

TRIFLES LEFT FOR THE CITIZENS' ASSOCIATIONS IN THE MUNICIPAL BUDGETS

Research on payments from budget item 463:
Transfers to non-governmental organizations for 2022

The background features a collage of financial imagery. On the left, a dark grey vertical bar is partially visible. The main background is a light-colored collage with a grid overlay, showing blurred images of a person's hands working at a desk with a laptop, stacks of gold coins, and various financial charts and graphs. In the top right corner, there is a list of stock tickers with their corresponding price changes: TVRZ (+17.50), TAW (+73.4), CAD (+21.49), AEW (-73.4), AS (-1.41), and SWAP (-59.36).

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Трансферите до невладини организации во 2022 година
TRIFLES LEFT FOR THE CITIZENS' ASSOCIATIONS IN THE MUNICIPAL BUDGETS –
Research on payments from budget item 463:
Transfers to non-governmental organizations for 2022)

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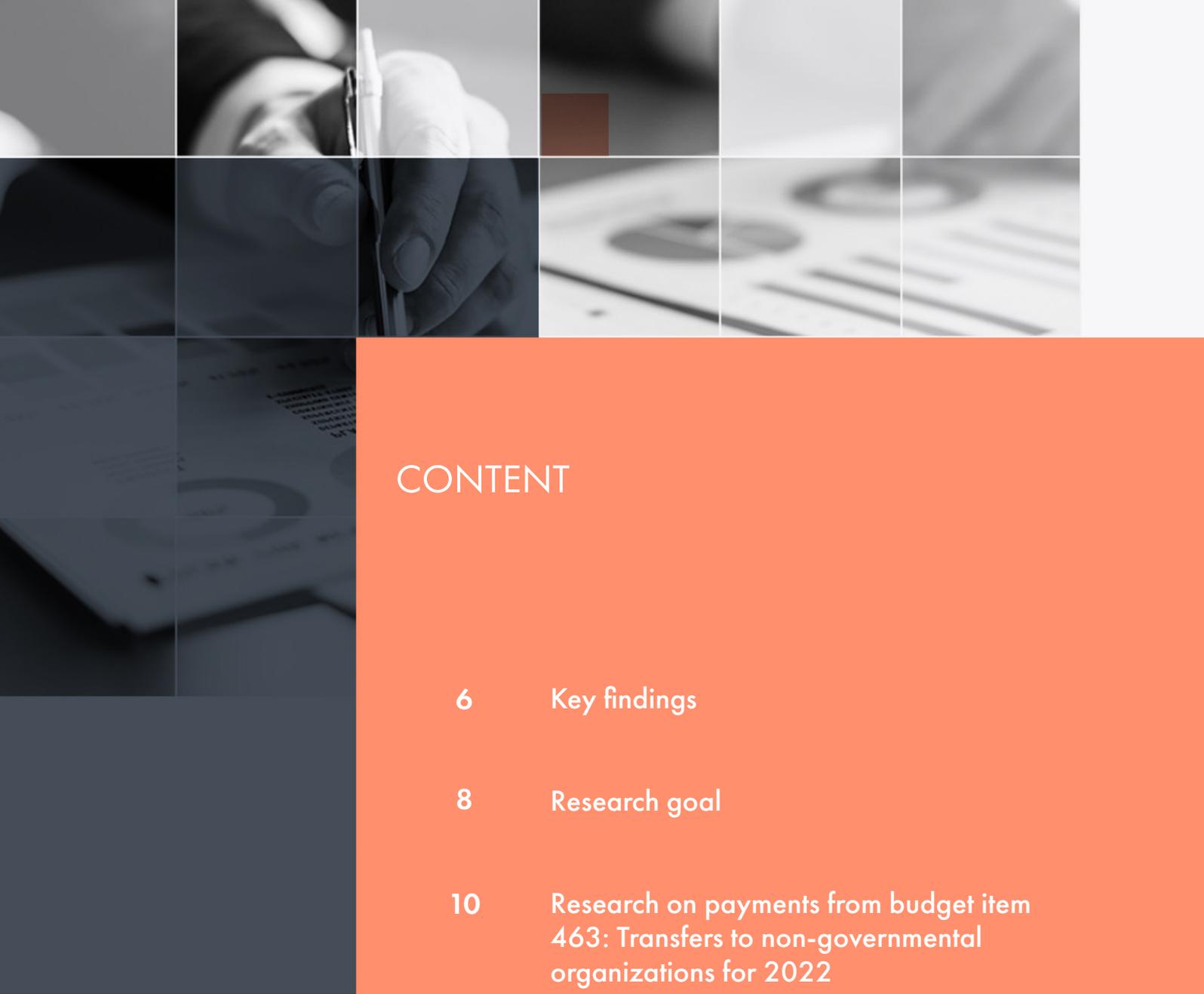
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Skopje, November 2023



Kingdom of the Netherlands

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KEY FINDINGS

- The citizens' associations and foundations do not receive the necessary financial support from the municipal budgets. On average, in 2022 the municipalities allocated only 0.1% from their budgets to the citizens' associations.
- Over 90% of the money from budget item 463 called "Transfers to non-governmental organizations" are allocated to sports clubs. The professional sports clubs are the local authorities' pets that in certain municipalities were allocated up to 1 million Euros annually.
- By transferring finances to professional sports clubs through budget line 463 "Transfers to non-governmental organizations" there is an incorrect perception that the support of the citizens' associations on local level is bigger than it really is.
- The average sum of the allocated money to the citizens' associations amounts to modest 75 thousand Denars (1.227 Euros), compared to 488 thousand Denars (7.930 Euros) on average for the sports clubs.
- The majority of money allocated exclusively to the citizens' associations and foundations are for social protection projects and projects for culture and the environment. There are almost no projects for good governance which enable the citizens' associations to contribute to the fight against corruption and help increase transparency and accountability of local authorities.
- The research confirms the municipalities' different approaches to allocating funds to the citizens' associations. This situation creates risk of corruption.
- Public calls for allocation of financial support to the citizens' associations are published on the municipalities' web-pages, but usually the goals of the call, the amount of the grant and the selection criteria for the project proposal are not stated in the public calls. The public calls usually contain information regarding the areas for which funds are allocated and the conditions which the citizens' associations need to meet. This allows for unequal treatment and favoring of certain citizens' associations.

- The calls for allocating financial support to the sports clubs in most municipalities contain only information on who can apply, but not the goals of the support or the selection criteria. This increases the possibilities for subjective influences.
- It is almost an exception and not the rule for the calls for allocating financial support to be connected to specific municipal programs and strategies.
- There is also a documented case of a municipality that published an open call for allocating funds, selected a project, but never realized the payment of the funds.
- The list of organizations which have received support from the municipalities, the amount of the allocated funds and their purpose are not made public by the majority of municipalities. This lack of transparency increases the risk of corruption.
- What speaks volumes about the low level of accountability on the part of the municipalities regarding the manner in which the funds are allocated to the citizens' associations and the sports clubs is the fact that, for most municipalities and even in the list for awarded grants (obtained through requests for free access to public information), the names of the financed projects are missing. The lack of accountability creates possibilities for illegal and unassigned spending of the allocated money, as well as damaging the reputation of all the recipients of financial support, i.e. all citizens' associations and sports clubs.
- A dominant number of municipalities do not ask the recipients of the funds for reports on the realization of the projects. Consequently, there is also lack of publishing the reports for realization of the projects financed from budget line 463. This allows for abuse and makes it impossible to see how the budget funds are spent, which leads to doubts about the justification of budget expenditures.



