



MACEDONIAN  
CENTER FOR  
INTERNATIONAL  
COOPERATION



# 2006

## ANNUAL REPORT



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# Mission

MCIC is a civil society organization which believes in peace, harmony and prosperity of Macedonia and the Balkans, based on the universal principles of a civil society and participation democracy, good governance, even social and economical development, interdependency and cultural diversity.

The goal of MCIC is to encourage and lead the changes in solving the social challenges using innovations and establishing alternative models and including them in the main flow.

MCIC is civil organization that believes in peace

# Goals and Methods

Long-term goals of MCIC are:

- ▶ An even and sustainable economic development leading to a social cohesion and to a decrease of poverty through rural and regional development, employment, entrepreneurship, education and access to public services;
- ▶ A diversified and deep-rooted civil society promoting the inclusion of a number of interest groups that affect the main streams of social life;
- ▶ A righteous and democratic society based on the principles of good governance, decentralized system of management and a high degree of trust;
- ▶ An accepted cultural diversity, interdependence and dialogue, reflecting in every segment of public life;
- ▶ Established partnerships for the development and a strengthened social capital.

MCIC implements its activities through:

- ▶ Representation;
- ▶ Development of capacities;
- ▶ Networking and partnership;
- ▶ Co-financing;
- ▶ Information – public relations.

MCIC is a member of



ECOSOC



ACT International



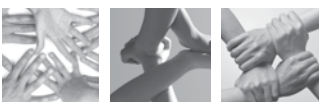
CIVICUS



Balkan Network for Civil Society Development



Civic Platform of Macedonia



## MESSAGE FROM THE MANAGEMENT

The year 2006 was marked by the regular parliamentary elections (held at the beginning of July). The government made efforts to improve the economic results and to announce new projects and investments, while the opposition criticized the poor situation, the large unemployment and poverty, as well as the corruption scandals. The election campaign, which led to a change in power, diverted the attention away from the reforms. In addition, the context for civil society organizations deteriorated. The government pays little attention to the financial support of the civil society sector. The practice so far, which also continued in the year 2006, is a budget of 15 million denars for about 100 organizations. With the withdrawal of the donors so far, the support from international organizations and funds also decreased. With the biggest organizations the decrease is over 20% in average. Having in mind the fact that the EU does not envisage special funds for this purpose for the following two years, a further decrease in financing can be expected.

In 2006, MCIC had a total portfolio of 72 projects and a budget of approximately 90 million denars. MCIC, besides the standard portfolio, started the implementation of two programs approved by the EU towards the end of year 2005, namely the Government Strategy for Cooperation with the Civic Society Organizations (SGO) and the Balkan Network for Civic Society Development (BNT). In this period, EU – EAR approved the financing of the program Civic Platform of Macedonia.

MCIC paid special attention to its own re-structuring in order to adjust to the changes within the context, as well as to the preparation of the general policy and the strategic orientation for the period 2007 – 2010. As a reflection of the decreased support in 2006, the last meeting of the Consortium for Macedonia, a consortium of agencies connected to the World Council of Churches which was the main supporter of MCIC in the period from 1994 to 2006, was held. Three agencies (EED, Germany; NCA, Norway; and DCA, Denmark) will continue the support on a bilateral basis.

The cooperation with a lot of different partners, which is one of the main characteristics of MCIC work, continued in its regular intensity in this period as well. The most important event was the admission of MCIC as a member with consultative status in the Economic and Social Council of the United Nations in July 2006.



Natasa Gaber-Damjanovska

A handwritten signature in black ink, appearing to read 'Natasa'.



Saso Klekovski

A handwritten signature in blue ink, appearing to read 'Saso'.

The government pays little attention to the financial support of the civic society sector. The practice so far, which also continued in the year 2006, is a budget of 15 million denars for about 100 organizations

# LOCAL DEVELOPMENT

## Local Development of the Communities

The goal of this program is improved services for citizens within the communities.

During year 2006, there were activities carried out for establishing participatory approaches within the communities, improving the transparency at work, building public support for rural and other small communities, and encouraging innovations and activities for solving the problems within communities. The program included the municipalities of Stip, Kriva Palanka, Debar, Centar Zupa, Dolneni, Mogila, Karbinci, Lozovo, Staro Nagoricane, Saraj, Jegunovce, Zelino, Caska, Tearce, Konce and the rural areas of municipalities of Veles and Prilep.

