



2008



MACEDONIAN
CENTER FOR
INTERNATIONAL
COOPERATION

ANNUAL REPORT

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Vision and Mission

MCIC's vision is peace, harmony and prosperity for people in Macedonia, the Balkans and globally.

MCIC based its vision on peace, harmony and prosperity, universal principles of the civil society and participatory democracy, the rule of law, balanced and sustainable socio-economic development, non-violence, respect, interdependence and cultural diversity.

MCIC's mission is "MCIC encourages and leads changes by influencing and mainstreaming new and alternative solutions to the societal problems".

LONG-TERM OBJECTIVES

- Social cohesion and poverty reduction
- Sustainable local and rural development
- Good governance, participation and policies for and from the people
- Rooted and dynamic civil society, which influences public policies
- Accepted cultural diversity, interdependence and dialogue
- Supported Euro-integration process and enhanced regional cooperation
- MCIC - independent and credible organization, capable for strong and effective partnerships and alliances based on equality on national, regional and international level
- MCIC -attractive and innovative learning organization, with local roots and global view

MCIC implements its activities through programmatic and organizational methods::

- The programmatic methods are:
 - Advocacy
 - Developmental Support (capacity building and infrastructure)
 - Social-humanitarian assistance
- The organizational methods are:
 - Management
 - Implementation

Message of the Management

The main goal in 2008 was to integrate the country in the European-Atlantic structures, but again the NATO accession was delayed because of the name dispute with the Republic of Greece and regrettably the country did not receive a date for starting the negotiations for membership in the European Union. In addition, the violence demonstrated during the early parliamentary elections held in June 2008 has further distanced the country from realizing this goal. In the first half of the year, there was a record growth of the gross domestic product, but as a result of the global financial crisis, the results have declined in the second half.

Because much of the attention was paid to the above stated issues, including the elections, again the focus was diverted further away from the civil society. The Strategy of the Government for Cooperation with the Civil Society was not implemented with the foreseen dynamics, but also the financial support for the civil society organizations was lacking. However, there was improvement in the participation of the representatives of the civic sector in the working bodies of the Government on drafting new laws.

Additionally, the trend of reduced support from the international organizations and funds to the civil society organizations continued.

In 2008, MCIC had a portfolio of 47 projects and a budget amounting to MKD 75 million. The portfolio was realized according to the plan - 94% of the planned projects, but not in terms of the planned income (66%) and expenditures (65%) mainly because some of the main activities within the largest programme (VOJ), which represented 31% of the budget, were postponed for the next year.

Several programmes were finalized this year, including the Institutional Development of Civil Society (IGO), Organizational Development of Civil Society Actors (ORR) and the Bridging Religions in Macedonia (MSM).

The activities for restructuring of MCIC, aimed at adjusting the organization to the new context, continued in 2008. The year ended with the process of strategic planning, adoption of the documents on Vision, Mission and Long-Term Objectives of MCIC; the Business Plan 2008 - 2011 as well as the new Statute of the MCIC. Furthermore, new members of the Council of MCIC were elected and new body for day-to-day management was established - Board of Directors, which is now comprised of two members - executive directors.

MCIC has also continued its activities for increasing and diversifying the support, including the financial one, in order to meet the objectives. The income from own sources has reached 24% of the total income in 2008 or 44% of the income for operational expenditures.



Sašo Klekovski
First Executive Director



Aleksandar Kržalovski
Executive Director

Social Cohesion and Poverty Reduction

MACEDONIA WITHOUT DISCRIMINATION

The overall objective of the program is further development of an enabling environment for providing equal opportunities to all people, i.e. non-discrimination in Macedonia.

The year 2008 was marked with intensive communication and coordination with the partners in the program. An anti-discrimination training was organized for 51 representatives of the organizations - members of the coalition, other interested organizations, journalists and representatives of the Ministry of Labour and Social Policy. In addition, training sessions were organized for the Ombudsman on capacity building, public relations, project cycle management, advanced management as well as the roundtable "Future and Challenges of the Institution Ombudsman". The Secretariat of the coalition was selected, Anti-Discrimination Glossary (in Macedonian and Albanian language) was developed and support was provided for drafting the Anti-Discrimination Law.