RESEARCH GOAL

The goal of this research is to map the characteristics of the financing process of non-governmental organizations from budget line 463, to determine the level of transparency and accountability of the municipalities, to see the problems and weaknesses in the process and to define recommendations to improve the already established practices.

Driven by the idea that advocating for more transparent and more efficient support to the non-governmental organizations by the municipalities will be more efficient if it is based on a detailed picture of the current situation, this analysis is grounded on processing the data for all the finances allocated by the local self-government units for financing non-governmental organizations, as well as the manner in which the process has been conducted in 8 municipalities, for each municipality individually (Bitola, Kicevo, Kumanovo, Negotino, Strumica, Tetovo, Cair and Shtip), whose funds allocated from budget line 463 amount to a third of the total funds by all local self-government units in the country.

The financial support of the municipalities to the citizens' associations at local level is especially important and their survival and operation largely depend on these funds specifically. The subject of this research is the values and manner of distribution of the funds from the budget line. Quite often part of these local organizations, despite their clear vision and mission, go out of business due to the inappropriate allocation of funds to the associations whose actions cannot be assessed as part of the broader citizens' interest.

The research methodology is a result of the set goals. In order to provide the necessary data, on 2 February 2023 unified requests for access to public information regarding information on finances allocated to NGOs for 2023 (transfers to non-governmental organizations from budget line 463) were submitted, with a request to deliver the following documents:

- The amount of funds provided for budget line 463, broken down by 6-digit accounts, in the initial 2022 budget and the amount of realized funds for 2022 broken down by 6-digit accounts;
- A list of organizations that received financial support from budget line 463 for 2022, with names of the projects for which the financial support was allocated, as well as the individual allocated amount;
- The published call for submitting applications and information on where it was published;
- The document in which the procedure is explained, as well as the selection criteria and manner in which the organizations that received funds are selected and information on where the procedure was published;

- The decision to allocate finances from budget line 463 for 2022;
- The document with the rules for realization of the allocated funds – the obligation to submit reports for the realization (narrative and financial);
- Links to web-pages or other places where names of organizations that received funds are published, as well as the amount of money that was allocated to these organizations in 2022;
- Documents or electronic links to reports about the realized projects from the organizations that received funds;
- The planned funds for budget line 463, broken down by 6-digit accounts in 2023 budget.

Based on the information received, (the accuracy of which is the responsibility of the themselves) apart from this analysis on the manner of allocating funds from budget line 463, there is an open data base prepared that provides insight into the funds allocated by the eight municipalities in the Republic of North Macedonia for 2022 (names of NGOs, project name and allocated amount of financial support).

As part of this research, there are recommendations provided to improve the manner of financing non-governmental organizations and increase the transparency and accountability of the process.

This research by the Center for Civil Communications is realized as part of the project "Protection against Corruption" which is financed by the Embassy of the Kingdom of the Netherlands in Skopje.

RESEARCH ON PAYMENTS FROM BUDGET ITEM 463 – TRANSFERS TO NON-GOVERNMENTAL ORGANIZATIONS FOR 2022

Stemming from the standpoint that non-governmental organizations play a significant role in local development and that their activity greatly depends on the effectiveness to articulate the citizens' interests in all segments of social life, the subject of this research is the scope of financial support that non-governmental organizations receive from local self-government units, as well as the transparency and legality of the whole process.

The research focused on the expenses from budget line 463 – “Transfers to non-governmental organizations” and does not include the payments of municipalities to NGOs done on the bases of concluded cooperation agreements as a result of transferred competences of the municipality to other legal entities (non-profit or for-profit) in areas such as education, culture, social protection, etc.

Budget line 463, also called “Transfers to non-governmental organizations”, encompasses the following items:

- **463110 Transfers to citizens' associations and foundations**
- **463120 Transfers to sports clubs**
- **463130 Transfers to the Macedonian Olympic Committee**
- **463140 Transfers to organizations that care for the elderly and for the disabled**
- **463150 Transfers to local communities**
- **463160 Transfers to humanitarian organizations**
- **463170 Transfers to political parties**
- **463190 Other transfers to non-governmental organizations.**

When publishing the incurred expenses in the final accounts of the budget, almost all municipalities publish the total amount paid for transfers to non-governmental organizations and the amounts of the individual sub-items are not given. This does not allow for a clear overview of how much of the money have been allocated for financing the activities of the citizens' associations and foundations, and how much for the sports clubs, local communities, etc. In order to build a strong and independent civil society, whether the support is enabled in a transparent procedure or if there is room for favoring activities, which instead of the public interest protect the close political interests of local authorities, is of crucial importance.

In 2022, 74 out of 81 local self-government units had payments from budget line 463 – “Transfer to non-governmental organizations”. The total amount paid from this budget item amounts to 406 million Denars, i.e. 6.6 million Euros. For this purpose, the municipalities had annual expenditures ranging from 1.2 million Euros to only 488 Euros. In the final accounts of the municipalities it is not shown (six-digit accounts) how much of this money has been allocated to citizens' associations and how much to sports clubs.

In 2022, more than 90 % of the municipalities had expenditures from budget line 463 – “Transfers to non-governmental organizations” ranging from 74 million Denars (1.2 million Euros) to 30 thousand Denars (488 Euros).

At the same time, the total amount which the 74 local self-government units paid from budget line 463 – “Transfers to non-governmental organizations” in 2022 amounted to 406 million Denars i.e. 6.6 million Euros, which is 1.02% of the total budgets of the local self-government units.

The Municipality of Bitola is first when it comes to the amount of money spent for transfers to non-governmental organizations. This municipality paid 74 million Denars (1.2 million Euros) from this budget line, which is 18.2% of the total payments from budget line 463 to all local self-government units.

The ten municipalities that have the highest payments from budget line 463 for 2022 have paid 73.8% of the total funds paid from this item in the Republic of North Macedonia.

Ten municipalities with the highest payments from budget item 463

Municipality	Realized funds 463 in 2022 in Denars	Realized funds 463 in 2022 in Euros
Bitola	74.137.943	1.205.495
City of Skopje	55.526.065	902.863
Aerodrom	38.650.000	628.455
Ohrid	28.186.490	458.317
Kavadarci	26.869.627	436.905
Kumanovo	20.000.000	325.203
Centar	16.450.000	267.480
Shtip	15.284.505	248.529
Strumica	14.126.431	229.698
Gazi Baba	10.921.100	177.579

As regards the share of realized funds from budget item 463 in relation to the total budgets of the municipalities, Bitola is again first with almost 4% in front of Aerodrom, Makedonska Kamenica and Novaci.

Ten municipalities with the highest share of budget item 463 in the total budget

	Municipality	Percentage share of item 463 in the total budget
1	Bitola	3.99%
2	Aerodrom	3.45%
3	Makedonska Kamenica	2.77%
4	Novaci	2.68%
5	Kavadarci	2.48%
6	Ohrid	2.42%
7	Gevgelija	2.09%
8	Centar	1.77%
9	Shtip	1.61%
10	Radovish	1.46%

The Municipality of Zelenikovo and the Municipality of Zrnovci have the lowest payments from this budget item, 30 thousand Denars (488 Euros) each, whereas the Municipality of Aracinovo, the Municipality of Plasnica, the Municipality of Zelino, the Municipality of Lozovo, the Municipality of Rankovce, the Municipality of Centar Zupa and the Municipality of Cucer Sandevo have no payments.

