



## **Macedonian Centre for International Cooperation**

### **OPINION ON THE DRAFT LAW ON ASSOCIATIONS AND FOUNDATIONS**

The motion for passing the Law on Associations and Foundations (LAF) with draft law is currently in parliamentary procedure in the Assembly of the Republic of Macedonia. After the enactment of the Law on Associations of Citizens and Foundations from 1998 and the amendments from 2007, a new law was drafted as a result of the scope of the amendments, including but not necessarily limited only to the introduction of the status of public benefit organizations.

Having in mind the importance of the Law on Associations and Foundations for the civil society sector, as well as MCIC's involvement in improving the legal framework for the civil society since 1995 and the participation in the working group of the Ministry of Justice, MCIC has prepared its opinion on the draft law. The purpose of this opinion is to assess the draft law and to identify the needs for improvement.

The opinion on the draft Law on Associations and Foundations contains introductory information on the freedom of association in Republic of Macedonia and the harmonization of the draft law with the international conventions and best practices as well as general assessment of the draft law, accompanied with an overview of the improvements expected from the draft law. The final part refers to the necessary changes to be made to this draft law.

This opinion is prepared by Sašo Klekovski and Emina Nuredinoska from the Macedonian Centre for International Cooperation (MCIC).

#### **1. Regulation of Association in Macedonia and the Ongoing Process**

The Constitution of the Republic of Macedonia, Chapter II "Basic Freedoms and Rights of the Individual and Citizen", Article 20 regulates the right to freedom of association. Pursuant to this article, the Constitution guarantees the freedom of association by determining the goals of the association, expressed through exercise and protection of political, economic, social, cultural and other rights and convictions and defines the organizational types of association in the form of associations and political parties.

The Law on Associations of Citizens and Foundations (Official Gazette of RM, No. 31/98) was adopted in 1998. Although it was enacted seven years after the Constitution, its role in determining the freedom of association is of utmost importance. In addition, the Law is among the first laws in the region, regulating the freedom of association and it was deemed as liberal and progressive at the time it was enacted.

However, the implementation of the Law on Associations of Citizens and Foundations showed that the changed environment and the emerging needs in the society, as well as in the developing civil sector, imposed the need of adopting new Law on Associations and Foundations. Furthermore, it was necessary to harmonize the provisions regulating the activities of the associations of citizens and foundations with the European regulations and practices.

Starting from 2002, in several occasions the civil society organizations highlighted the key changes to be made in the Law on Associations of Citizens and Foundations. In January 2006, the Ministry of Justice prepared draft amendments and supplements to the law, but they were not accepted by the Government.

In 2007, the Law on Associations of Citizens and Foundations was harmonized with the Law on One-Stop Shop System and the Law on Misdemeanors.

More significant activities were undertaken with the establishment of the working group by the Ministry of Justice in 2007, comprised of representatives from the Civic Platform of Macedonia (CPM), represented by the Foundation Open Society Institute Macedonia (FOSIM) and MCIC. The working group had intensive activity in 2009 and 2010, when numerous meetings were held with active participation of several ministries, civil society organizations and university experts. The working group had two meetings with the Justice Minister, Mihajlo Manevski, and the draft law was promoted by the Minister at the start of 2010. The draft law was subject to cross-sector coordination.

Unfortunately, due to the lack of dissemination of information among the governmental sectors, which did not participate actively in the working group, some changes were made during the cross-sector coordination.

In this period, MCIC has actively supported the working group, both by providing expertise and organizational support. The authors of this opinion, Sašo Klekovski and Emina Nuredinoska, provided their expert assistance.

MCIC will continue to support this process, in the period of enactment of this law through the opinion for improvement of the proposed text and will continue to offer support in the future, both in the preparation of bylaws, training and dissemination of information about the law.

## **2. Harmonization of the Law with the International Conventions and Best Practices**

Internationally, the freedom of association is regulated by several documents, starting with the Universal Declaration of Human Rights, Covenant on Civil and Political Rights and one of its strongest instruments – the Convention for the Protection of Human Rights and Fundamental Freedoms and Article 11. According to this, the freedom of association is considered as a right from the first generation of human rights, providing the basis of the liberal concept of democracy in general. The freedom of association is one of the central rights and the exercise of the other political rights considerably depends on its existence or non-existence, i.e. this right is a precondition and is closely correlated with enjoyment of other rights and freedoms. Article 11 of the Convention covers two rights: freedom of peaceful assembly and freedom of association. These are not absolute rights, meaning

that the state may prevent this freedom, but only in precisely defined cases, such as: the ban to be prescribed by law, to have legitimate purpose and to be necessary for the democratic society. The significance of the right to freedom of association is clearly emphasized even in the jurisprudence of the European Court of Human Rights, which provides the widest possible interpretation of the freedom of association, in order to protect this right.

