

MACEDONIA
2015

ANNUAL REPORT
ON THE STATE OF
PHILANTHROPY

Research

Belgrade 2016

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Foreword

Dear friends,

Catalyst Balkans is pleased to present to you the 2015 Annual Report on the State of Philanthropy in Macedonia. Just as 2014 was marked by floods in the region, 2015 in Macedonia was marked by the floods in the country as well as an emerging refugee crisis, resulting from a massive flow of refugees from Syria, Iraq, Afghanistan and other countries in their efforts to escape war-torn countries and seek asylum in other countries.

Despite these extraordinary circumstances, an analysis of the data has demonstrated that giving for these purposes did not have significant statistical influence on the giving in Macedonia. Therefore, Catalyst has not separated this type of giving from the general pool of giving.

As in previous years, this report presents data for the full calendar year of 2015 and, wherever possible, indicates the trends in giving for certain indicators over a three-year period (2013-2015). We hope that with each year, our assessment of the trends is providing more valuable information on the development of philanthropy in Macedonia.

The report is again prepared using Catalyst's **GivingBalkans** database, which continues to undergo upgrades. We believe that our database remains the most comprehensive data source on voluntary donations in Macedonia, as well as in the region. Catalyst continues to use various methods of gathering data, primarily media reports together with other available data sources¹. This methodology² has certain limitations, one of which is that the media does not always record all donations given for charitable purposes. However, we believe that our research provides insight into the most important aspects of voluntary giving because the figures obtained, although not comprehensive, do provide minimal relevant indicators that can be used as indicators of the **degree of philanthropy development** in the country.

The data in this report was collected by monitoring the electronic, print and on-line media on the local, regional and national levels in Macedonia from January 1 through December 31, 2015. Over this period, 2.305 entries related to voluntary giving by all types of donors were processed, of which 350 were unique recorded instances. The total number of entries differs from the number of unique donations because of the frequency in which multiple media outlets report on the same donation.

The data from Macedonia shows that in 2015 through the 350 unique instances of giving more than 3.46 million EUR was donated for a wide range of themes, recipients and beneficiary groups. This represents an increase in overall level of giving while at the same time shows the decrease in number

¹ Reports of organizations that received donations, and companies' reports on donations.

² Detailed information on our methodology is provided in Section 3.1

of instances of philanthropic giving. this may indicate that donors are maybe more selective when identifying recipients, but at the same time ready to give more in terms of the amounts.

Other characteristics of 2015 giving in Macedonia are: increases in both percentage of instances and value of donations directed towards or through the nonprofit sector; a continued decrease of giving with long-term impact; and, the state remaining the biggest beneficiary of Macedonian philanthropic giving. Nevertheless, developments and changes in 2015 are of a more positive nature in comparison to 2014.

As in other countries, there is room for improvement in several fields. The most important, in our view, are the need for more attention and promotion to strategic giving and the need to increase the level of transparency in reporting amounts donated, since Macedonia remains one of the countries with the lowest percentage of donations having publicly reported amounts published.

We would like to thank all of you who have helped us prepare this report: those of you who took part in philanthropy, those of you who have donated funds and time, and those of you whose contributions have facilitated the further development of both our method and methodology in collecting the data. We would also like to thank both Catalyst Balkans and Horus Macedonia employees who assisted with data entry and the processing of data, and whose efforts helped greatly in completing this report.

Our best regards until the 2016 report is published,

Catalyst Balkans

Terminology Used in Report

For easier understanding of the report, herein below are short descriptions of the terminology used in the report.