Ten municipalities with lowest payments from budget item 463

Municipality	Realized funds 463 in 2022 in Denars	Realized funds 463 in 2022 in Euros
Brvenica	175.000	2.846
Vevcani	170.000	8.764
Krivogashtani	151.500	2.463
Makedonski Brod	135.000	2.195
Staro Nagoricane	120.000	1.951
Jegunovce	43.500	707
Tetovo	40.000	650
Pehcevo	35.000	569
Zrnovci	30.000	488
Zelenikovo	30.000	488

In-depth research reveals that over 90% of the money from budget item 463 called "Transfers to non-governmental organizations" is allocated to sports clubs. The professional sports clubs, which in certain municipalities had been allocated as much as 1 million Euros annually, are the government's pets. Since the support to the citizens' associations and sports clubs is done via the same budget line, there is a distorted image created that the support for the citizens' associations at local level is greater than it really is.

In order to deeply analyse the manner in which the funds from budget line 463 "Transfers to non-governmental organizations" are allocated, the analysis is focused on eight municipalities: Bitola, Kicevo, Kumanovo, Negotino, Strumica, Tetovo, Cair and Shtip. The relevance of the sample on which the findings will be based is best substantiated by the fact that a third of all the money from budget line 463 was disbursed by these municipalities. Namely, according to data from the final accounts of the eight municipalities, they have paid a total of 135 million Denars or 2.2 million Euros which means that 97% of the initially planned funds have been realized and this amounts to 139 million Denars (2.2 million Euros). All eight municipalities had a total of 414 transfers from budget line 463 which were used to support citizens' associations, sports clubs, municipal organizations or specific events. As can be seen from the table below, the Municipality of Bitola is at the top of the list according to the value of payments from budget line 463 with 74 million Denars (1.2 million Euros) and the Municipality of Tetovo is at the bottom of the list with only 40 thousand Denars (650 Euros).

Ranking list according to the value of payments from budget line 463 in 2022

Municipality	Amount of realized funds in Denars in the final account	Amount of realized funds in Denars from the received answers
Bitola	74.137.943	73.907.000
Kumanovo	20.000.000	20.000.000
Shtip	15.284.505	15.284.500
Strumica	14.126.431	14.126.431
Negotino	4.404.500	4.404.500
Cair	4.143.000	4.143.000
Kicevo	2.760.000	2.760.000
Tetovo	40.000	40.000

According to the share of budget item 463 in relation to the overall budget, the Municipality of Bitola is at the top of the list with 4%.

Share of payments in item 463 in the total budget of the municipalities

	Municipality	Share in percentages
1	Bitola	3.99%
2	Shtip	1.61%
3	Negotino	1.18%
4	Strumica	1.16%
5	Kumanovo	1.08%
6	Cair	0.49%
7	Kicevo	0.34%
8	Tetovo	0.003%

The analysis of the financial transfers to non-governmental organizations by accounts shows that sports is overwhelmingly on the top. As much as 91.2% of the money from item 463120 intended for transfers to non-governmental organizations, or a total of 123 million Denars i.e. 2 million Euros, were transferred to sports.

The 8 municipalities transferred 10.7 million Denars (173 thousand Euros) or only 8.1% from item 463110 (Transfers to citizens' associations and foundations) to the citizens' associations. Of the eight municipalities, only the Municipality of Strumica transferred 265 thousand Denars (4.3 thousand Euros) to humanitarian organizations through item 463160 (Transfers to humanitarian organizations) and through item 463190 (Other transfers to non-governmental organizations) a total of 675 thousand Denars (11 thousand Euros) from the Municipality of Strumica and the Municipality of Cair.

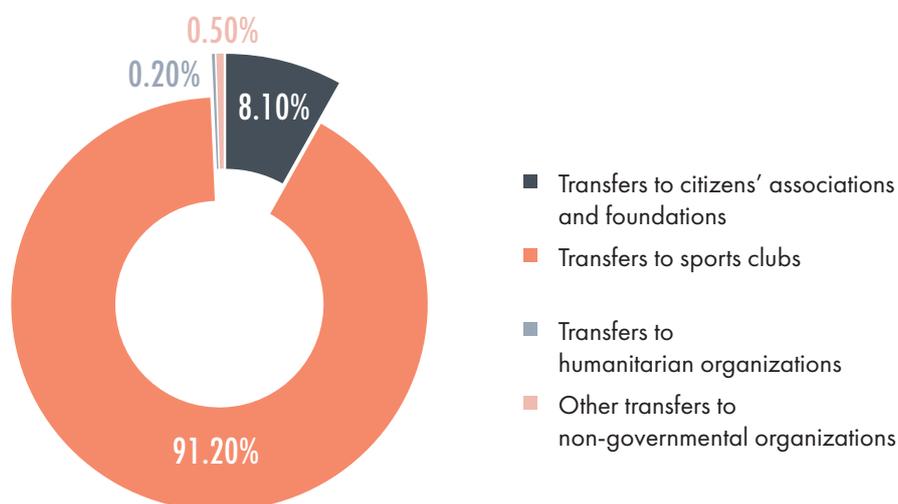
Amount of disbursed funds from budget item 463 –
 Transfers to non-governmental organizations in the eight municipalities

Account	Disbursed funds (Denars)*	Disbursed funds (Euros)
463110 Transfers to citizens' associations and foundations	10.660.981	173.349
463120 Transfers to sports clubs	123.144.500	2.002.350
463160 Transfers to humanitarian organizations	265.000	4.309
463190 Other transfers to non-governmental organizations	674.950	10.975

*data source – answers to the requests for access to public information

As can be seen from the graph below, the share of the sports clubs amounts to 91.2% and 8.1% to the citizens' associations, so only 0.2% of transfers to humanitarian organizations and 0.5% for other transfers.

STRUCTURE OF ALLOCATED FUNDS FROM 463 –
TRANSFERS TO NON-GOVERNMENTAL ORGANIZATIONS



Most of the money from the municipal budgets end up with professional sports clubs that compete in the highest ranking leagues in their respective sports, whereas only a small part of the money end up for recreational and school sports. According to the support received, the basketball, football and handball clubs Pelister Bitola are at the top with 1 million Euros received in 2022.

According to the data received from the municipalities, the funds which amount to 123 million Denars or 2 million Euros are allocated to clubs from various sports which compete at various levels. Among them there are clubs which are registered as joint stock companies as are FK Pelister AD Bitola, KK Pelister AD and EK Eurofarm Pelister AD, as well as other professional clubs as are FK Bregalnica Shtip and FK Akademija Pandev.

From the sports clubs financed by the eight municipalities subject to this analysis, KK Pelister AD has received the most funds or 26.1 million Denars (424 thousand Euros) and this club ranks higher than FK Pelister AD with 19.4 million Denars (315 thousand Euros), RK Eurofarm Pelister AD received 15.8 million Denars (257 thousand Euros) and PSK Pelister received 3.8 million Denars (62 thousand Euros) from the Municipality of Bitola, FK Bregalnica received 9 million Denars (146 thousand Euros) from the Municipality of Shtip, and FK Akademija Pandev received 2.5 million Denars (41 thousand Euros) from the Municipality of Strumica. Thus more than half of the funds intended for financing non-governmental organizations from the eight analysed municipalities are spent on these six sports clubs.

The Municipality of Kumanovo has transferred 18 million Denars (293 thousand Euros) intended for sports clubs to the Sports Union which later allocated the money to individual clubs. According to the municipality, it does not possess data on which clubs received the money; the data from the Program for the Development of Sports and Recreational Activities of the Citizens in the Municipality of Kumanovo for 2022 have been taken into consideration for this analysis.

The Municipality of Bitola has made the three highest payments to sports clubs from the eight municipalities subject to this research.