With the basic principles defined by the Law, the lawmaker touches upon the basic elements determined in Article 11 of the Convention and they are in compliance with the decisions brought by the Court.

In addition to the European Convention, another significant document is the Fundamental Principles on the Status of Non-governmental Organizations in Europe, comprised of preamble; scope; basic principles; objectives; establishment; content of statutes; membership; legal personality; acquisition of legal personality; management; property and fund-raising; public support; transparency and accountability; supervision; liability and relations with governmental bodies.

Most of the provisions in the draft law are harmonized with these principles and recommendations, but there is also need to harmonize some of the provisions.

### 3. General Assessment

MCIC welcomes the drafting of the law on associations and foundations and entrance into parliamentary procedure after almost seven years of intensive activities.

The draft law is **harmonized** with the European Convention for Human Rights and in most part with the Fundamental Principles on the Status of Non-governmental Organizations in Europe adopted within the Council of Europe. However, there is still **room for improvement**.

The proposed text of the Law on Associations and Foundations clearly shows the intention of the proposer **to contribute significantly for the freedom of association in the Republic of Macedonia**.

The draft law is composed of 110 provisions divided in 14 chapters. By analyzing the provisions, we have come to the following assessment:

- **The general assessment is that the most of the provisions in the draft law are very good or good** (total of 98 out of 110 articles).
- 52 of the provisions are assessed as very good. They are clear and applicable and provide an improvement in comparison with the existing Law on Associations of Citizens and Foundations and in terms of the implementation of international standards and experiences.
- 46 provisions are deemed as good. Some of them promote the rights and freedoms, but are not sufficiently clear and implementable, while some of them are based on the existing Law on Associations of Citizens and Foundations i.e. the given rights and freedoms are maintained, where the provisions are clear and applicable.
- Few of the provisions are assessed as satisfactory, with retained rights and freedoms, which are not clear enough (8 out of 110 articles);

- Least of the provisions are unsatisfactory, demoting the rights and freedoms in comparison with the existing Law on Association of Citizens and Foundations and in terms of the implementation of international standards where such standards exist (4 out of 110 articles).

No changes are required in 67 articles. Amendments are necessary in 33 articles, whereas the changes to 10 articles are of moderate priority. Additionally, we propose two new articles: 49a and 93a.

#### 4. Expected Improvements from the Adoption of LAF

The draft law aims to meet several objectives, including:

- Extension of the freedom of association;
- Reduction of the burden and obstacles for exercising the right to freedom of association;
- Improved sustainability/ resource generating measures;
- Contribution for increased transparency;
- Contribution for good governances ;
- Clarification of provisions based on the existing Law on Associations of Citizens and Foundations;
- Remaining or standard provisions – provisions are based on the existing Law on Associations of Citizens and Foundations or legislation.

The demotion of rights and freedoms is not an expected outcome and it is expected for these provisions to be amended and supplemented in the Parliament.

In addition to harmonization with international regulations and practices, the draft law is also **aimed at resolving the everyday obstacles and problems in the civil society development**. Several examples are provided below.

##### 4.1. Extension of the Freedom of Association

The possibility given to **physical and legal persons, domestic and foreign persons and minors** to establish associations under specified conditions in comparison with the existing solution, which was limited only to adult citizens of the Republic of Macedonia is a direct contribution for full exercise of the right to free association in compliance with the European Convention for Protection of Human Rights and Freedoms, jurisprudence of the European Court for Human Rights and the Recommendations for Non-governmental Organizations of the Council of Europe (Article 15).

In this respect, although the draft law does not explicitly provide the opportunity for **informal association**, with the separation of organizations from their legal status and the fact that this is not sanctioned, this is considered as allowed (Article 6). This solution is in accordance with all standards and recommendations regulating the freedom to association.

In addition, although the Law on Association of Citizens and Foundations allowed the registration of foreign organizations in the Republic of Macedonia, this was limited only to organizations established for promotion of scientific, sport, cultural, humanitarian and social purposes. With the draft law, **domestic and foreign persons have equal rights** (Article 15 and 37), it provides freedom for establishment of **organizational types of**

**foreign organizations** without restricting the areas of their activity, if their objectives and activities are in accordance with this law (Article 38 and 39).