Instance	Unique verified events/examples of collecting donations. May contain several donations (for example, an instance could be a campaign in which individuals collect cash for someone's medical treatment).
Donors	Persons and/or legal entities donating cash, time, services, goods. They are divided into types of donors to facilitate the monitoring of trends.
Donors <i>Mass Individual</i>	Large number of individuals who could not be identified by name.
Donors <i>Mixed</i>	Cases in which it is not possible to classify the donors, i.e. several types of donors were involved in the instance.
Donors <i>Individuals</i>	The donors can be identified as individuals.
Donors <i>Corporate Sector</i>	Includes companies (with over 50 employees), corporate foundations and small and medium sized enterprises (with less than 50 employees).
Donors <i>Private Foundations</i>	Foundations established by private individuals or a combination of both private and legal entities.
Donation	A case of unique giving, without compensation (in money, goods, services or time) being given in return.
Extrapolation	A statistical method that uses the percentage of known data to calculate data that would be valid if 100% of the data was known. Extrapolation provides an estimate and not absolute values.
Philanthropy	Giving for a good cause, i.e. the voluntary giving of money, goods, time, or services in order to help the needy and advance social welfare.
Final Beneficiaries	Target groups that benefit from a donation. For example, if a school is the recipient of a donation, the beneficiaries are the children attending the school.
Themes for Giving	Themes or purposes for which donations are given, such as health, education, etc.
Recipients of Donations	Private and/or legal entities receiving a donation from a donor. In most cases this donation is then passed on to others.
Corporate Sector	The term corporate sector includes companies (with over 50 employees), corporate foundations and small and medium size enterprises (with less than 50 employees).
Use of Donations	Indicates how a donation has been used, for example for capital investment, the purchase of equipment, for the rendering of services, provision of material and consumer goods and the like.

Symbol



Increase as compared with the previous year



Decrease as compared with the previous year



No change as compared with the previous year



Change is 1%, or less as compared to the previous year and is thus statistically negligible.

Summary

GENERAL OVERVIEW

A primary highlight of the philanthropy data for Macedonia in 2015 is the significant increase of 19.4% in overall giving in 2015 from 2014 levels.

The available data show that at least 3.46 million EUR was given for philanthropic purposes in Macedonia in 2015.

While there was an increase in overall value of giving, the average number of instances of donations per month decreased by 10.5% from 32 (in 2014) to 29 (in 2015) per month. A total of 350 unique instances of donations were documented in 2015.

The average donation per citizen in Macedonia also increased from 1.41 EUR in 2014 to 1.71 in 2015.

In the next section, we provide a brief overview of some of the most important indicators that together paint a picture of philanthropy in Macedonia.

PHILANTHROPY IN 2015

MOST ACTIVE DONORS

In 2015, an increase in the number of instances of mass individual giving, solidified this category as the most active donor category by percentage of recorded instances. Despite a drop in the number of instances, the corporate sector is still in the second place, while individual donors ranked third.

A comparison with 2014 shows a drop in the percentage of instances of the participation of corporate sector, but at the same time, shows an increase in the percentage of instances of donations from individuals.

VALUE OF DONATIONS BY TYPE OF DONOR

When we rank donors according to the recorded value of their donations, the picture changes somewhat. The corporate sector is in the first place, followed by individuals and then the mass individual category.

As compared with 2014, the value of donations increased for mass individual and individual donor types, while the corporate giving stayed at the same level.

KEY STATISTICS: 2014 → 2015

Est. Total Value: 3.46 mil. €

19.4% increase from 2014

of Recorded Instances: 350

Avg. Donation Per Citizen: 1.71 €

MOST ACTIVE DONOR TYPES (by # of Instances)

Mass Individual: 64.6%

Corporate Sector: 18.9%

Individuals: 5.1%

MOST GENEROUS DONOR TYPES (by Value of Donations)

Corporate Sector: 35.7%

Individuals: 30.8%

Mass Individual: 29.9%

KEY THEMES FOR DONATIONS

The four key themes that saw continued support included healthcare, support to marginalized groups, poverty reduction and education, with a combined total of more than three-fourths (76.0%) of the total number of instances. As a result of floods and refugee crisis in Macedonia and the philanthropic response to them, the emergency management theme was a more frequent target of giving, with 5.4% of instances recorded under this theme. However, the number of instances directed to this theme was not significant enough to cause statistical changes that would skew the overall data set in the coverage of other issues.