Sports clubs with highest payments from item 463120

	Municipality	Club	Amount in Denars
1	Bitola	KK Pelister AD	26.100.000
2	Bitola	FK Pelister Bitola AD	19.350.000
3	Bitola	RK Eurofarm Pelister AD	15.800.000
4	Shtip	FK Bregalnica	9.000.000
5	Kumanovo	DSD KK Kumanovo 2009	5.000.000
6	Bitola	PSK Pelister	3.800.000
7	Strumica	FK Akademija Pandev	2.500.000
8	Negotino	RK Vardar Negotino	2.000.000
9	Kumanovo	School sport	1.700.000
10	Kumanovo	Municipal Sports Union Kumanovo – program basis	1.550.000
11	Kumanovo	ZRK Kumanovo	1.500.000
12	Strumica	FK Belasica	1.500.000
13	Kumanovo	Support in providing accommodation, food, sports fields and facilities for training and tournament games for the sports clubs and associations	1.400.000
14	Strumica	OK Strumica 47 72	1.300.000
15	Cair	KK Cair 2030	1.200.000

If we analyse at the level of citizens' associations, the financial support is several times smaller. As can be seen from the following table, the support of the Municipality of Kumanovo to the association Regional Center for People with Intellectual Disabilities "Our Message" is at the top of the list with 1.2 million Denars (19.5 thousand Euros). Next on the list is the support for the National Network to End Violence against Women and Domestic Violence allocated by the Municipality of Bitola in the amount of 1 million Denars (16 thousand Euros).

Citizens' associations with highest payments from item 463110

		Organization	Project	Area	Amount in Denars
1	Kumanovo	Association Regional Center for People with Intellectual Disabilities "Our Message"	For the functioning of the organization	Social protection	1.200.000
2	Bitola	National Network to End Violence against Women and Domestic Violence"	For the functioning of the organization	Social protection	1.000.000
3	Kumanovo	Association for Promotion and Development of an Inclusive Society "Inclusiva"	For the functioning of the organization	Social protection	800.000
4	Shtip	Humanitarian association "Lend a Hand, Save a Life"	Guardians of the environment	Environment	299.955
5	Shtip	Association for humanitarian activities "Synergy" Shtip	Youth through start-up business, creators of local economic development	Youth	299.250
6	Shtip	Hunting association "Lovec"	Children economic and tourist promoters of the municipality and guardians of the ecosystem	Youth	299.250
7	Strumica	CA Mountaineering Ecological Society "Edelweiss"	Feasibility study for energy self-sustainability of waste water plants	Environment	237.500
8	Strumica	Association for Culture and Development of Creative Industries "Cult-Tranzen"	Filmophiles	Culture	237.500
9	Strumica	CA for Socialization "Happy Stories"	Strumica Eco Graffiti	Culture	237.500
10	Strumica	Roma Association "Hayat" – NGO	Your dreams are now a reality – young ideas new projects	Youth	237.500
11	Strumica	CA "Message" – Association CPLIP Message – Strumica	People with disabilities equal participants in traffic	Social protection	237.500
12	Strumica	CA "Quo Vadis" AD Astra	Travelling through Italy	Other	237.309
13	Strumica	Association for Development and Education of People with Developmental Disabilities "Equality"	Equality for all	Social protection	236.075
14	Strumica	Association for Improvement and Development of Agriculture "Proagro Farmers"	The beauties of the village	Local economic development	235.932
15	Strumica	Association for Development of Agriculture "Farmer"	Rural start-up	Local economic development	228.000

Most of the money from budget item 463110 – “Transfers to citizens’ associations and foundations”, or 43% of them, have been allocated for projects from the area of social protection in the amount of 4.6 million Denars, i.e. 75 thousand Euros. In second place, with a share of 17%, are the projects from the area of culture for which a total of 1.8 million Denars, i.e. 30 thousand Euros have been allocated. In third place is environment with 13% share and value of 22 thousand Euros. The rest of the money is allocated for projects intended for the local economic development, youth, various events or it cannot be determined from the description of the project itself. There are almost no projects from the area of good governance which enable the citizens’ associations to give their contribution in the fight against corruption and increase transparency and accountability of local authorities.

As much as 70% of the disbursed grants to the citizens’ associations are worth up to 60 thousand Denars (976 Euros). The average value of the allocated funds to the citizens’ associations was 75 thousand Denars (1.227 Euros) and on average 488 thousand Denars (7.930 Euros) for the sports clubs. At the same time, the financial support for the citizens’ associations is somewhere between 5 thousand Denars (81 Euros) and 1.2 million Denars (19.5 thousand Euros).

According to the data base, the municipalities supported 257 sports clubs and 157 non-governmental organizations. It can be concluded that the average payment to the sports clubs amounts to 487.702 Denars or 7.930 Euros, whereas the average payment to the citizens’ associations is six times smaller and amounts to 75.500 Denars, i.e. 1.227 Euros.

The highest payment to a citizens’ association is the financial support from the Municipality of Kumanovo to the association Regional Center for People with Intellectual Disabilities “Our Message” in the amount of 1.2 million Denars which is 18 times less than the highest payment to a sports club which was received by KK Pelister AD which amounted to 26.1 million Denars.

The following table presents the highest and the lowest payments at the level of all eight municipalities. It appears, it is an unwritten rule that the highest payments are made to sports clubs and the lowest payments to the citizens’ associations.

It becomes apparent that as much as 70% of the disbursed grants for citizens’ associations are within the 5 thousand to 60 thousand Denars value framework.

Ratio of highest and the lowest payment per municipality

	Highest payment	Amount in Denars	Lowest payment	Amount in Denars
Bitola	KK Pelister AD	26.100.000	5 organizations	5.000
Kicevo	4 sports clubs	300.000	4 sports clubs	20.000
Kumanovo	DSD KK Kumanovo 2009	5.000.000	7 sports clubs	20.000
Negotino	RK Vardar Negotino	2.000.000	2 organizations	10.000
Strumica	FK Akademija Pandev	2.500.000	2 sports clubs	30.000
Tetovo	CA Sharr	40.000	CA Sharr	40.000
Shtip	FK Bregalnica	9.000.000	2 organizations	5.000
Cair	KK Cair 2030	1.200.000	KUD Ljiljan	15.000

The open calls for allocating funds are published, but usually only formally since they do not have stated the goals of the call, expected results, amount of the grants, nor the criteria for selection of project proposals. The calls usually have the areas for which funds are allocated and the conditions which the citizens' associations need to fulfill.

In order to determine the level of transparency and accountability in allocating the funds from budget line 463, the municipalities were asked to provide documents regarding the published open call for awarding funds; the procedure, evaluation criteria and method of selection of recipients of funds; the adopted decision on the distribution of financial resources; the rules for realization of support received (obligation to submit reports about the realization – narrative and financial); the publishing of names of NGOs and allocated amount, as well as documents or an electronic link to the report(s) on the realized projects. Based on the documentation received, a review has been prepared of the level of transparency of the municipalities in relation to all phases of funding from budget line 463.

The review of these procedures, in the further part of the analysis, is done exactly according to the chronological order of the procedures, starting from the public call, all the way to whether the citizens' associations have an obligation to report on the work done.

It is encouraging that all eight municipalities which are the subject of this research have published open calls for applying for projects, but the calls do not contain all the data which are of interest to the potential applicants and which provide full transparency of the application process and allocation of funds.

The calls usually contain the areas for which funds are allocated and the conditions that the citizens' associations need to meet. However, the goals of the call are missing, as are the expected results, amount of the grants, and some do not even have the selection criteria for the project proposals.

Only two of the 15 published calls for allocating funds from budget line 463 have stated the goals of the call; all the other calls have only provided the areas.