#### **4.2. Reduction of the Burden and Obstacles for Exercising the Right to Freedom of Association**

The draft law will facilitate the exercise of freedom to association: (a) parts of the content of the statutes of associations and foundations are foreseen as optional, which previously was not the case, and it provides greater freedom in the everyday work of the organizations (Article 18 and 31), (b) clear definition of competences of the highest governing bodies of associations and foundations reduces the obstacles in exercising the freedom of association (article 23 and 25), (c) lesser administrative obstacles, e.g. during the registration of organizational types of foreign organizations, the opinion of the Ministry of Foreign Affairs will no longer be needed. In addition, unlike the existing law, the draft law does not oblige the associations, foundations and unions to enter into registry their membership and linkages in international organizations.

#### **4.3. Improved Sustainability/ Resource Generating Measures**

The most criticized provision from the existing Law on Association of Citizens and Foundations, banning the organizations from engaging in economic activities, was removed in this draft law. The new draft law, following the practice in almost all European countries allows the organizations to engage in **income generating activities**, if the income is **used for fulfilling the objectives of the organization** as defined by the statute. This provision contributes for the sustainability of the civil sector, but also observes the **non-for-profit principle**<sup>1</sup> (Article 12).

The draft law regulates the issue of obtaining the funds (Article 48), including the state funding (Article 49).

**The main novelty is the introduction of the status of public benefit organization (PBO)**, which should encourage the organizations to be active in the areas of public benefit, by providing them benefits in order to improve their sustainability. The introduction of the public benefit status is a requirement that was raised by the civil society organizations several times in the past decade. This concept, mostly developed in the West European countries, is gradually accepted in some of the Central and Eastern European countries. **With the introduction of the public benefit status, the Republic of Macedonia will serve as a role model for many countries in the region.** So far the PBO status has been introduced only in Bulgaria (organ – Ministry of Justice), as well as in the countries under international administration, such as Bosnia and Herzegovina and Kosovo. These provisions should resolve some of the shortcomings in the Law on Donations and Sponsorships for Public Activities. The status of public benefit organization aims to recognize the organizations working for the needs of the **wider community in areas of importance for the whole society**, organizations that apply **higher standards**

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<sup>1</sup> The income generated from the economic activities of the civil society organizations, together with the direct support of the state are the main source of sustainability for the organizations. Namely, in Germany and Netherlands the state funding amounts to 64 % i.e. 59 %, the income from the economic activities 32% and 39%, while the income from philanthropy is 3% i.e. 2 % accordingly. In UK the state funding and the income generated from the economic activities are rather even, amounting to 47% and 45% accordingly, while 9% are received from philanthropy. The situation is a little bit different in the United States, where the ratio of the income is 57% from economic activities against 31% direct funding from the state and 13% from philanthropy. (Johns Hopkins Comparative Nonprofit Sector Project (2003) CSDF, Hungary (2003))

**of governance, accountability and transparency**, but also organizations that will receive certain **benefits from the state** (Articles 73,74, 75, 79, 80, 83, 88).

The draft law provides for **wide, comprehensive array of public benefit activities**. The **criteria for gaining this status** or the lack of these criteria, was one of the reasons for the failure of the law in 2006. Now, the criteria are raised, but the fact that the budget of 1.500 EUR is necessary and there are no limitations to the period of previous activity speaks that even **smaller organizations may gain the PBO status**. On the other hand, some of the criteria should demonstrate the ability to pay taxes, because the law should provide for additional tax and customs benefits.

**The decision maker is the Government**. In 2007, MCIC proposed and it still supports the idea for the decision to be made by the Commission within the General Secretariat or the Ministry of Finance (Moore D. *et al.*, 2007, p. 70).

If this is not viable as a result of legal reasons (legal status of the Commission), MCIC accepts the proposal in the draft law, improved by **strengthening the position of the Commission**. The Commission would make a decision for granting and taking away the status of public benefit organizations, while the Government would verify the decision. The organizations would submit the reports to the Commission. Besides the representatives of the state administration bodies, the Commission would be comprised of civil society representatives, which would increase the transparency and reduce the administrative burden.

In respect of the Commission's **independence**, we believe that the other options for the Commission's scope led by the General Secretariat, Ministry of Justice or Ministry of Finance will not enhance its independency.