Anti-Discrimination Law

MCIC together with the other members of the coalition Macedonia without Discrimination has closely monitored the process of drafting the Anti-Discrimination Law. Two representatives of the coalition, Mirjana Najčevska and Zvonko Šavreski, participated in the working group within the ministry drafting the law and gave their comments and remarks. Some of the key provisions advocated by the Coalition regrettably did not find their place in the draft law. The members of the Macedonia without Discrimination requested from the Ministry of Labour and Social Policy an explanation why the law did not include some of their remarks.

The Coalition has voiced its concern about the consequences of the incompleteness of the draft law and pointed out that this text was not a good basis for opening a public debate, it did not respect the international standards and was not a good basis for receiving the opinion from the relevant international institutions. After the adoption of this law, the Republic of Macedonia will be again in a situation when after exploiting all legal remedies in the country the citizens would be forced to address the European Court of Human Rights, which would consequently reflect on the image and the budget of the country.

The Coalition will continue to monitor the process of adoption of the Anti-Discrimination Law and will try to contribute for improving the legal solutions.



Meeting of the working group of Macedonia without Discrimination on the Anti-Discrimination Law

Anti-Discrimination Training

Twenty representatives of the civil society organizations have attended the basic and advanced training on anti-discrimination. Most of them have already worked in the field and have heard and seen cases of discrimination on different grounds. "The basic training only specified some of the things they already knew and helped them to focus on the problems," said Mirjana Najčevska, one of the trainers. "With the advanced training we are getting into the controversies emerging from the implementation of the Law. Having in mind that the final text of the law is not yet adopted, we have not opted for specific application of the law, but for exploring the environment in which the law will be applied and how to work in such environment. Most of the participants are doing fine with these complex matters," she added.

"Although the programme seems extensive, we followed all sessions with high interest and concentration," was the impression of Ljubomir Bubevski from Polio Plus.

"The training is providing us with a good basis for the future. We already started with the cases in the trade union we have established, we stimulate the handicapped people to fight against the bad circumstances in which they work. My engagement in Polio Plus and this training gave me a different perspective on the issue of handicap," says Ljupco.

"With the training we had an opportunity to hear the European experience. If we compare them, we can learn a lot from that experience, we can adjust it to our circumstances and we do not have to go along the road they have already travelled," says Hajdi Šterjova-Simonovic, legal advisor in HOPS. "The training contributed for understanding the law, which is to be adopted and the exercises we had are very important for application of the law," she said.

The European experience was shared by Kathrin Vladac from the Boltzmann Institute in Vienna.



Participants discussing the discrimination cases in groups



The practical exercises made it possible for the participants to see how the actual application of the law would look like

DEVELOPED SMALL AND MEDIUM ENTERPRISES - MEDF MANAGEMENT

The Macedonian Enterprise Development Foundation (MEDF) entrusted the entire management, including all professional and administrative matters to the Macedonian Center for International Cooperation.

In 2008, a total amount of MKD 218,633,616 has been disbursed to **1.114 new clients**, which represents 94% of the planned amount and 40% more clients than initially planned. These loans have **supported 1,833 jobs** and **572 new employments** are planned. As of December 31, 2008 total of 10,853 existing and 2,301 planned jobs were supported.

Most of the funds were paid through the micro loans, which represent **85%** of all paid loans in 2008.

In 2008, an evaluation was made and the following financial intermediaries were selected: **NLB Tutunska Banka, IK Banka, savings house "Štedilnica Možnosti", UNI Banka, "Horizonti" foundation and KIB (conditionally).**

MEDF financially supported the activities of the Chamber of Commerce of North-West Macedonia and the Macedonian Chambers of Commerce. MEDF and the Business Start-up Centre (BSC) obtained a license for implementing the largest survey in the world **"Global Entrepreneurship Monitor"** (GEM), as part of the GEM National Team. For the third time, MEDF participated in the organization of the **"European Day of Entrepreneur"** and for the second time was one of the organizers of the **"Entrepreneur of the Year - 2007"**.

The Governance Board of MCIC has elected 15 members of **the Council of MEDF**, as the highest body of general management and supervision of MEDF's. The members of the Council have additionally selected one more member.