“In Belgium we saw good communication between the local and central authority. That is what we lack.”

## Macedonian Mayors Visiting Belgium

There was a study visit to Belgium for the mayors of the municipalities of Debar, Stip, Kriva Palanka and Centar Zupa, as well as four other representatives from their municipalities. The host of the study visit was Balkanactie.

“We visited Iper, as an example of tourism development through exploitation of the cultural and historical heritage. In Liège we visited the construction of the local cargo airport and the construction of the railway station intended for high-speed trains. Sint Truiden was an example for agricultural development, and in Tienen we were acquainted with the strategy for local development. We will be able to apply a part of the experience in our local economic development,” said Dragi Trajcevski, mayor of the municipality of Kriva Palanka. “In Belgium we saw good communication between the local and central authority. That is what we lack. Positive examples from abroad are not sufficiently applied here,” Nuzi Shahin, mayor of municipality Centar Zupa, told us.



Would foreign experiences help Macedonian mayors in developing their municipalities



# Water Supply and Sanitation for the Communities

The goal of the program is to provide access to drinking water and a suitable drainage of wastewaters. During 2006, every activity within this program was stopped, except for the project “Water supply of the village Krusopek,” which was realized in cooperation with USAID.

## The Civil Initiative was Crucial

“The village Krusopek is the last village in the municipality of Saraj that does not have water supply pipelines and healthy drinking water,” said Imer Selmani, who was the Mayor of municipality of Saraj at the time, at the official signing of the memorandum for cooperation signed by representatives of the municipality, the inhabitants of Krusopek, MCIC and USAID.

“It only proves that whenever there is a civil society initiative, when the citizens are ready to render part of their family budget, there is always a partner that will support their idea and join in the project,” added Selmani.

“We have water in our house, but our neighbours don’t,” says Fatima Nuishi from Krusopek. “I know how hard it is without water because I too have been there. Before I married, I’d lived on the other end of the village, Loka, and we had the same problem. Not only did we have to do the laundry by hand and were not enjoying the comforts of other important things, but we also didn’t know that the water was not of good quality so we used it for drinking and cooking. Even today these people cannot drink that water, so they come to this part of the village to fill their buckets. It was high time this problem was solved,” says Fatima.

Providing the inhabitants of Krusopek with healthy drinking water will cost 280,084 US dollars, which will be provided by the villagers and the municipality (\$ 81,460), USAID (\$ 98,625) and MCIC (\$ 99,999).

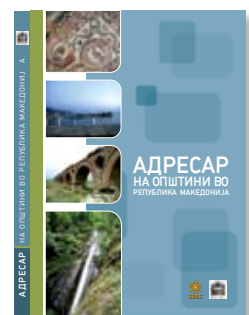
## Address Book of Municipalities in Macedonia

The new Address Book offers interesting information about all 84 municipalities and the City of Skopje. In 246 pages, besides the basic contacts, it also presents the demographic data, structural positioning of the municipality, as well as data regarding institutions under the competence of the municipality.

“Not only did we have to do the laundry by hand and were not enjoying the comforts of other important things, but we also didn’t know that the water was not of good quality so we used it for drinking and cooking”, says Fatima Nuishi from Krusopek



People from Krusopek will also gain clear and healthy water to drink



# EMPLOYMENT AND INCOME GENERATION

MCIC is the founder of the Macedonian Enterprise Development Foundation (MEDF). MEDF implements the planned activities from the MEDF Strategic Plan through the programs for Financial Services, Non-Financial Services, Sub-Sector Development and the Platform for Small and Medium Enterprise Development.

## Financial Services

The goal of the program is improvement of the access to financial services for the development of micro and small businesses. In 2006, the program covered 41 small enterprises and 676 micro entrepreneurs. The total amount paid is 2,773,530 EUR.

### Business Restored with the MEDF Loan

The Trpenoski brothers from Bitola manufacture wooden doors and windows for 20 years now. Their factory "Molika", together with the employees, work hard in order to satisfy the needs of their customers.

They received the loan in the amount of 38,000 EUR, from the MEDF credit line via the financial mediator IK Banka. They used these funds for buying almost every machine they now own. All of the old equipment was destroyed in a fire. The factory now employs 20 workers. With the new machines, the number of employees increased. They place their whole production on the domestic market.