None of the calls for project proposals for funding specified the expected results to be achieved with the support.

Only a third of the calls stated the total amount of the funds to be allocated or the amount of the grants.

Moreover, only one third of the calls for allocating funds specified the criteria for project proposal selection.

Six of the eight municipalities provided procedures and criteria for selection of organizations and projects for allocating funds from budget line 463. The criteria are usually part of specific methodologies or rulebooks and these are usually not published in the call itself.

The selection criteria which are provided in the methodologies and rulebooks of the municipalities are related to the organizational capacity, goals, results and activities of the project, effects of the local environment, projected budget and justification of costs. One of the municipalities has also formed a committee to supervise the work in the field.

The remaining two municipalities answered this question negatively or the documentation received from them, after the request for access to public information, does not include the document with the selection criteria for support to the organizations.

The list of organizations that received support from the municipalities, the amount of the received funds and their purpose are not made public for most of the municipalities which had transfers from budget line 463. This lack of transparency increases the risks of corruption and unassigned spending.

The eight municipalities rank well as regards the legal procedure for allocating the finances since they all have decisions for the payments. However, only two of them have published the list of names of organizations which received support for the projects, as well as the paid amounts. At the same time, they published incomplete lists, that is to say only the names and the amount of the support for the citizens' associations are published, but not the sports clubs that received financial support. The lack of accountability of the municipalities as regards the manner in which the funds are allocated from budget item "Transfers to non-governmental organizations" is best illustrated by the fact that even in the lists of allocated grants that were obtained through requests for free access to public information the names of the funded projects are missing.

A dominant part of the municipalities do not ask the recipients of funds for reports regarding the realization of the projects. Consequently, there is no publishing of reports on the realization of the projects financed from budget line 463. In this way there is no possibility to inspect the manner and goal of spending budget funds, there is room for abuse and doubts regarding justification of budget expenses increase.

One of the most important instruments for monitoring whether the citizens' money is spent purposefully and whether in the end there were results from the undertaken activities in a certain area are the reports from the recipients of the funds, both financial and narrative.

According to the answers received from the municipalities, not a single municipality asks the sports clubs to submit reports about the realization of the projects (narrative and financial), whereas only half of the municipalities ask for these reports from the citizens' associations.

An additional risk from unassigned and illegal spending of the allocated funds also arises from the lack of practice for the municipalities themselves to inform about the results accomplished through the financed projects, as well as the manner in which the money was spent.

This behaviour of the municipalities creates a negative image about the citizens' associations and does not contribute to strengthening the citizens' trust in them.

FUNDS PLANNED FOR BUDGET LINE 463 FOR 2023

In 2023, the eight municipalities decreased the amount projected for transfer to non-governmental organizations for 22.554.012 Denars (367 thousand Euros), i.e. 26,6%. The Municipality of Bitola and the Municipality of Kumanovo decreased the amounts, the Municipality of Cair and the Municipality of Negotino projected the identical amounts for both years, whereas the Municipality of Strumica, the Municipality of Shtip, the Municipality of Kumanovo and the Municipality of Kicevo increased the amount projected for transfers to non-governmental organizations for 2023.

Municipality	Amount of planned funds in Denars (2022)	Amount of planned funds in Denars (2023)	Increase/decrease of planned funds in 2023
Bitola	74.268.000	41.450.000	-32.818.000
Kumanovo	20.000.000	19.500.000	-500.000
Shtip	15.650.000	15.750.000	+100.000
Strumica	15.086.012	17.850.000	+2.763.988
Tetovo	1.660.000	2.460.000	+800.000
Kicevo	6.740.000	7.840.000	+1.100.000
Cair	2.000.000	2.000.000	0
Negotino	500.000	500.000	0

Regarding the individual accounts, again the highest amount of projected funds are for item 463120 – “Transfers to sports clubs”.

Projected funds for budget line 463 broken down by six-digit accounts

Municipality	463110 Transfers to citizens' associations and foundations	463120 Transfers to sports clubs	463160 Transfers to humanitarian organizations	463190 Other transfers to non-governmental organizations
Bitola	1.850.000	39.600.000	0	0
Kicevo	3.480.000	4.000.000	0	360.000
Kumanovo	3.000.000	16.500.000	0	0
Negotino	380.000	/	20.000	100.000
Strumica	3.000.000	12.250.000	300.000	2.300.000
Tetovo	2.000.000	150.000	120.000	190.000
Shtip	2.150.000	13.600.000	0	0
Cair	1.300.000	300.000	200.000	200.000
Total	17.160.000	86.400.000	640.000	3.150.000

A more detailed overview of the planned funds from budget item 463 for 2023 is provided in the individual research on the municipalities.

MUNICIPAL LEVEL RESEARCH

THE MUNICIPALITY OF BITOLA

The Municipality of Bitola is at the top of the list as regards disbursed funds from budget item 463 for 2022 with 74 million Denars realized, i.e. 1.2 million Euros, which is 4% of the total budget of the municipality for 2022.

Disbursed funds from budget item 463 from the Municipality of Bitola in 2022

Account	Disbursed funds for 2022
463110 Transfers to citizens' associations and foundations	3.107.000
463120 Transfers to sports clubs	70.880.000
Total in Denars	73.907.000
Total in Euros	1.201.740

However, most of the disbursed funds, i.e. 88%, were paid to four professional sports clubs or 26.1 million Denars (424 thousand Euros) to KK Pelister AD, 19.5 million Denars (315 thousand Euros) to FK Pelister AD, 15.8 million Denars (257 thousand Euros) to RK Eurofarm and 3.8 million Denars (62 thousand Euros) to PSK Pelister. As regards the citizens' associations, the organization National Network to End Violence against Women and Domestic Violence received the biggest support for activities as part of the project "Voice against Violence" in the amount of 1 million Denars (16 thousand Euros).

When it come to the procedure for allocating the funds, the Municipality of Bitola had four calls for support to projects for social protection, equal opportunities, sports associations and financial support for citizens' associations and foundations.

All the calls are published on the municipality's web-page, as well as on the municipality's notice board.

The analysis of the published calls shows inconsistency among them. In the call for allocating finances to citizens' associations and foundations the total amount to be allocated as part of the call is stated, as well as the application criteria, quality assessment criteria of citizens' associations and foundations' projects, the time frame for conducting the projects, the amount of finances for an individual project and the necessary documentation for application.

The structure of the calls for support to projects from the area of social protection and equal opportunities is similar, yet they have not stated the total budget, nor the amount of finances for an individual project.

In these three calls it is stated that the method of using the finances will be additionally specified in the concluded agreements.

The call for allocating finances to sports clubs, sports associations and athletes contains the conditions and necessary documentation for application, the amount of the projected budget and the obligation to submit reports, but not the selection criteria, nor the amount of finances for supporting the individual applications.

All calls, apart from the call for support to sports, contain specific criteria based on which the project proposals are evaluated.

The criteria for quality assessment of projects from citizens' associations and foundations are: the capacity of the organization regarding the profile, capacity and relevant experience from the area and social responsibility, the goals, results and activities of the project, the effects on the local environment, the budget and the justification of costs.

The municipality has prepared a Methodology for determining criteria for allocating financial support to citizens' associations and foundations which is published in a national gazette and the municipality's web-page.

The municipality determines the priority areas for support, selection procedure, technical preparation, indicative time frame, application criteria, criteria for assessing the quality of applications that are listed and, in three of the four calls, the criteria for implementation of the supported projects and the monitoring of the implementation with the use of this methodology.

The Municipality of Bitola submitted the decisions to allocate finances, but the list of recipients is not published.