The Board of Trustees has selected **MCIC as the Managing Institution** for the period 2008 - 2011. Tetjana Lazarevska was appointed as MEDF Executive Director.

MEDF has kept its **financial independence of 118%** even in terms of 3.3% inflation in the Euro zone. The solvency of MEDF at the end of 2008 was over 95%, indicating that the foundation may continue with the disbursement of loans in the beginning of 2009.

This year MEDF has observed its 10th anniversary. A celebration event was organized, where the main achievements and future plans were presented in front of the donors, associates, partners and representatives of the business and public sector. A monograph **"Ten Years of MEDF"** was published.



The sawmill "Vistoni" in Bosilovo supported by MEDF credit line



MEDF was one of the organizers of the "Entrepreneur of the Year"

Sustainable Local and Rural Development

LOCAL COMMUNITY DEVELOPMENT

The purpose of the programme is to stimulate the local development of rural and marginalized communities through increased participation and organizational strengthening.

The following training sessions were delivered this year: access to donors and preparation of applications; introduction to the Instrument of Pre-Accession Assistance (IPA); public relations; human resources management; team work and team management; communication skills; conflict resolution and the workshop for preparation of application on developing the Local Environmental Action Plans. Hundred participants attended the training sessions and the workshops.

In addition, a study visit was organized to two rural municipalities in Slovenia for the representatives of ZELS, Konče, Staro Nagoričane, Karbinci and Vevčani municipalities and the Agency for Financial Assistance of Agriculture and Rural Development. Also, the conference "Rural Municipalities and EU-Support for Rural Development in Macedonia - National Experience and Regional Practices" was organized and activities on capacity building for ZELS and ADKOM were realized. MCIC financially supported the publication of the annual reports of 8 municipalities: Tearce, Konče, Prilep, Čaška, Staro Nagoričane, Mogila and Veles.

Strategy for Reform of Communal Services Enterprises Developed

MCIC and the World Bank organized a workshop, bringing together around 100 representatives of the municipalities, communal services enterprises and other key actors to discuss the problems

they face and the recommendations provided in the Strategy and the Action Plan. The purpose of the workshop was to consult all key actors and to hear their opinion on the recommendations included in the Strategy for Reform of Communal Service Enterprises.

The World Bank upon the request of the Government of the Republic of Macedonia has provided grant for development of the Strategy and hired a consortium of international and domestic consultants. MCIC also participated in the development of the Strategy.

The mayors, representatives of communal service enterprises and other key actors discussed the elements of the Strategy, the importance and the necessity of this Strategy, as well as the activities to be implemented by the Government on one hand and the municipalities, communal service enterprises and their partners on the other.

The large number of participants at the workshop demonstrated the importance of reforms in the communal service enterprises



Community Forums

In March 2008, MCIC signed a contract with the Swiss Agency for Development and Cooperation and the Municipality of Karbinci for implementing the programme "Community Forums". The purpose of these forum sessions is to support the participation of the citizens in the local community development.

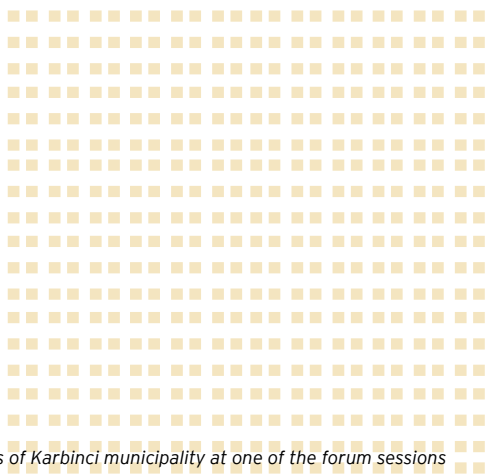
During the organized meetings (forums) the citizens present their own ideas and participate in the decision making process. The end result is more open, responsible and transparent municipal administration. In the course of 2008, total of seven forum sessions were organized, where the citizens of Karbinci had an opportunity to prepare projects for improving the quality of their life.

"I expect from these forums to improve the living conditions of the citizens, by resolving their existing problems", says Daniela Minova, junior liaison officer in the Municipality of Karbinci.