The proposal is more elaborated in Annex 2, while the overview of the Public Benefit and the Civil Society Organizations is provided in Annex 7.

#### **4.4. Contribution for Good Governance**

The draft law also intends to contribute for good governance in the organizations, by defining the **main bodies** of the associations and foundations, providing for other bodies to be foreseen in the statute (Articles 24, 25, 26, 30, 33, 34, 36). The law clearly implies to **division of functions** in the organization between governing and executive and the non-compatibility of these functions, particularly in the public benefit organizations (Article 77 and 78). In view of the good governance are the provisions referring to use of funds in the organizations (Article 50), as well as sharing the damage liability (Article 51 and 52). The new provisions regulating liquidation also contribute for good governance i.e. instituting clear rules on settling the liabilities after the termination of operations (Articles 68, 69, 70 и 71).

#### **4.5. Contribution for Increased Transparency**

Majority of provisions are aimed at increasing the transparency of both the organizations and the state administration bodies. Following these lines are the principle for publicity and transparency of the work of organizations (Article 11) and the principle of non-partisan activity (Article 13).

**An example of problem solving orientation**. There is criticism in the public about the insufficient transparency in the process of providing public (state) funding for the civil

society organizations. This problem may have disastrous consequences, similar to those in Bulgaria, where the civil society is considered to be corrupted and “closed”. Article 49 of the draft law referring to budget funding, introduces provision on regulating the conditions and disclosing the beneficiaries on the web site. This would be a ground for establishing a binding document for financing the civil society organizations by the state. Namely, as a result of the failure to regulate this issue in the existing Law, the Government was not able to pass binding act (guidelines, rulebook) for providing financial support to the associations and foundations, so only the Code of Good Practices was adopted. We believe that with the provisions of this draft law the Code would be replaced with binding Guidelines or Rulebook on Financing the Associations and Foundations (Article 49). This together with the publication of beneficiaries on the internet should contribute for resolving the problem with the lack of transparency.

The improved and harmonized registries (Articles 40, 41, 43 и 47), mandatory reporting and publication of information by the organizations and state administration bodies (Articles 49, 50, 53, 81, 84, 85, 87), as well as the provisions on disposition of assets of the organizations after the termination i.e. ban of their operations (Articles 54 and 55) should also enhance the transparency. Certainly, most of the misdemeanor provisions are aimed at sanctioning the lack of transparency of organizations and liability for this (Articles 92, 94, 95, 96, 98, 99, 100).

#### **4.6. Clarification of provisions based on the existing Law on Associations of Citizens and Foundations**

Most of the unclear provisions in the existing Law on Associations of Citizens and Foundations are amended and improved with this draft law. It also contains glossary, i.e. Article with an explanation of the terms used in this law, which is a significant step forward in building mutual understanding on the key terms on associations and foundations. This should also facilitate the interpretation of provisions during the future implementation (Article 3). Some of the general provisions on foundation are much more clear (Article 27 and 28), while most of the clarifications were made in the chapter regulating the termination and ban of operations (Articles 68, 69, 70 and 71).

### **5. Necessary amendments to the Law**

The draft law has embodied the key amendments; however, we still believe that changes are necessary in certain articles, which would facilitate the further interpretation and implementation of the law.

In the discussion on improving the draft law one must consider the **reasons for not adopting the law by now**, as well as to see certain issues from two angles.

**The main reason** for not adopting this law was the lack of experience about the public benefit organizations on the Balkans, the refusal of line ministries to be involved in the process and the insufficiency of criteria. Furthermore, some of the reasons were the socio-cultural norms and differences related to freedom of association of minors, legal entities and foreign persons. Some of these issues, such as the freedom of association of minors, are still controversial in the civil society and among the experts. Some of them are embedded in the lack of trust in the society, e.g. towards the foreigners, although there is a paradox as the provisions for establishing trade companies by foreign persons are more liberal than those for associations.

A good example of a **two-angle perspective is the auditing**, i.e. the low threshold for auditing requirement. On one hand this an additional burden, but on the other it is protection of civil society from corruption, as such examples exist in the neighborhood.

In this stage, MCIC has established that there is a need for amending 23 articles in order to improve and clarify the provisions. Some of the issues are discussed below. The **detailed overview** including the draft amendments is provided in Annex 3.

### **5.1. Extension of the Freedom of Association**

In order to improve the provisions referring to extending the right to freedom of association, the following amendments are needed.