In terms of a change over the last three years, the only trend that can be noted is a continuous drop in the number of instances directed to education. The number of instances directed to other key themes has fluctuated both up and down over the same time period.

USE OF DONATIONS

The highest percentage of instances in Macedonia remains directed to one-off support: humanitarian aid, assistance for the medical treatment of individuals (most frequently children), and material and consumables necessary for the work of institutions and organizations.

A change in comparison with 2014 is reflected in the slight increase in number of these one-off instances, most probably caused by emergency management. On the other hand, giving that we have classified as strategic and that may produce long-term effects (equipment, capital investments, research, raising awareness and the like) experienced a drop in comparison with 2014.

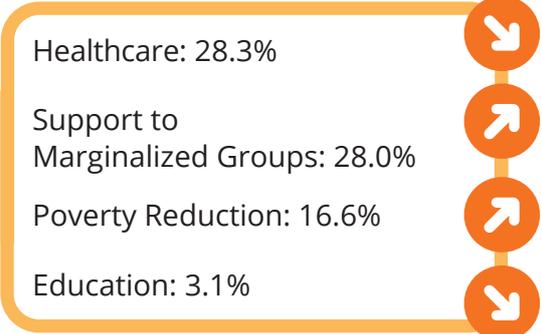
Even considering the number of donations directed towards mitigating the effects of natural disaster, the trend in Macedonia over the last three years are of an increase in one-off support and a decrease in long-term investments.

RECIPIENT ENTITIES

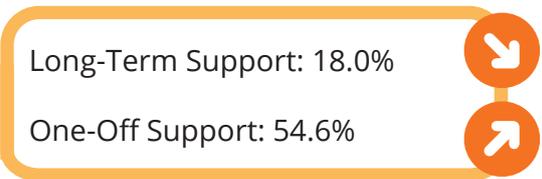
The ranking of the types of recipient entities by percentage of recorded instances hasn't changed when compared to 2014. Individuals/families are still in the lead, followed by institutions, and finally nonprofit organizations. Over 90% of recorded instances were directed to these three types of recipients.

Significant changes from 2014 data can be noted in a decrease of the percentage of instances directed to institutions and an increase in instances directed to nonprofit organizations.

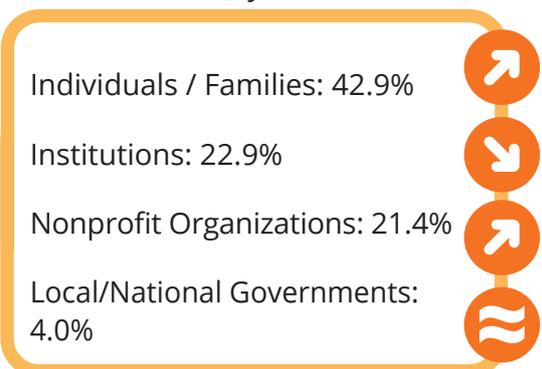
MOST SUPPORTED THEMES (by # of Instances):



USE OF DONATIONS



TOP RECIPIENTS OF DONATIONS (by # of Instances):



When the value of donations is considered, local / national governments rise to the top of the list, followed by institutions and nonprofit organizations. Individuals / families round out the list with the lowest total value of donations directed to it.

In comparison with 2014, the recorded amounts directed to local / national governments significantly increased, while level of giving to individuals / families saw a large decrease.

Another significant change is the amount donated to religious entities – while practically negligible in 2014, in 2015 they've received about 19.5% of recorded amounts donated. However, since this is just one donation, we consider it to be an aberration compared to both 2013 and 2014 and therefore are not including religious entities among top recipients.