As regards reporting on the disbursed funds, the municipality says that there is an obligation to submit reports, but the recipients of the support are obligated to submit them when applying the following year, which leaves room for the reports not to be submitted if an organization does not apply for support in the following year.

The Municipality of Bitola significantly reduced the projected funds for transfers to non-governmental organizations in 2023 in relation to the previous year. In 2023 the municipality will allocate 32.8 million Denars (533 thousand Euros) less from its budget, which is 44% decrease in relation to the previous year. The municipality also approximately halved the funds for transfers to the associations and to the sports clubs.

Projections for budget item 463 from the Municipality of Bitola for 2023

Account	Funds planned for 2023	Change in relation to 2022
463110 Transfers to citizens' associations and foundations	1.850.000	-40.46 %
463120 Transfers to sports clubs	39.600.000	-44.14 %
Total in Denars	41.450.000	-43.92%
Total in Euros	673.984	-43.92%

THE MUNICIPALITY OF KICEVO

In 2022 the Municipality of Kicevo paid a total of 2.8 million Denars, or 45 thousand Euros from budget item 463. The disbursed funds are significantly lower than the projected funds which amounted to 6,7 million Denars (110 thousand Euros).

Disbursed funds from budget item 463 from the Municipality of Kicevo in 2022

Account	Disbursed funds for 2022
463110 Transfers to citizens' associations and foundations	350.000
463120 Transfers to sports clubs	2.410.000
Total in Denars	2.760.000
Total in Euros	44.878

As much as 87% of payments of the Municipality of Kicevo are made to sports clubs, among which the highest payments of 300 thousand Denars (around 5 thousand Euros) are to the volleyball club Uskana and the football clubs Zajazi and Napredok 1.

Apart from the sports clubs, in 2022 the municipality provided financial support to the association "Go-li" in the amount of 180 thousand Denars, i.e. 3 thousand Euros and to the Youth Association for Protection of National and Spiritual Heritage "Kozma Precistanski" in the amount of 140 thousand Denars (2.2 thousand Euros).

The Municipality of Kicevo has only published a call for support of sports associations, but there is no call for allocating funds for the other programs. Hence the question, how was the selection done of the two citizens' associations that received support from the municipality's budget. The lack of transparency of the process of allocating funds leads to an unequal treatment of the citizens' associations and to subjectivism when it comes to allocating public funds.

Otherwise, the published call for support of sports associations and teams contains the goal of the call, the total budget, the amount of the grants and participation criteria, but not the selection criteria for the applications to be supported.

The municipality has adopted a Proposal program for activities of the municipality in the area of sports and recreation for 2022 in which the contribution for the general goal of the project towards affirmation of sports, organizational structure and capacity of human resources and whether the facilities available to the association or the club are sufficient for realization of the project are listed as selection criteria.

In the call for support of sports associations and teams it is stated that after the completion of the activities, the associations and the clubs are obligated to submit a report about the manner in which the funds had been realized, and the entire documentation for this call is delivered in paper to the municipality's address. It is also stated in the call that the recipients of the funds will be published on the municipality's web-page, yet they are not, apart from in the national gazette of the municipality.

In the answer to the request for free access to public information there is a link to the web-page of the Municipality of Kicevo and it is pointed out that all news and information are published on the notice board of the web-page, but upon searching the web-page it was found that **there is no information on the organizations and the allocated funds.**

In 2023 the Municipality of Kicevo planned 7.8 million Denars (127 thousand Euros) in budget item 463 which is an increase of 14% in relation to the planned funds for 2022.

Projections for budget item 463 from the Municipality of Kicevo for 2023

Account	Funds planned for 2023	Change in relation to 2022
463110 Transfers to citizens' associations and foundations	3.480.000	+1.75%
463120 Transfers to sports clubs	4.000.000	+35%
463190 Other transfers to non-governmental organizations	360.000	+45.45%
Total in Denars	7.840.000	+14%
Total in Euros	127.480	+14%

THE MUNICIPALITY OF KUMANOVO

The Municipality of Kumanovo is one of the municipalities which has disbursed all of the planned funds from budget item 463 in 2022 in the amount of 20 million Denars (325 thousand Euros).

As can be seen from the table, 90% of the funds are allocated for sports with the mediation of the Municipal Council for Sports of Kumanovo, which allocates the funds in the name of the municipality in accordance with the Rulebook for the manner of disbursement of funds for realization of the Program for development of sports and recreational activities for the citizens in the Municipality of Kumanovo for 2022.

According to the answer from the municipality, the Municipal Council notifies its members via phone or e-mail about submitting a program for activities and finances of the clubs. **Despite the efforts made to receive from the municipality the list of clubs financed from budget item 463, as well as the allocated amounts, we received no such data and were referred to the Municipal Council for Sports of Kumanovo as the holder of this information. This behaviour does not contribute to increasing transparency as regards spending public money.** Otherwise, according to the Program for development of sports and recreational activities for the citizens in the Municipality of Kumanovo for 2022, the most funds are projected for the basketball club Kumanovo 2009, as much as 5 million Denars (81 thousand Euros).

Disbursed funds from budget item 463 from the Municipality of Kumanovo in 2022

Account	Disbursed funds for 2022
463110 Transfers to citizens' associations and foundations	2.000.000
463120 Transfers to sports clubs	18.000.000
Total in Denars	20.000.000
Total in Euros	325.203

The Municipality of Kumanovo has published a call for financial support to perform activities from the area of social protection for associations and other legal entities that conduct activities aimed at people with disabilities. The goals, total amount and application conditions are listed in the call. The selection criteria are stipulated by the Rulebook for the manner and procedure for realizing the right to financial support for performing activities from the area of social protection for associations and other legal entities that conduct activities aimed at people with disabilities. The rulebook states that requests are reviewed by a committee formed by decision of the mayor, the committee does field work and performs an inspection for which it compiles a record of the performed inspection, and then also a report in which it determines the fulfillment of the criteria. After the report from the committee, the mayor recommends a decision for allocation of finances for performing activities from the area of social protection for associations and other legal entities that conduct activities aimed at people with disabilities which are adopted by the municipality's council.

The only two organizations from the Municipality of Kumanovo which have been allocated financial support from this call are the association Regional Center for People with Intellectual Disability "Our Message" in the amount of 1.2 million Denars (19.5 thousand Euros) and the Association for Promotion and Development of an Inclusive Society "Inclusiva" in the amount of 800 thousand Denars (13 thousand Euros). In the answer to the request for access to public information, the municipality stated

that in accordance with the agreements which it signed with the two associations, the associations have submitted narrative and financial monthly reports, as well as a final report after the end of the current year 2022, yet **the reports are not published.**

As regards the planned funds for budget item 463 for 2023, the Municipality of Kumanovo has planned a total of 19.5 million Denars (317 thousand Euros) which is a decrease of 2.5% in relation to the previous year. However, it is important to emphasize that the planned transfers to the citizens' associations and foundations are planned to be increased for 50% and the transfers to the sports clubs to be decreased for 8.3%.

Projections for budget item 463 from the Municipality of Kumanovo for 2023

Account	Funds planned for 2023	Change in relation to 2022
463110 Transfers to citizens' associations and foundations	3.000.000	+50%
463120 Transfers to sports clubs	16.500.000	-9%
Total in Denars	19.500.000	-2.5%
Total in Euros	317.073	-2.5%

THE MUNICIPALITY OF NEGOTINO

The Municipality of Negotino has a total disbursed fund of 4.4 million Denars, i.e. around 72 thousand Euros, but only 7.8% of them have been paid to non-governmental organizations and the rest have been paid to sports clubs.