First, the draft law does not contain provisions on the procedure for registration and governance of unions, which may cause ambiguity, so it is necessary to clearly state that the provisions regulating the associations will also apply to the unions. In addition, it should be clear that the right to membership in international organizations applies to both associations and foundations. Moreover, it is very important to establish the difference between association and statutory changes (acquisition, merger..). The association does not imply changes to the legal status of the associated organizations, while the statutory changes imply changes to the legal status of involved organizations (Article 5).

An issue that should be changed in order to liberalize the association is the number of founders, which means decreasing the number of founders from five to three persons, and the requirement for only one of them, instead three of them, to have residence i.e. stay on the territory of the Republic of Macedonia. We believe that the Republic of Macedonia should follow in the footsteps of the countries in the region, particularly regarding the mandatory residence and stay of founders i.e. seat on the territory of Republic of Macedonia. The current solution, foreseeing three of the founders to have residence/ stay in the Republic of Macedonia is unnecessary, because the essence of this provision is the availability of one of the persons in the process of establishment i.e. registration of the organization, provided with the condition for the legal representative to have residence/ stay. This issue also has economic implications, i.e. could allow registration of unions and networks from the region in Macedonia, which could have positive economic impact (Article 15).

Another issue, which is essentially related with the extension of right to freedom of association, but which was not changed and was even demoted in comparison with the existing Law, is the membership of minors. Although the draft law gives opportunity for minors to establish organization, it also imposes obstacles and burdens on their membership. Article 21, paragraph 2 of the existing Law on Associations of Citizens and Foundations reads: "A member of association of citizens may be each citizen, a national of Republic of Macedonia, who will voluntary join the association in a manner determined by the statute." The solution provided in the draft law is less favorable than the one in the existing Law and restricts the freedom of association. We believe that each person, including the minors, should be entitled to be member of an association, without any additional conditions (Article 19).

### **5.2. Reduction of the burden and obstacles for exercising the right to freedom of association**



In order to reduce the burden and the obstacles for exercising the freedom for association it is necessary to improve the provisions regulating the responsibilities of governing and executive bodies in the associations and foundations on certain matters. Namely, the list of competences of the highest ranking bodies of the associations and foundations (Assembly and Board) includes competences that cannot or should not be realized by them. This is the case with submitting annual reports to the competent bodies by the Assembly and the Board. It should be noted that the Assembly and the Board may govern i.e. adopt and approve reports, but cannot submit reports. Additionally, the reporting is a responsibility of the representative (director), so accordingly the fines are pronounced to the responsible person – representative of the organization, and not the bodies (Article 23 and 25).

### **5.3. Increased Influence of Civil Society**

The intention of the draft law was to strengthen the influence of civil society, particularly the impact on public policy making in accordance with the Strategy of the Government for Cooperation with the Civil Sector. In the phase of coordination, this provision (Chapter 2, Basic Principles, Article 14) was replaced with “initiatives in the public life”. This wording is unnecessary and should be either replaced with a provision on influence on public policy making or should be deleted. Of course, the provision on influence on public policy making would be strong sign for the implementation of the Strategy of the Government for Cooperation with the Civil Sector (Government of RM, 2007).

### **5.4. Improved Sustainability/ Resource Generating Measures**

Although the main improvements in the law with the provision for income generating for the purposes of the organization and the introduction of the public benefit status refer to improved sustainability of the organizations, other improvements are also necessary in this part. It is necessary to harmonize Article 7 and 88. Both articles refer to tax and customs benefits for the public benefit organizations. The benefits should apply to all organizations, which is a right acquired with the previous law, while additional benefits should be foreseen for the public benefit organizations. This provision should be operationalized soon after the enactment of the draft law with amendments in the relevant tax laws.

### **5.5. Contribution for Good Governance**

Corrections are necessary to clarify certain provisions for smooth functioning of the bodies of the organizations, most of all associations. Namely, the statute of associations may only define the name of the body that will do the representation (this may be representative, director, president or another title). However, the wording used in the draft law implies a name of physical person. This will require changes in the statute, whenever a new representative is elected. Two-third majority is required for changing the statute, while majority is required for election. This provision may block the work of the association (Article 25).