TOP RECIPIENTS OF DONATIONS
(by Value of Recorded Donations)

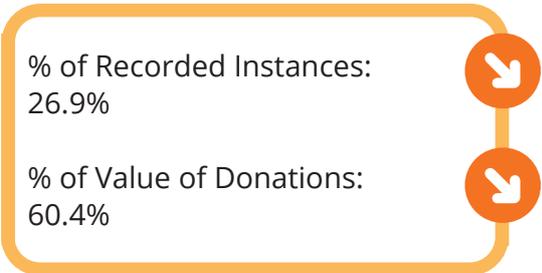


THE STATE AS RECIPIENT

State recipients of philanthropic giving in 2015 included local and/or national governments and their associated institutions (schools, medical facilities, cultural institutions, etc.).

If we combine the data for the two categories of institutions and local / national governments, both categories who under the control of the state, we reach the conclusion that 26.9% of instances and 60.4% by value of donations were, in fact, directed to the state. While both percentages are slightly lower than in 2014, state remains the biggest recipient of philanthropic donations.

THE STATE AS RECIPIENT
OF DONATIONS



FINAL BENEFICIARIES

When we examined the categories of final beneficiaries, we observed that people with health issues are still at the first place, followed by the economically vulnerable. The number of instances of donations directed to the population with disabilities increased. Despite slight drop in the number of instances in comparison with 2014, beneficiaries from specific local communities “jumped” into fourth place.

It is also important to mention that within the response to the refugee crisis, 7.4% of instances was directed towards refugees (people from other countries). Although a significant percentage of instances were directed to these four groups of beneficiaries, the range of beneficiaries remains wide and diverse.

MOST SUPPORTED
BENEFICIARY GROUPS
(by # of Instances):



Several Characteristics of Philanthropy in Macedonia in 2015:

- ★ Although both GDP per capita and value of donations increased from 2014 to 2015, the number of instances of donations decreased in 2015 by 10.5%.
- ★ At the same time, recorded value of donations increased by 19.4%.
- ★ Mass individual giving stands out as the donor type with a continuous increase in donations. Compared to 2014, the role of the corporate sector continued to decrease.
- ★ Diaspora giving, with 3.0% of instances, has shown no significant change over the last three years.
- ★ The most supported recipient group in terms of number of instances was individuals/families, while in terms of value of donations the situation is totally opposite with the value of donations directed to this group decreasing.
- ★ The nonprofit sector has experienced an increase as recipients of donations both in the number of instances and the value of donations.
- ★ Local and national governments were the recipient category with the biggest increase by the value of donation.
- ★ Related to themes of giving, the percentage of instances directed to key issues (healthcare, poverty reduction and support to marginalized groups) fluctuates from year to year. The only, and not so positive, trend that can be noted is a continuous decrease in the percentage of instances directed to education.
- ★ Support to the state was recorded at 26.9% of instances and 60.4% of value of donations. While both percentages are slightly lower than in 2014, the state remains the biggest recipient of philanthropic donations.
- ★ As for final beneficiaries, the largest number of instances is still directed to people with health issues and the economically vulnerable.
- ★ It is also important to mention that within the response to the refugee crisis, 7.4% of instances was directed towards refugees (people from other countries).
- ★ Finally, the transparency of the data is better in 2015 than in 2014. The percentage of media reports indicating the value of a donation is still small, but increased from 10.0% in 2014 to 11.9% in 2015.

