granting funds for support of the civil sector.</b></p>
<p><b>4). Publication of public calls is usually done through the municipality's website, local internet portals and local television and radio stations.</b></p>
<p><b>5). A relatively large number or almost 2/3 of the municipalities stated that they have a clear structure for submitting a project proposal. Observed according to planning regions, the municipalities of Southwest and Polog region do not have a structure for submitting project proposals.</b></p>
<p><b>6). Most of the municipalities stated that they do not have clear criteria for evaluating the project proposals and that they, i.e. the scoring system for the project proposals in most of the municipalities, was not publicly announced.</b></p>
<p><b>7). Half of the municipalities or nearly 50% stated that they are making the decision on which projects will be financially supported by the municipality.</b></p>
<p><b>8). More than half of the surveyed municipalities clearly indicated that they did not make public announcements of the projects financially supported by the municipality.</b></p>

9). Most of the municipalities or over 80% stated that demand from civil society organizations to submit a report on the realized project activities financially supported by the municipality.

10). Just over half of the municipalities stated that they are preparing an annual report on the financial resources allocated to civil society organizations and that they monitor the realization of the project activities. Observed by planning regions, most of the municipalities from the Southwest, Polog and Skopje region do not have such practices.

11). More than half of the municipalities stated that they do not have a separate sector for cooperation with the civil society organizations and that most often the municipalities have a person in charge of this kind of cooperation that belongs to some other sector, mostly within the LED sector (local economic development), legal sector, sector for public activities and other sectors.

12). Most or over 80% of the municipalities believe that the projects implemented by civil society organizations provide wider benefits to citizens and society. But in the same number, the municipalities have stated that they do not measure the effects of the realized projects activities by the civil society organizations.

13). Municipalities consider that the financial support of civil society organizations is responsive in range and scope, while civil society organizations consider that financial support is not at the required level, neither in scope nor in range.

14). Most of the municipalities consider that cooperation with civil society organizations has been promoted in the last 5 years, while most of the civil society organizations consider that such cooperation has not changed significantly in the last 5 years.

15). The municipalities stated that for the last 5 years they have promoted the non-financial (in kind) support of the civil society organizations. However, some of them suggest that this type of support is rarely required. Most of the civil society organizations have the same attitude, noting that this kind of support is rarely required.

16). The cooperation of municipalities with the civil sector on projects financially supported by the municipalities is greater than those supported by a foreign donor.

17). Cooperation between municipalities and civil society organizations is greater when implementing public projects than on monitoring projects.

18). The general conclusion is that in all planning regions there are municipalities that have great divergences between the planned and realized funds for support of the civil society organizations. In most municipalities, the planned amount is higher than the realized amount. Observed by planning regions, the smallest deviations exist in the Skopje, Pelagonia region and Southeast region.

19). When viewing trend in budgeting and implementing funds by individual municipalities, it can be noted that there are deviations in two directions, i.e. to overcome the planned amount in relation to the realized amount, and vice versa. But there are also municipalities that have relatively small deviations over the years in the budgeted and realized funds to support projects in the civil sector.

20). The weakest realization of the planned funds for the civil sector is registered in the Southeast, Southwest, Pelagonia and Polog region, while significantly higher realization than previously budgeted/planned has been registered in Vardar and East region.

21). The biggest deviations from the planned funds for civil society organizations are in 2016, when the realization is only 62%, as well as in 2015, when the realization of the funds for the civil sector is bigger by almost 20% of the planned. In the remaining period each year the realization of the funds for the civil society organizations was lower in the interval of up to 5% of the planned.

## RECOMMENDATIONS

Based on the conclusions presented in Table no. 9, several important recommendations can be drawn. The recommendations are shown below in Table no. 10.

**Table no. 10: RECOMMENDATIONS CONDUCTED BY THE CONCLUSIONS**

<p>1). It is necessary for municipalities to somehow change the focus in financing the activities of civil society organizations, from sports and art more towards environment, people with disabilities, interethnic relations and humanitarian activities.</p>
<p>2). It is necessary to strengthen the capacities of the local authorities in cooperation with civil society organizations and to precisely determine the priority areas for financing. This applies to all planning regions, and especially to the municipalities of the Southwest planning region.</p>
<p>3). The number of municipalities that publish public calls for the allocation of funds for projects initiated by civil society organizations must be increased significantly. Such an obligation can be imposed on the municipalities by amending the legislation in the future.</p>
<p>4). Assistance to the municipalities in developing a clear structure for submitting project proposals from the civil society. Also, to assist municipalities to develop a complete methodology for funding projects from the civil sector. Within this methodology should be defined the complete process, starting from publishing the public call till awarding financial funds and monitoring of the realization of the project activities and measuring the effects.</p>
<p>5). In addition to the development of a complete methodology and documentation template, which is required to follow such a process, it is necessary to provide strong transparency of the process of granting projects of the civil society organizations from the municipalities.</p>
<p>6). Sure, it would be useful to develop a digitized solution for submitting project proposals by civil society organizations to the municipalities. The digital solution can provide greater transparency and monitoring of project proposals though the award process along with the final publication of the projects that received the support. Such a platform could be centralized and used by all ZELS member municipalities, which would ensure standardization of the procedure for allocation of funds, and it would also be helpful for the smaller municipalities that do not have the capacity to develop and maintain the platform.</p>



7). It is compulsory to increase the number of municipalities that measure the effects of the realized projects from the civil society organizations. Current benefits to society are based on assumptions made by municipalities and civil sector. But there must be monitoring and measurement of the effects in order to know if the realized activities really contributed to the improvement of the quality of life of the citizens.

8). It is necessary for civil society organizations to be more active and more able to use the non-financial or in kind support by the municipalities.

9). More involvement of civil society organizations and greater cooperation in the area of monitoring and evaluation of local policies is needed.

10). Increasing the number of municipalities that prepare a special annual report on funds spent on financing of civil society organizations. This can be achieved by amending the legislation and inserting such obligation within the regulation.

11). Achieving greater alignment between municipalities and civil society organizations in terms of the range and scope of the areas financially supported by the municipalities.

12). It is necessary to improve the capacities of the municipalities for better budgeting of the activities of the civil society organizations, but also better realization of the planned amounts, in order not to occur large gaps and deviations between the planned and the realized.



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