One of the crucial issues requiring understanding is to give choice to the organizations regarding the establishment of supervisory body, providing that organizations meet the fundamental principle of good governance by division of governing and executive bodies (Assembly and representatives in the associations, i.e. Board and director in the foundations). The common practice in the countries in the region is to have additional supervisory board on a voluntary basis. This is observed in this draft law with the provision requiring mandatory supervisory body for the organizations acquiring the public benefit status foreseen in Article 77. The intention for establishing mandatory body is contradictory

to the exemption from the obligation for submitting annual balance sheet for organizations with income less than 2.500 EUR pursuant to the Law on Accounting for Non-Profit Organizations (Article 56).

## **5.6. Contribution for Increased Transparency**

The necessary changes for increased transparency of organizations mostly refer to amending the given deadlines for submitting reports (narrative and financial). For the purposes of timely and objective reporting, it is necessary to provide realistic/ feasible deadlines so the existing dates should be postponed for three months. March 31 should be moved to June 30, because the time period is too short for publishing the (revised) financial reports. The relevant laws require from the banks to publish their reports by May 15, while the joint stock companies by June 30. The deadline on March 31 puts the organizations in unequal positions against the far more powerful institutions, such as banks and joint stock companies (Article 53, 85 and 87). In this respect, there are changes in the misdemeanor provisions, foreseeing fines for both the organization and the representative. Because the range between the minimum and maximum fine is wide it is necessary to adjust the amount of the fines according to the annual budget of the organizations (Article 97).

In this sense it is necessary to change **Article 13** referring to non-party activity of the organizations. The existing wording should be clarified in order to avoid the wide interpretation of the term “influence elections”, which can thwart the work of numerous organizations providing education for voters, public debates and forums with participation of all parties, monitoring of elections, etc. More details on Article 13 are provided in Annex 2 and Annex 6.

## **5.7. . Provisions based on the existing Law on Associations of Citizens and Foundations**

Even some of the provisions based on the existing Law on Associations of Citizens and Foundations need clarifications and improvements. The law should start from the assumption that associations and foundations are established for unlimited period of time and their termination should not in any case be automatic, having in mind the fact that the law foresees appropriate grounds and procedures for termination. The lawmaker should foresee that the establishment may be for limited or unlimited period of time and unless the statute foresees the duration it should be considered that the establishment is for unlimited period of time (Article 7).

Some reactions refer to the misdemeanor provisions, i.e. the amount of fines (200 to 3,000 EUR), as well as the fact that the fines are higher for the representatives than the organizations. In the existing Law on Associations of Citizens and Foundations, the fines range from 150 to 3,500 EUR. So the amount is comparable with the existing Law. The liability of the representative is higher than the one of the organization. Measures are needed to limit the discretion in determining the amount of the fines, when they range between 300 and 3,000 EUR, and the pronounced fine to correspond to the size of the organization (smaller organization – lower fine). Additionally, misdemeanor fines should be introduced for disrespecting the provisions of Article 49 for the state administration bodies.

**The draft law is oriented towards resolving the problems and obstacles in civil society development. The law would considerably contribute for the freedom of association in the Republic of Macedonia, increase the influence of civil society**

(influence on public policy making); improve the sustainability/ measures for resource generation; increase transparency and contribute for good governance. **The general assessment is that most of the provisions in the draft law promote the rights and freedoms; they are harmonized with the international regulations and practices and are sufficiently clear and applicable.** Some of the **provisions are not sufficiently clear and implementable**, while few of them demote the freedom of association.

MCIC has submitted **draft amendments** provided in Annex 2 as well as summarized comments from other civil society organizations (currently the comments are provided by Connect, Skopje; Helsinki Committee for Human Rights, Skopje; Open up your Windows, Skopje; Eco-mission, Skopje; Focus, Veles; HDZR “Mesecina”, Gostivar) provided in Annex 4.

We expect for these provisions to be **improved and clarified** during the parliamentary debate, with the support of the deputies and the Ministry of Justice.

The adoption of the Law on Associations and Foundations is vital part of the Strategy of the Government for Cooperation with the Civil Sector. Its adoption will be **stimulus for implementation of the Strategy** and will trigger changes in the **fiscal laws or state funding laws**.

## **Annexes**

1. Annex 1. Overview of MCIC’s Proposal for Amendments;
2. Annex 2. Overview of MCIC’s Opinions and Amendments by Articles;
3. Annex 3. ECNL Comments to the Draft Law on Associations and Foundations;
4. Annex 4. Summarized Comments to the Law on Associations and Foundations by Other Organizations;
5. Annex 5. Applied Methodology by MCIC for Law Assessment;
6. Annex 6. Civil Society Organizations and Political Parties;
7. Annex 7. Public Benefit and Civil Society Organizations.

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