The residents of Karbinci have selected three projects - "Children Playgrounds", "Small Sport Grounds" and "Urban Landscaping".

"I participate in the forums since the very beginning. First, we were a bit sceptical about the whole process and whether the citizens would be able to do what they want. However, over time, with the discussions and field visits we assessed the needs of the citizens and we prepared the project proposals. This was a new experience for me and everyone else. The greatest pleasure was when at the end we unanimously adopted the proposed projects," said Marina Nikolova, teacher from Tarinci village.

The budget for Municipality of Karbinci amounted to MKD 4 million, of which one million is contribution from the municipality and three million from the Swiss Agency for Development and Cooperation (SDC).



Residents of Karbinci municipality at one of the forum sessions



Good Governance, Participation and Policies towards the People

GOOD GOVERNANCE IN MACEDONIA

The purpose of the programme is increased responsibility of institutions, civil society organizations and citizens.

During the first year of the implementation of this new programme of MCIC, total of nine workshops were organized on project planning, drafting, budgeting and access to donors. The purpose of the workshops was to increase the awareness and to enhance the capacity for civic responsibility of the local leaders and citizens from the rural areas of Kumanovo-Lipkovo, Skopje and Tetovo region.

Bitola and Resen - new municipalities in the Forums

On October 21, 2008, MCIC signed contracts for realization of the programme "Community Forums" with the Swiss Agency for Development and Cooperation (SDC) and the municipalities of Resen and Bitola. The purpose of the Community Forums is to establish participatory approach in these communities, to build the skills and attitudes of citizens and the local government for active participation in local community development.

Bitola

The residents of Bitola have identified the problems in their municipality at the end of 2008. Having in mind the given proposals, it seems they are most bothered by the low quality road infrastructure, not satisfactory communal and public services, low tourist promotion and insufficient sport and leisure capacities. In the following period, the citizens will work on preparing the draft projects to resolve the municipal problems.

Resen

Large number of Resen citizens took part at the forum sessions. The main topic of discussion was the environment, so they discussed the priority problems in the area of environmental protection.

The first forum session in Bitola



Citizens of Resen voted for the topic on which the future projects would be focused



Deeply Rooted and Dynamic Civil Society

INSTITUTIONAL DEVELOPMENT OF CIVIL SOCIETY

The purpose of the programme is to create an enabling environment and provide support for further development of the civil society and improved results of the civil society actors in Macedonia.

As part of this programme, the Progress Report on the Implementation of the Strategy of the Government for Cooperation with the Civil Sector was prepared and support was provided for publication of the master theses of nine candidates focused on the civil society. In addition, the survey on the confidence of citizens in the civil society was conducted for the third time.

Promotion of the Research Publications

MCIC has supported the publication of nine research studies on topics related to the civil society: Freedom of Expression by MA Slagjana Dimiškova; Non-Governmental Sector as Ethical Corrective of the Society by MA Dejan Donev; The Functioning of the Economic Social Council of the Republic of Macedonia in the period 1997-2007 by MA Andon V. Majhošev; Feministic Beginnings of the Social Work by Biljana Stramšak; Civil Society Organizations in the Republic of Macedonia by Simonida Kacarska; Public Relations of the Associations of Citizens in Macedonia by Marijana Ivanova; Success in 10 Steps - Creation of the Local Action Plan on the Handicap Issue by Afrim Iljazi; Aspects of Human Security in Macedonia - Old or New Wars by Ivana Tomovska and Possible Strategies for Improving the Work of the Civil Society Organizations through Internal Strengthening and Professionalization of the Sector - Response to External Threats and Lack of Funding for the Sector by Goran Buldioski.

The main idea of MCIC was to motivate the young people, postgraduate students to focus their master theses on topics that are of high interest for the civil society. These publications should serve as a basis for discussion and preparation of strategies and plans for development of the civil society, based on researches and arguments as well as to promote new experts in the field of civil society..

The MCIC's support was through grants covering the research and publication costs. The total budget amounted to MKD 730,000.

*Three research publications were presented
at the first promotion*



ORGANIZATIONAL DEVELOPMENT OF CIVIL SOCIETY ACTORS

The purpose of the programme is to develop the organizational and institutional capacities of the civil society organizations and the other actors of the civil society.