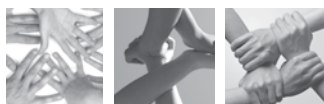
The whole production is placed on the domestic market

## Non-financial Services

The goal of the program is strengthening the capacity of the players in the SME sector.

In 2006, program activities of 7 associations of entrepreneurs were supported, and 54 young Roma, as well as 138 former combatants went through expert training. Two study visits for the management of accredited financial institutions were realized.

The annual report and financial report of MEDF you can find at [www.mrfp.org.mk](http://www.mrfp.org.mk)



# CIVIL SOCIETY AND DEMOCRACY

## Institutional Development of Civil Society in Macedonia

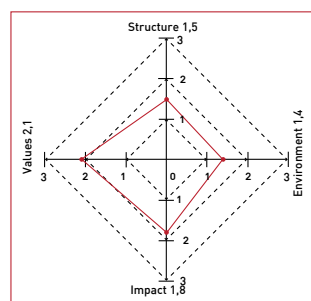
The goal of the program is creating an enabling environment and support for further development of civil society and improving the results of the actors in the civil society in Macedonia. During 2006, 11 issues of the Civic World magazine were published, two regional NGO Fairs were organized in Strumica and Gostivar, round tables and forums on the subject of “Civil Society, Political Parties and Elections” were organized, and a joint activity of ten organizations regarding publicising annual reports was realized.

### 15 Years of Transition – a Country Moving Towards Citizen Participation

The Civil Society Index (IGO) is a research project that assesses the civil society situation throughout the world. The project is being simultaneously implemented in over 50 countries, and it is coordinated by the international civil society network CIVICUS – World Alliance for Civil Participation. The goals of the research, formulated by Civicus, are to strengthen the viability of the civil society and promote and strengthen its contribution to positive social changes.

The diagram, which visualizes the situation in the Macedonian civil society in the shape of a diamond, shows that the civil society in Macedonia is moderately well developed. The practice and promotion of positive values are the strong side of the civil society, and therefore create the basis for its achievements and its influence. The environment is restrictive to a certain extent, with a somewhat inefficient state and a serious lack of public confidence and public spirit. This, on its side, negatively influences the structure of the civil society, which can be described as moderate in size and imbalanced in composition.

Macedonia has a small number of civil organisations. According to CSI there are 2.85 organisations per 1.000 inhabitants. Just to compare, in Croatia there are 9.25 per 1.000 inhabitants





# Government Strategy for Cooperation with the Civil Society Organizations

The goal of the program is to give support to the Government in the development and implementation of a coherent long-term policy and strategy that will help the Government in its cooperation with the civil society.

During 2006, a draft-Strategy for Cooperation of the Government with the Civic Society Sector was prepared. Besides the Government's Department for Cooperation with Non-Governmental Organizations, representatives from several ministries and state institutions and experts, a large number of representatives of civil society organizations from the country were also included in the process of preparation of the Strategy. Six consultative workshops were held in Skopje, Struga, Gostivar, Strumica and Stip, at which 316 representatives from 268 civil society organizations participated. Within the program for the personnel of the Department and other officials from relevant government institutions, two study visits to Hungary and Denmark were organized.

## Study Visits for Government Officials

Representatives of the Working Group of the Project "Technical Support of the Department for Civil Society of the Government of the Republic of Macedonia" were part of two study visits to Hungary and Denmark. The goal was sharing the best practices of cooperation of the governments of Hungary and Denmark with the civil sector.

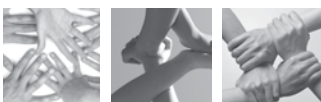
In Hungary, the participants were presented with the Sector for Civil Relations which prepares and implements the Strategy for Cooperation with Civil Society Organizations. They discovered what the particular mechanisms for cooperating and allocating funds between the Ministry of Local Government and Regional Development and Civic Society Organizations are, and saw how the Law on 1% Philanthropy functions.

Denmark was a different example. Tradition and a high degree of trust between people in society are the key factor for developed civil society and deep-rooted awareness about it. The debate on certain initiatives, changes or legal solutions is being carried out together with the public and, of course, both the citizens and the civil society organizations are included in the process of decision making without special mechanisms regulating their inclusion.

In 6 consultative workshops in Skopje, Struga, Gostivar, Strumica and Shtip in which the draft strategy was discussed, participated 316 representatives from 268 civil organisations.