Disbursed funds from budget item 463 from the Municipality of Negotino in 2022

Account	Disbursed funds for 2022
463110 Transfers to citizens' associations and foundations	345.000
463120 Transfers to sports clubs	4.059.500
Total in Denars	4.404.500
Total in Euros	71.618

On its web-page the Municipality of Negotino has published a call for allocating financial resources to associations and foundations for 2022 in which, apart from the other areas, sports is included. The call contains the amount of funds, application criteria, as well as the criteria for evaluating the applications, **but not the goals of the project (what the municipality wants to achieve, that is to say to accomplish by allocating this financial support), yet it is stated that the amount of the grants is unlimited, which is illogical.**

The municipality has a Rulebook for determining the procedure and criteria for allocating finances to associations and foundations from the budget of the Municipality of Negotino. The Rulebook determines the priority areas to support, the procedure for deciding which projects of associations and foundations to finance, the preparation of a call, the indicative time frame, the criteria for application and for implementation of the supported projects and for monitoring the implementation of the supported projects.

The criteria based on which the assessment of the quality of the projects of the associations and foundations is conducted, and which are contained in the open call and the Rulebook, are the organizational capacity, the relevance of the project with the priority area, the goals, the results, the activities and project's approach, the effects on the local environment, the budget and the justification of costs. **At the same time, when the goals of the support are not clearly determined, the evaluation cannot be based on clear and measurable parameters.**

The municipality has a selective transparency and on its web-page it published the decision regarding the recipients of the financial support, but only up to 200 thousand Denars (3.2 thousand Euros), that is to say the list does not encompass the sports clubs which have received over 90% of the money.

The data on the sports clubs was initially left out even from the answer to the request for access to public information; we obtained them through further communication with the municipality.

According to these data, the highest amount is allocated to RK Vardar Negotino in the amount of 2 million Denars (32 thousand Euros). Regarding the organizations that operate in other areas, the highest amounts have been allocated to the associations "Message" and "Ekovita".

In its answer the Municipality of Negotino states that the organizations which were financially supported have the responsibility to submit reports until 30 of June the following year.

In 2023 the Municipality of Negotino has also projected half a million Denars for non-governmental organizations. The most, 380 thousand Denars (6.2 thousand Euros) each, were planned for citizens' associations and foundations, then 20 thousand Denars (325 Euros) for humanitarian organizations and 100 thousand Denars (1.625 Euros) for other transfers. It is important to emphasize that in these calculations the data on budget item 463120 "Transfers to sports clubs" is missing.

Projections for budget item 463 from the Municipality of Negotino for 2023

Account	Funds planned for 2023	Change in relation to 2022
463110 Transfers to citizens' associations and foundations	380.000	0%
463160 Transfers to humanitarian organizations	20.000	0%
463190 Other transfers to non-governmental organizations	100.000	0%
Total in Denars	500.000	0%
Total in Euros	8.130	0%

THE MUNICIPALITY OF STRUMICA

The Municipality of Strumica has disbursed over 14 million Denars or around 230 thousand Euros, yet as much as 79% are allocated to sports clubs.

Disbursed funds from budget item 463 from the Municipality of Strumica in 2022

Account	Disbursed funds for 2022
463110 Transfers to citizens' associations and foundations	2.236.481
463120 Transfers to sports clubs	11.100.000
463160 Transfers to humanitarian organizations	265.000
463190 Other transfers to non-governmental organizations	524.950
Total in Denars	14.126.431
Total in Euros	229.698

Strumica has published four calls intended for associations and foundations from the area of social protection, then local economic development, tourism, environmental protection, culture, education, gender equality, human rights and youth, also legal entities from the area of sports and support of coaches in the sports associations.

The call for foundations from the area of social protection, as well as the call for local economic development, tourism, environmental protection, culture, education, gender equality, human rights and youth are identical in structure. They contain the subject of the open call, eligibility, value of the projects to be financed, participation criteria and the duration of the realization, but not one of the calls determines the proposal projects selection criteria. **The municipality has prepared a document with rules for preparing and applying which contain the rules, but not the specific criteria by which the selection will be conducted, nor the appropriate scoring. In this way the risk of subjectivism in the selection process increases and allows for the possibility of unequal treatment.**

The calls for legal entities from the area of sports and for supporting coaches in the sports associations do not contain anything more than the basic criteria and how to apply. The municipality has prepared a Methodology for determining the criteria for allocation of financial resources to sports associations and to other legal entities in the area of sports, as well as a Methodology for determining the criteria for allocation of financial resources to coaches in the sports clubs.

The Methodology contains the procedure for publishing open calls, the procedure when deciding on the allocation of funds, the decision for allocation of funds, the scoring system, the procedure for concluding contracts and the report on the realization.

The highest amount that the Municipality of Strumica has paid from budget item 463 is to FK Akademija Pandev in the amount of 2.5 million Denars (around 41 thousand Euros). From the organizations that do not operate in sports, the highest amount was disbursed to the citizens' association Mountaineering Ecological Society "Edelweiss" in the amount of 237.5 thousand Denars (around 4 thousand Euros).

The organizations which have received finances from the municipality's budget are not published on the web-page of the Municipality of Strumica. In the answer to the request for access to public information the

municipality says that the supported organizations regularly submit narrative and financial reports which are listed in the municipality's archive, but they are not available to the public. Also, they state that the associations publish information about the realized projects on social media.

As regards the planned funds in budget item 463 for 2023, the Municipality of Strumica has projected a total of 17.85 million Denars (290 thousand Euros) which is a 15% increase in relation to 2022. According to the data received from the Municipality of Strumica, it is not possible to compare the changes in the projected funds in the individual items for the years 2022 and 2023.

Projections for budget item 463 from the Municipality of Strumica for 2023

Account	Funds planned for 2023
463110 Transfers to citizens' associations and foundations	3.000.000
463120 Transfers to sports clubs	12.250.000
463160 Transfers to humanitarian organizations	300.000
463190 Other transfers to non-governmental organizations	2.300.000
Total in Denars	17.850.000
Total in Euros	290.243

THE MUNICIPALITY OF TETOVO

The Municipality of Tetovo has made a decision to allocate financial resources to 34 organizations in the amount of almost 3.5 million Denars or 57 thousand Euros, yet only one grant has been disbursed in the amount of 40 thousand Denars or 650 Euros. At the same time, the only organization that received support from budget line 463 was not on the list of approved projects.

Disbursed funds from budget item 463 from the Municipality of Tetovo in 2022

Account	Disbursed funds for 2022
463110 Transfers to citizens' associations and foundations	40.000
Total in Denars	40.000
Total in Euros	650

On 30.12.2021, the Municipality of Tetovo published a call for financing projects from the areas of culture, education, sports and social protection. Apart from the areas for financing, the call contains data on the how to apply, but does not contain data on the goal of the call, projected budget, participation criteria, selection criteria, the amount of the individual grants, nor the rules for reporting on the work done.

In addition to the answer for request for access to public information, the municipality submitted a list of 34 organizations which received funds from 15 thousand to 330 thousand Denars or a total of 4.825.980 Denars (78 thousand Euros) in 2022. Upon realization that in the final account for 2022 only 40 thousand Denars (650 Euros) are noted as realized funds from budget item 463, we further contacted the municipality asking for an explanation about the data discrepancy to which we received an answer that the funds from the submitted list are actually not disbursed and that only 40 thousand Denars have been paid to the association "Sharr" which is actually not on the submitted list.

For 2023 the municipality projected funds in the amount of 2.46 million Denars which is an increase of 48% and would not be of importance if, like this year, most of the planned funds are not disbursed.