In 2008, total of 36 consultations and trainings were organized for 520 representatives of the civil society organizations, public and business sector, religious communities, media, etc.

Manual on Human Resources Management

The Manual on Human Resources Management is a collection of theoretical and practical aspects of the management and development of human resources in an organization, providing tools to be applied in these processes. Regardless of whether the human resources are full-time employees or volunteers, it is a fact that the civil society organizations mobilize significant social capital and should take care of their appropriate development and motivation. To this end, it is necessary to respect the main concepts of the Human Resources Management. Therefore, it is necessary to hire the right people for the right jobs, to allow them to adjust to the organization, its systems, procedures, values and culture, to provide them with opportunities to acquire new knowledge and skills, to evaluate and assess their efforts in the right way, to establish systems for motivating them and at the end to give them an opportunity to "grow" and "outgrow" the organization in order to remain its friends and lobbyists even when they leave the organization and go to other places and positions. The Manual was prepared as part of the project on capacity building 2008 and is intended for the OSCE partner organizations and other civil society organizations.

Strategic Planning

How to develop a successful strategic plan was a real challenge for 13 participants at the training Strategy for Success held in June in Ohrid.

The participants had an opportunity to learn the basic principles in one organization, its developmental phases and institutional setup. They also heard about the Integrated Organizational Model (IOM) and the application of the concept on institutional development and organizational strengthening. They learned about the problem analysis, SWOT analysis, strategic oriented planning (SOP), Log Frame concept and the other elements of strategic planning.

Although the participants found the entire training as very useful, they mostly liked the SWOT analysis and SOP matrix, the problem tree analysis and Log Frame. The participants said the training met its objectives and it was very useful. At the end of the training, the most zealous participants had already prepared a plan on how to apply the newly acquired knowledge.



Apart from the theory, the participants practically applied the tools for strategic planning



At the end of the training, some of the participants prepared plans on how to apply the newly acquired knowledge

Accepted Cultural Diversity, Interdependence and Dialogue

BRIDGING RELIGIONS IN MACEDONIA

The purpose of the programme is to enhance the mutual understanding among the faith communities and to improve the understanding of the general public about the religious communities.

Through various activities (exchange lectures, visits to religious facilities, theology schools) the members of the faith communities and theology students had an opportunity to learn about the religion, culture and tradition of the others and to establish mutual contacts. As part of the programme the following activities were realized: five exchange lectures, one visit to theology school, three visits to religious facilities. In addition, support was provided for the office for cooperation among the religious communities and for organization of the conference of the European Regional Partnership Group (ERPG) in Ohrid. As part of the publication activities, two newsletters on interreligious dialogue and the Directory of the Religious Communities were published. Also, a study visit was organized to Jerusalem, which was the last activity realized within the program.

The study visit to the holy city of Jerusalem was organized at the end of October 2008. The visit was aimed at contributing towards the peace building and conflict prevention through learning and exchange of opinions with the other countries. The Macedonian delegation was comprised of 16 representatives (members of faith communities, the Commission for Relations with the Faith Communities and members of MCIC). The Macedonian Centre for International Cooperation (MCIC) was responsible

Parents Circle

This is an organization of parents who have lost immediate family members due to the violence in the region. Members are both Israelis and Palestinians and this may be the only group that does not want any new members.

The parents have regular meetings, discussing their loss and bereavement, regardless of the nationality. They are like brothers, committed to peace and reconciliation while the conflict is still active.



The participants in the study visit with Israeli Rami Elhanan and Palestinian Basam Aramin, parents of children killed in the crossfire

for the organization of the event, while the Jerusalem Interchurch Center (JIC) was the host.