From study visit in Denmark



# Organizational Development of the Actors in the Civil Society



The goal of the program is to develop the organizational and institutional capacity of civil society organizations and other players in the civil society.

The program covered a total of: 567 participants within the training and consultations, 281 of whom were men and 286 were women. 102 participants (50 men, 52 women) participated in the regular training, and 465 participants (231 men and 234 women) participated in the tailor-made courses, workshops and consultations.

During the year 2006, 567 participants visited the trainings

## Focus on the Long-term Development

Macedonian Center for International Cooperation has carried out a series of trainings and workshops for OSCE, which should enable a total of 111 representatives of civil society organizations and local self-government units (45 from Tetovo and 66 from Kumanovo) build their own capacity for strategic planning and prepare a strategy for their organizations.

Tetovo and Kumanovo, as parts of the former crisis regions, are covered with OSCE confidence building activities. For further harmonization of relations, joint actions of different actors, with the key role played by the civil society organizations, are needed. In both municipalities there are civil society organizations which work with great enthusiasm on solving the problems within the communities, but they need to strengthen their capacity.



The aim of the training was awareness rising for strategic planning

“As regards the usefulness, i.e. the applicability, I think that the training can be used in many segments. At a personal level, it can be used for orientation and self-analysis regarding where we are now and where we are headed. At a professional level and in the civil movement, whether our activities too are in accordance with our mission and vision,” says Margarita Avramovska, a member of MB of HZ “Majka” from Kumanovo.

The training has an objective to draw the attention of organizations toward the changing context in which they operate, to raise the awareness about the need for strategic planning and the need for focusing on the long-term development of their organizations.

# RELATIONS BETWEEN COMMUNITIES

## Inter-religious Cooperation in Macedonia

The goal of the program is to increase the mutual understanding between religious communities and their understanding with the Macedonian public in general.

There were nine exchange lectures realized at the Orthodox Faculty of Theology (OFT), the Faculty of Islamic Sciences (FIS), the Faculty of Philosophy and at the Jewish synagogue in Skopje; the offices for inter-religious cooperation at the Faculty of Theology and the Faculty of Islamic Sciences were supported; an international inter-religious conference was held in Strumica; a study visit to Northern Ireland was organized; a summer camp in Struga was organized; the Inter-Religious Cooperation Bulletin was issued; the radio program "Amen" was broadcasted; the publications "The Islam and the Other Religions" and "True Love", as well as inter-religious calendars, were published.

Nine exchange lectures realized at the Orthodox Faculty of Theology and the Faculty of Islamic Sciences

### Study Visit to Northern Ireland

In the fall of 2006, 13 high representatives from churches and religious communities in the R. Macedonia, as well as representatives from the Commission for Relations with the Religious Communities, went on a study visit to Belfast, Northern Ireland. They visited several religious and other institutions in Belfast, as well as conflict areas. As a result of the visits, the participants acquired experience which would serve them in future in the inter-religious dialogue and the cooperation in Macedonia.

"The positive experience I brought from there is that there is a huge desire, which I noticed with everybody there regardless of their religious affiliation, for overcoming all those problems so that one day everybody would lead a normal life again," said Hazan Avi Kozma from the Jewish community in Macedonia.



During the study visit the participants visited the conflict areas in Belfast



# Re-Socialisation of Former Combatants

The goal of the program is to re-socialize the former participants in the armed activities (former combatants) in the conflict in Macedonia of 2001, on both sides of the conflict – members of the government security forces (police and army) and the National Liberation Army (NLA), via direct aid (training in basic skills, expert training and training at work), psycho-social aid, and capacity building of their associations. During 2006, training courses in English language and computers were carried out.

## The Work, a Medicine for the Past

“After the conflict in 2001, I was disabled and I had three operations on the leg. It was very hard for me to find a job, even with people close to me,” Abdurahman Ramani from Tetovo, a member of the Association of NLA Veterans, started his story.

Abdurahman and several more members of the Association participated at training at work, organized by MCIC, carried out at the furniture factory “Helga Company” in Tetovo. “Every start is difficult, but a man gets used to it. After we had finished our training, I was assigned to the sales department at the store,” says Ramani. “I have a lot of friends from the war that don’t have a job, and have nothing to do all day long. When in such a position, a man doesn’t know what to do with himself,” says Abdurahman.