Projections for budget item 463 from the Municipality of Tetovo for 2023

Account	Funds planned for 2023	Change in relation to 2022
463110 Transfers to citizens' associations and foundations	2.000.000	+40%
463120 Transfers to sports clubs	150.000	0%
463160 Transfers to humanitarian organizations	120.000	0%
463190 Other transfers to non-governmental organizations	190.000	0%
Total in Denars	2.460.000	+32.5%
Total in Euros	40.000	+32.5%

THE MUNICIPALITY OF CAIR

The Municipality of Cair has disbursed 4.14 million Denars (67 thousand Euros) from which almost 70% to sports clubs. In the initial answer to the request for access to public information the Municipality of Cair did not submit data to do with the payments to the sports clubs which were however later obtained with further communication.

Disbursed funds from budget item 463 from the Municipality of Cair in 2022

Account	Disbursed funds for 2022
463110 Transfers to citizens' associations and foundations	1.143.000
463120 Transfers to sports clubs	2.850.000
463190 Other transfers to non-governmental organizations	150.000
Total in Denars	4.143.000
Total in Euros	67.366

The Municipality of Cair has published a call for collecting requests for the use of the funds from the budget of the Municipality of Cair for 2022 from the Program for development and improvement of sports and sports-recreational activities. **The call contains the basic criteria for participation and the manner of application, but does not contain data on the value of the funds that will be allocated through the call, the amount of the individual grants, or data on the application evaluation.**

As was stated in the answer to the request for access to public information, **the municipality has still not adopted the rulebook for the procedure, criteria and manner of selecting the organizations. Despite this, the municipality has a decision with which it allocated the funds, but the question remains according to which criteria.**

The highest amount of 1.2 million Denars (19 thousand Euros) was paid to KK Cair 2030, whereas from the organizations from the other areas the highest amount was allocated to the association "Muza" Skopje and the association for transparent informing "Oti Group", 100 thousand Denars (1.626 Euros) each.

The sum which the Municipality of Cair projected to transfer to non-governmental organizations in 2023 is the same or 2 million Denars (32.5 thousand Euros). The sums planned for specific items are also the same or 1.3 million Denars (21 thousand Euros) for non-governmental organizations, 300 thousand Denars (around 5 thousand Euros) for sports clubs and 200 thousand Denars (3.250 Euros) for humanitarian organizations and other transfers.

Projections for budget item 463 from the Municipality of Cair for 2023

Account	Funds planned for 2023	Change in relation to 2022
463110 Transfers to citizens' associations and foundations	1.300.000	0%
463120 Transfers to sports clubs	300.000	0%
463160 Transfers to humanitarian organizations	200.000	0%
463190 Other transfers to non-governmental organizations	200.000	0%
Total in Denars	2.000.000	0%
Total in Euros	32.520	0%

THE MUNICIPALITY OF SH TIP

The Municipality of Shtip has disbursed almost the entire projected sum from budget item 463 for 2022. The highest payment was to FK Bregalnica in the amount of 9 million Denars (146 thousand Euros). The highest payment from the other areas is to the humanitarian association "Lend a hand, save a life" for the project "Guardians of the Environment" in the amount of 299.955 Denars (4.877 Euros).

Disbursed funds from budget item 463 from the Municipality of Shtip in 2022

Account	Disbursed funds for 2022
463110 Transfers to citizens' associations and foundations	1.439.500
463120 Transfers to sports clubs	13.845.000
Total in Denars	15.284.500
Total in Euros	248.528

The Municipality of Shtip has published two calls, from the Program for equal opportunities and for the areas of economy and tourism, infrastructure, education, culture, sport and environment. **The calls were published on the municipality's web-page but were later removed.**

The calls contain data on the general priority areas (economy and tourism, infrastructure, education, culture, sport and environment), participation criteria, total projected budget, but do not contain the priority areas that are expected to be realized, whereas the selection criteria are stipulated in the Methodology for allocating financial support to projects from associations and foundations from the budget of the Municipality of Shtip. In accordance with the Methodology, there is a scoring system according to which the assessment criteria encompass the capacity of the organization, the quality of the project and the budget.

The decisions for selection of supported organizations and projects were submitted in addition to the answer to the request for access to public information, but they are not published on the municipality's web-page. Also, **the documents reporting on the funds spent by the supported organizations are not published on the municipality's web-page.**

For 2023 the Municipality of Shtip has projected 15.75 million Denars (256 thousand Euros) in budget item 463 which is an insignificant increase in relation to 2022.

Projections for budget item 463 from the Municipality of Shtip for 2023

Account	Funds planned for 2023	Change in relation to 2022
463110 Transfers to citizens' associations and foundations	2.150.000	+4.65%
463120 Transfers to sports clubs	13.600.000	0%
Total in Denars	15.750.000	+0.6%
Total in Euros	256.097	+0.6%

RECOMMENDATIONS

- » Due to reasons that as much as 91% of the finances from budget item 463 are allocated to sports clubs, and the majority of them to clubs which are registered as joint stock companies, it is necessary for the payments to these clubs to be done through a different budget item, or this budget item "Transfers to non-governmental organizations" needs to be renamed. The practice so far produces the wrong image that the citizens' associations receive a significant sum from the municipalities, which in reality is not so.
- » In order to build a strong and independent civil society, it is of crucial importance that the support is enabled via a transparent procedure and it should leave no room for favoring activities which, instead of the public interest, protect the interests of the parties of the local authorities.
- » The calls for allocating finances to citizens' associations should be connected to specific programs of the municipalities and should refer to clearly defined goals to the achievement of which they should contribute. In that sense, it will be useful to clearly define the goals of budget line 463 and give advantage to financing projects for realizing those goals, instead of financing the organizations as such.
- » Greater inclusion of non-governmental organizations and the citizens in the process of defining the annual municipal programs should be insisted on, i.e. the priority areas which are of wider public interest.
- » It is necessary to unify the access to allocating funds by the local self-government and strengthen the transparency and accountability in the planning and realization of the funds planned for financing citizens' associations. This will also enable greater objectivity in the process for allocating funds and will reduce the risks from possible abuses of the funds, as well as misappropriation of funds.
- » All calls for allocating funds from municipal budgets should contain the following elements: description of the program; types of projects to be financed; goals to be achieved; target groups of the support; basic criteria for allocation of funds; criteria which the citizens' associations and foundations which can apply to the call need to meet; time frame for conducting the selected projects; total projected/available funds; amount of the available funds for an individual project; necessary registration documentation; project assessment methodology; necessary documentation to be submitted; deadline when the results will be published and other elements. This will help avoid the favoring of certain organizations and activities of the civil society against the neglect of others.
- » There is need for greater promotion of the calls for allocating funds in order for a larger number of organizations to be familiarized with the opportunity to apply.

- » It is obligatory to publicise the names of the organizations that are recipients of the finances, as well as the purpose of the allocated funds, the amount and the reports on the conducted activities. In this way the entire public will have insight into the justification of the allocated funds and the manner in which they were used.
- » The organizations that are recipients of finances from budget item 463 should be obligated to submit a report on their work and these reports should be published on the municipalities' web-pages. Without the obligation to report and without publishing the reports the trust of the citizens in the civil organizations and their visibility diminishes.
- » It should be insisted that the financial aid for the citizens' associations and foundations increases since the small financial support for the citizens' associations prevents them from realizing their social role, as well as help improve the work of the local institutions.
- » Although the support of sports from the municipalities' budgets is significant, it is still necessary to reconsider the current approach according to which recreational sports, the development of sports in young categories, sports event and the like are put in the shadow of professional sports clubs.