The participants had an opportunity to learn about the background of the Israeli Palestinian conflict, the role of the civil society organizations and their efforts in protection of human rights and the role of religious communities in the peace and reconciliation process. The Macedonian delegation visited several institutions: the United Nations Office of Humanitarian Affairs, the Swedish Christian Study Center (in the center our participants and the students of the center met with the representatives of three Israeli organization working in the field of human rights protection: Breaking the silence, Rabbies For Peace i B'etsleem), Tantur Ecumenical Institute (where they met with the members of the Parents' circle) etc. In addition, the Macedonian delegation met with the representatives of the recently established the Council of Religious Institutions of the Holy Land, the Jerusalem Inter-Church Center, which strengthens local churches' capacity for diaconal work as well as local ecumenical and inter-faith relations; the Middle East Council of Churches; the Swedish Christian Study Centre offering opportunities for studying the culture, religion, history and political conflict; Breaking the Silence, Rabbis for Human Rights, Bethlehem, Parents Circle as well as many monuments, religious facilities and one refugee camp.

The target group includes the members of the faith communities in Macedonia, with focus on the students (and professors) of the educational institutions (theology faculties and partially the secondary schools) of the religious communities.

Breaking the Silence

Breaking the Silence is an organization of veteran Israeli soldiers that collects testimonies of soldiers who served in the Occupied Territories during the Second Intifada. Soldiers who serve in the Territories are witness to, and participate in military actions which change them immensely. Cases of abuse towards Palestinians, looting, and destruction of property have been the norm for years, but are still excused as military necessities, or explained as extreme and unique cases.

Breaking the Silence voices the experiences of those soldiers, in order to force Israeli society to address the reality which it created. While this reality which is known to Israeli soldiers and commanders exists in Israel's back yard, Israeli society continues to turn a blind eye, and to deny that which happens in its name.



Meeting in the Swedish Christian Study Center with the representatives of the organizations: Breaking the silence, Rabbies For Peace i B'etsleem.

Supported Process of European Integration and Regional Cooperation

MANAGING THE BALKAN CIVIL SOCIETY DEVELOPMENT NETWORK

The Balkan Civil Society Development Network (BCSDN) is a network of 14 civic and ecumenical organizations from 10 Balkan countries: Albania, Bosnia and Herzegovina, Bulgaria, Montenegro, Croatia, Kosovo, Macedonia, Romania, Slovenia and Serbia.

The regular activities continued this year: updating the website with bi-weekly alerts, coordination meetings, monitoring of the implementation of facilitated visa regime and survey on the role of the civil society in the process of the European integration.

Monitoring of the Visa Facilitation in Macedonia

MCIC in partnership with four organizations from Albania, Bosnia and Herzegovina, Montenegro and Serbia as well as ECAS from Brussels have implemented the project on monitoring the implementation of the Agreement on

Facilitated Visa Regime for the West Balkan countries.

Total of 774 visa applicants were surveyed and a hotline was opened, where 105 calls were received.

Several problems were observed in the implementation of the facilitated visa regime such as: insufficient explanation for the denied visa applications, problem with the necessary documents and request for additional documentation, time-consuming visa process, no free of charge visas, rude and inhuman treatment by the Embassy's staff.

“Unnecessary Travel”

This is a story about a couple from Kumanovo, who planned to visit their son, daughter and granddaughter in Germany. They applied for visa on February 19. The letter of invitation was sent by their children working and living in Germany for years. The host explained how he was employed and could provide a proof for the Embassy. The visa application was kept for seven days and then they were notified about the refusal. Although they wanted an explanation, why their request was denied, the Embassy did not give official information, but the staff told them “this travel is not necessary and you should not go there.”



The beginning of the visa liberalization monitoring was announced at a press conference

Relations with the Other Actors

MCIC cooperated with domestic organizations and institutions and agencies, members of the World Council of Churches and other international organizations.

At the beginning of the year, the operational programme of the Civic Platform of Macedonia (GPM) for the period 2006 - 2007 was evaluated. Aleksandar Kržalovski was elected from the pool of GPM members to be representative in the National Council for European Integration. MCIC is one of the initiators for establishing the Coalition Macedonia without Discrimination and was actively involved in drafting the statute. The cooperation with the local government units and the state institutions was regular.

MCIC is realizing the regional cooperation through the Balkan Civil Society Development Network, as one of its founders and members. The cooperation with the Delegation of the European Commission and the European Commission in general was realized through several activities, such as regional consultations on the Multi-Year Indicative Planning Document (MIPD) for the period 2009 - 2011, as well as participation at the EC conference on cooperation with the civil society. MCIC regularly takes part at the CIVICUS World Assembly.