The members of the Macedonian Defenders’ Association too were included in the same project. “When we received the offer for the program, there was some resistance,” says Aco Stojanovski, the president of the association and a former participant in the conflict. “We felt that the state should support us and take care of our re-socialization. The other problem was that some of the members of the association didn’t want to be in the program together with NLA members. However, in time, we managed to overcome it and accepted the invitation to participate in the program,” adds Aco.

The training at work included 86 people. “The people went out and contacted other people. They managed to break the ice and do something for themselves and for their family,” says Stojanovski. “The training was like a light at the end of a tunnel. It made people slowly return to life,” said the president of the Defenders’ Association, Aco Stojanovski.

A total of 569 users participated in the training courses, and an additional 102 were trained on voluntary basis. The training at work covered 138 users, and almost 30% of them continued to be employed after the training finished.



“Every start is difficult, but a man gets used to it”, says Abdurahman Ramani

# BALKAN

## Regional Cross-border Cooperation

The goal of the program is to improve the cross-border cooperation via intensifying the cooperation among the local government and the civil society organizations of the three cross-border regions.

Three workshops in preparing action plans were realized in Albania, Kosovo and Macedonia. The plans for local development, which were drafted at the workshops, were published, and the workshop “Lessons Learnt and Future Activities for Cooperation in the Cross-Border Region of Albania-Kosovo-Macedonia” that took place in Prizren, Kosovo, was realized as a final activity.

The cross-border cooperation could be improved through the cooperation of local authorities with the civil organisations

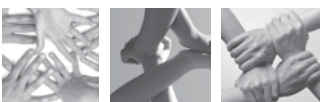
## Balkan Network for Civil Society Development

The goal of the program is to increase the individual and organizational capacities of the relevant civil society organizations from the Balkans and their cooperation.

During the year, there were four training courses realized, two in Albania and two in Serbia. There were 34 participants in the training for networking and partnership and the training for mobilization of resources. A study visit of EU institutions was organized, as well as an exchange visit of the member organizations. The web page was regularly updated, and the electronic monthly bulletin was published. The publication “Manual for Networking and Partnership” was published within the program.



The training has contributed toward experience exchange



# STRUCTURE AND DEVELOPMENT OF MCIC

## Cooperation

The cooperation of MCIC with local civil society organizations was intensified in this period. The cooperation with the Government also intensified, due to the drafting of the Government Strategy for Cooperation with the Civil Society Sector. The last meeting of the Consortium in this structure and form was held in October. The most important event in this period was the admission of MCIC as a member with the status of a consultant in the Economic and Social Council of the United Nations.

## Public Relations

“MCIC Open Days” were organized in 2006 for the first time. They were held in Skopje, Gostivar, Prilep, Kumanovo and Stip, and the results for year 2005, as well as the plan for 2006, were presented there. The presentations were made in the presence of journalists, representatives of civil society organizations and the local self-government. MCIC open days were visited by 101 visitors in total. Five issues of the MCIC Bulletin and the 2005 Annual Report were issued. During 2006, a total of 108 appearances in the media were realized.



Open days of MCIC

## Mobilization of Funds

MCIC drafted several applications for mobilization of funds. The following applications were approved: the program Applied Education for Young Roma was approved by DCA; the program Institutional Development of Civic Society in Macedonia by DCA; the program Inter-Religious Cooperation in Macedonia by NCA and DCA; the program IGO together with GPM was approved by EAR; the program Local Development of Communities by the Belgium Government; the list of trainers for the Ministry of Education and Science of R.M. MCIC also applies as a part of the consortium that won the USAID call for proposals for education development; EU call for proposals for decentralization of managing the technical support (by EAR for the Ministry of Finances) – participation in the Consortium led by the Italian consultancy firm IFOA (on-going).



## Management Board

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9. **Andon Markovski**,  
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10. **Imer Selmani**,  
Mayor of the Municipality of Saraj (member of MB from 2004 until september 2006)

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## Personnel

At the end of 2006, MCIC had 31 associates at the headquarters in Skopje, or an equivalent of 30.8 full working hours (EPRV). In the course of this year, MCIC employed one member of staff for the position of junior local expert in the program Strategy for the Civic Society, and two members of staff ended their employment at MCIC (on their request) for personal business reasons. There were several training sessions on personnel development.

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# INDEPENDENT AUDITORS OPINION



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## INDEPENDENT AUDITOR'S REPORT

To the Management  
 of Macedonian Center for International Cooperation - Skopje

### Report on the Financial Statements

We have audited the accompanying financial statements of Macedonian Center for International Cooperation – Skopje (in the further text Organisation), which comprise the balance sheet as at December 31, 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

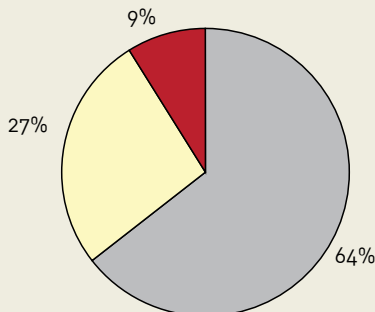
### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Macedonian Center for International Cooperation – Skopje as of December 31, 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Skopje  
 8 May 2007  
 PricewaterhouseCoopers dooel Skopje

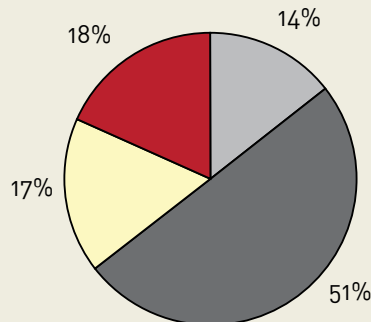


WHERE HAS MCIC SECURE THE FUNDS FROM



- Consortium
- Governmental and Intergovernmental Organisations
- Other

HOW HAS MCIC MADE USE OF THESE FUNDS



- Local development of the communities
- Civil Society and Democracy
- Relations between communities
- Balkan



# FINANCIAL REPORT FOR 2006

The integrated Financial report you can find at: [www.mcms.org.mk](http://www.mcms.org.mk)

| Description                        | Notes | 2006           | 2005           |
|------------------------------------|-------|----------------|----------------|
| <b>A. ASSETS</b>                   |       |                |                |
| <b>Capital assets</b>              |       |                |                |
| Fixed assets                       | 2     | 13,400         | 15,095         |
| Non-material investments           | 3     | 350            | 350            |
| Housing found                      | 4     | 8,436          | 7,151          |
| Total capital assets               |       | 22,186         | 22,596         |
| <b>Current assets</b>              |       |                |                |
| Cash and cash equivalents          | 5     | 57,982         | 68,648         |
| Inventories                        | 6     | 802            | 802            |
| Payment in advance                 | 7     | 13,360         | 13,703         |
| Trade receivables                  | 8     | 4,488          | 1,471          |
| Short-term receivables             | 9     | 26,760         | 16,414         |
| Other short-term receivables       | 10    | 1,669          | 1,193          |
| Other receivables                  | 11    | 2,653          | 84             |
| Total current assets               |       | 107,714        | 102,314        |
|                                    |       | 0              | 0              |
| <b>TOTAL ASSETS</b>                |       | <b>129,900</b> | <b>124,911</b> |
| <b>B. EQUITY AND LIABILITIES</b>   |       |                |                |
| <b>Short-term liabilities</b>      |       |                |                |
| Trade payables                     | 12a   | 4,322          | 4,596          |
| Trade payables abroad              | 12b   | 2,252          | 0              |
| Other short-term liabilities       | 13    | 1,506          | 1,906          |
| Total short-term liabilities       |       | 8,079          | 6,502          |
| <b>Accrued expenses</b>            |       |                |                |
| Total accrued expenses             | 14    | 17,616         | 17,185         |
| Total liabilities                  |       | 25,695         | 23,687         |
| <b>Funds and reserves</b>          |       |                |                |
| Funds                              | 15    | 104,205        | 101,224        |
| Total funds and reserves           |       | 104,205        | 101,224        |
| <b>TOTAL LIABILITIES AND FUNDS</b> |       | <b>129,900</b> | <b>124,911</b> |