MCIC is a member of:



ECOSOC



ACT
International



CIVICUS



Balkan Civil
Society
Development
Network



C I V I C
P L A T F O R M
O F
M A C E D O N I A

Public Relations

For the third time, MCIC organized the Open Days of MCIC from May 20 to 26, 2008 in Tetovo, Bitola and Veles. At the end of the year, MCIC has promoted its new web site. The new design, availability of information and regular updating MCIC enhances the perception of being "a transparent organization that has something to say."

The Annual Report was published in Macedonian, Albanian and English language. In 2008, there were 147 appearances in the domestic media.

Support - Sustainable MCIC



*Logo of the campaign
"Donate from Your Tax"*

MCIC also implemented the project "Promotion of Tax Deductions for Citizens". As part of the media campaign, in daily and weekly newspapers, the citizens were informed on the possibility to donate part of their personal income tax for projects of the civil society organizations.

Several donation mechanisms were tested, such as the donations via phone calls. Also, activities were undertaken for raising the awareness on the European integration issues by launching a small campaign "Both Macedonia and NATO".

By proving to be high quality service provider on capacity building, the cooperation with OSCE was extended to several other activities, including the legislation on anti-discrimination and capacity building of local neighbourhood units.

In 2008, MCIC has submitted 38 applications to 15 donors/service providers of which 12 were approved/accepted, 23 were refused and 3 are still pending.

:: ORGANIZATION ::

At the end of 2008, MCIC has celebrated the 15th anniversary since its establishment and work. In the past 15 years, MCIC has implemented 1,481 projects in 60 programmes, with overall budget of around EUR 46, 4 million.

:: COUNCIL ::

The Council has adopted the new strategic documents of MCIC: Vision, Mission and Strategy of MCIC and the Mid-Term Business Plan 2008-2011. In addition, the new Statute of MCIC was developed and the new composition of the Council was elected.

Nataša Gaber-Damjanovska
Abdurauf Prusi
Aleksandar Mihajlovski
Ahmet Jašarevski
Ace Kocevski
Biljana Gerasimovska-Kitanovska
Dilbera Kamberovska
Dragi Zmijanac
Dragi Kostadinovski
Dušica Perišić
Dušan Šurbanovski
Gjoko Gjorgeski
Gjuner Ismail
Zejnula Fazliu
Ivan Tulevski
Kelmend Zajazi
Marija Stambolieva
Mersel Xheladini
Mihail Cekov
Muhamed Toči
Nafi Saracini
Ratko Lazarevski
Ruska Miceva
Teuta Krašnica-Čučkova

:: GOVERNING BOARD ::

In compliance with the Statute, the new body for day-to-day management was established - Board of Directors - comprised of Sašo Klekovski, First Executive Director and Aleksandar Kržalovski, acting Executive Director.

1. **Natasa Gaber-Damjanovska**, Chair, PhD in Political Science. Senior Research Fellow at the Institute for Sociological, Political and Judicial Research
2. Reverend **Dragi Kostadinovski**, Vice Chairperson, General Secretary of the Humanitarian Organisation 'Milosrdie', agency of the Macedonian Orthodox Church
3. **Andon Markovski**, Secretary of the Union of Pensioners of Macedonia
4. **Behixhudin Shehapi**, Chairman of the humanitarian organization "El Hilal", Skopje
5. **Biljana Gerasimovska-Kitanovska** Medical Doctor, Master of Nephrology, President of the Women's Organisation for Emancipation, Solidarity and Equality of Women - ESE
6. **Zejnula effendi Fazliu**, Imam
7. Reverend **Mihail Cekov**, pastor in the United Methodist Church in Strumica
8. **Muhamed Toci**, unemployed, member of the Presidency of HDZR "Mesecina"
9. **Sveto Stefanovski**, journalist, Editor-in-chief of the journal 'Ekologija' (Ecology)

:: EXECUTIVE OFFICE ::

At the end of 2008, MCIC had 27 employees.

First Executive Director

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Independent auditors' report

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INDEPENDENT AUDITORS' REPORT

To the Council of Macedonian Center for International Cooperation

We have audited the accompanying financial statements (page 3 to 26) of Macedonian Center for International Cooperation (hereinafter referred to as "MCIC"), which comprise the balance sheet as of December 31, 2008 and the statement of revenue and expenses, 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

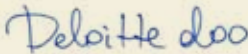
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 MCIC'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 MCIC'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 present fairly, in all material respects the financial position of Macedonian Center for International Cooperation as of December 31, 2008, and the results of its operations, changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



Deloitte DOO
Skopje
March 6, 2009

Financial Report 2008

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2008

The amounts are presented in thousands of Macedonian Denars, 1 EUR = 61.4123 MKD

Description	Note	2008	2007
B. ASSETS			
Fixed assets			
Real estate and equipment	12	14,907	14,533
Long-term deposits	13	7,662	8,933
Long-term investments	14	350	350
Total fixed assets		22,919	23,816
Current assets			
Short-term loans	15	16,700	32,800
Accounts receivables	16	12,136	20,833
Cash and cash equivalents	17	75,365	43,730
Total current assets		104,201	97,363
TOTAL ASSETS		127,120	121,179
B. CAPITAL AND LIABILITIES			
Capital			
Funds	18	106,132	103,592
Surplus (expenses over income)/income over expenses	18	(6,383)	2,540
Total capital		99,749	106,132
Fixed liabilities			
Reservations for benefits of the employees and jubilee awards		342	208
Current liabilities			
Accounts payables	19	2,250	3,645
Delayed income	20	18,081	9,000
Calculated expenses	21	6,698	2,194
Total current liabilities		27,029	14,839
TOTAL CAPITAL AND LIABILITIES		121,120	121,179

**CONSOLIDATED BALANCE ON REVENUES AND EXPENSES
FOR THE PERIOD ENDING ON 31 DECEMBER 2008**

The amounts are presented in thousands of Macedonian Denars, 1 EUR = 61.4123 MKD

Description	Note	2008	2007
. REVENUES			
Donations and grants	16		
Evangelische Zentr. Fur Entwickl. (EED) Germany		17,209	16,218
Norwegian Association of Local Authorities (KS)		9,000	603
Polio Plus		4,807	0
Sokotab, Switzerland		4,607	3,599
DanChurchAid (DCA), Denmark		2,768	13,395
Norwegian Church Aid (NCA), Norway		2,814	4,199
Swiss Agency for Development and Cooperation (SDC)		1,923	0
Other donors		1,822	25,241
TOTAL DONATIONS AND GRANTS		44,951	63,255
Own revenues	17		
Macedonian Enterprise Development Foundation (MEDF)		7,429	6,404
Organization for Security and Cooperation in Europe (OSCE)		4,464	5,127
Economic Consultants Associates (ECA), Great Britain		2,034	0
Other own revenues		2,482	11,805
Total own revenues		16,408	23,336
Interests and positive foreign exchange difference	18	3,056	4,801
Extraordinary revenues	19	4,424	8,659
TOTAL REVENUES	20	68,839	100,051
B. EXPENSES			
Charitable expenses			
Education Modernization Project (PMO)	21	4,310	4,541
MEDF Management	22	210	184
Macedonia without Discrimination (MBD)	23	8,925	8,301
Local Development of the Communities (LRZ)	24	6,280	2,815
Water Supply of Jegunovce Municipality (VOJ)	25	6,129	8,581
Good Governance (DUM)	26	380	0
Institutional Development of Civil Society (IGO)	27	1,000	15,116
Organizational Development of Civil Society Actors (ORR)	28	2,271	7,238
Management of the BNCSD (RBM)	29	703	4,272
Bridging Religions in Macedonia (MSM)	30	3,035	6,265
Fund Raising Campaign (KMF)	31	3,182	2,197
Programs from the previous years (RMS)	32	945	0
Total charitable expenses		37,370	60,668
Operational expenses			
Salaries and benefits for the staff	33	20,352	19,304
Other operational expenses	34	16,282	16,407
Information and publications	35	885	1,008
Total operational expenses		37,519	36,719
TOTAL EXPENSES	36	74,888	97,440
BALANCE before taxation		-6,050	2,611
Tax		-368	-71
BALANCE		-6,418	2,540



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