## CONSOLIDATED BALANCE SHEET (FOR THE PERIOD ENDING ON 31 DECEMBER 2006)

(The amounts are expressed in thousands of macedonian Denars, 1 EUR = 61.1741 MKD)

| Description  | Notes         | 2006           | 2005         |
|--|---------------|----------------|--------------|
| <b>A. REVENUES</b>   |               |                |              |
| <b>Donations and grants</b>                                    |               |                |              |
| Macedonia Consortium   |               |                |              |
| Interchurch Org. for Development Coop., ICCO, Netherlands      | 0             | 0              | 8,236        |
| DANIDA/DCA, Denmark  | 8,908         | 10,735         |              |
| Evangelische Zentralstelle für Entwicklungshilfe, EED, Germany | 18,954        | 30,564         |              |
| DanchurchAid, DCA, Denmark                                     | 3,685         | 17,288         |              |
| Norwegian Church Aid, NCA, Norway                              | 11,586        | 21,755         |              |
| Total Macedonia Consortium                                     | 43,134        | 88,578         |              |
| <b>Other partners</b>  |               |                |              |
| Balkan Actie   | 1,835         | 0              |              |
| Macedonian Enterprise Development Foundation (MEDF)            | 4,159         | 1,500          |              |
| Total other partners   | 5,995         | 2,693          |              |
| <b>Governmental and intergovernmental organisations</b>        |               |                |              |
| European Agency for Reconstruction - EAR                       | 9,642         | 4,858          |              |
| EAR/ADI  | 1,587         | 0              |              |
| European Commission  | 4,273         | 0              |              |
| German embassy in Republic of Macedonia                        | 0             | 0              |              |
| OSCE   | 0             | 1,148          |              |
| Royal Netherlands Embassy                                      | 0             | 5,533          |              |
| Other  | 2,304         | 1760           |              |
| Total governmental and intergovernmental organisations         | 17,806        | 13,299         |              |
| <b>TOTAL DONATIONS AND GRANTS</b>                              | <b>66,934</b> | <b>104,571</b> |              |
| Interests  | 17            | 2,320          | 3,665        |
| Positive foreign exchange difference                           | 18            | 280            | 360          |
| Extraordinary revenues   | 19            | 4,988          | 7,168        |
| Own revenues   | 20            | 20,776         | 18,490       |
| <b>TOTAL REVENUES</b>  | <b>95,298</b> | <b>134,254</b> |              |
| <b>B. EXPENSES</b>   |               |                |              |
| <b>Charitable expenses</b>                                     |               |                |              |
| Water Supply and Sanitation of Communities (VSZ)               | 21            | 0              | 22,302       |
| Local Development of the Communities (LRZ)                     | 22            | 6,771          | 0            |
| Applied Education for Young Roma (POR)                         | 23            | 588            | 12,211       |
| Institutional Development of Civil Society (IGO)               | 24            | 10,506         | 0            |
| Strategy of the Government for Cooperation with NGO's (SGO)    | 25            | 8,172          | 0            |
| Strengthening Strategic NGO's (JSN)                            | 26            | 2,466          | 4,440        |
| Strengthening of the Actors in Civil Society (ORR)             | 27            | 3,148          | 0            |
| Bridging Religions in Macedonia (MSM)                          | 28            | 4,440          | 2,947        |
| Sharing the Power in the Municipalities (SMO)                  | 29            | 724            | 0            |
| Resocialisation of Ex-Combatants (RPB)                         | 30            | 2,956          | 3,365        |
| Campaigns for Fund Raising (KMF)                               | 31            | 627            | 2,706        |
| Balkan Civil Society Development Network (BNT)                 | 32            | 9,383          | 3,085        |
| Regional Cross-border Cooperation (RMS)                        | 33            | 20             | 7,146        |
| Citizens Advisory Centers (SCR)                                | 34            | 1,105          | 7,146        |
| Total charitable expenses                                      |               | 50,906         | 85,256       |
| <b>Purchase value</b>  | <b>34</b>     | <b>1,862</b>   | <b>1,019</b> |
| Total purchase value   |               | 1,862          | 1,019        |
| <b>Operational expenses</b>                                    |               |                |              |
| Information and publications                                   | 35            | 792            | 1,426        |
| Operational expenses   | 36            | 38,776         | 37,223       |
| Total operational expenses                                     |               | 39,569         | 38,649       |
| <b>TOTAL EXPENSES</b>  | <b>92,337</b> | <b>124,924</b> |              |
| <b>C. BALANCE</b>  | <b>2,962</b>  | <b>9,330</b>   |              |

## CONSOLIDATED BALANCE ON REVENUES AND EXPENSES FOR THE PERIOD ENDING ON 31 DECEMBER 2006

(The amounts are expressed in thousands of macedonian Denars, 1 EUR = 61.1741 MKD)





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