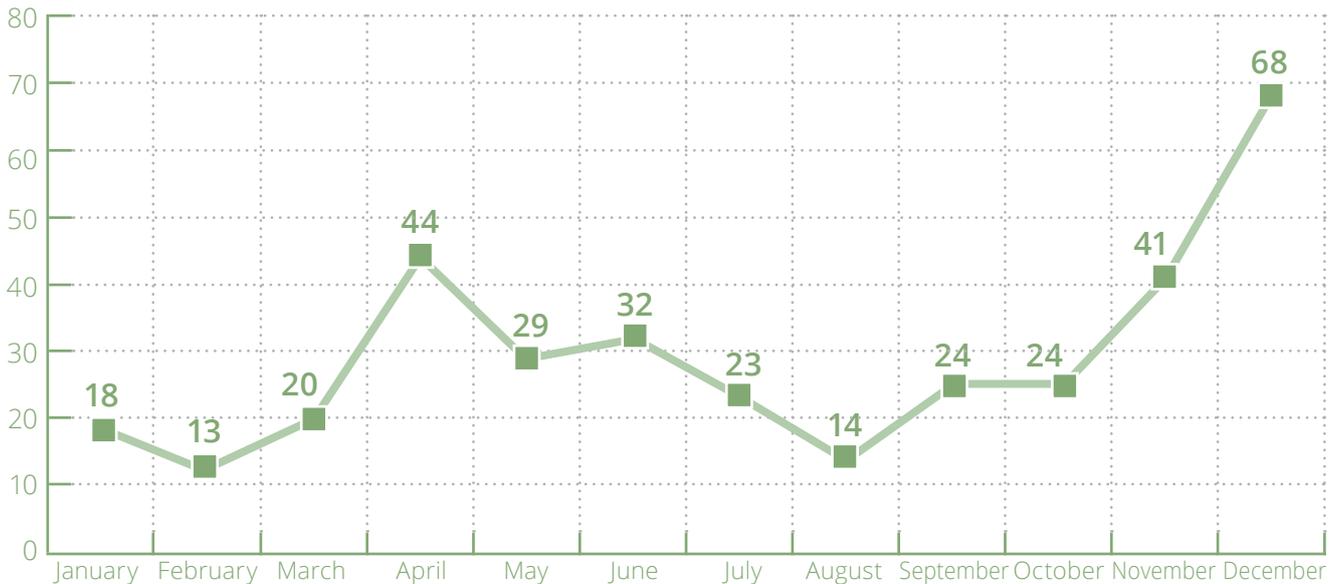
The most important characteristic of 2015 giving in Macedonia is that, despite fewer instances, the recorded value of giving increased by nearly 20%. Another positive development is an increase in both the percentage of instances and value of donations directed to the nonprofit sector. On the other hand, giving with long-term effects continues to decrease. While there are fluctuations in comparison with previous years in terms of themes, recipients, beneficiary groups, there are no significant changes other than those already mentioned. The state remains the biggest beneficiary of Macedonian philanthropic giving. Nevertheless, developments and changes in 2015 are of a more positive nature in comparison to 2014.

General Overview | 1

Level of Philanthropic Activities in Macedonia | 1.1

There were 350 recorded philanthropic instances to collect cash and/or in-kind goods in Macedonia in 2015.

OF INSTANCES OF PHILANTHROPY, BY MONTH



In this regard, the first trend to be highlighted is the decrease in the number of recorded instances in comparison with 2014. A statistical overview shows that there was an average of 29 instances per month, which represents a 10.5% drop from the 32 recorded in 2014. The number of instances per month shows an expected but lower seasonal distribution, with an increase in April, a drop over the summer holidays, an increase again in the fall and the largest number of instances in December.

AVERAGE # OF INSTANCES PER MONTH



1.2| Geographic Distribution of Giving

The trend of donations being most frequently sent to the Skopje region (36.5%) continued in 2015. Skopje was followed in terms of percentage by the Pelagonia region (8.0%), Southwest (8.0%), and Northeast region (5.4%). A smaller number of donations were recorded as being directed to the Southeast (4.3%), East (3.4%), Polog (3.4%) and Vardar regions (2.6%).

Of total number of instances, 27.4% of donations in 2015 were directed either to a broad national level or covered several of the regions (category throughout Macedonia). Finally, there was 0.6% instances of giving directed outside of Macedonia – same level as last year.

Donations were directed to over 40 different local communities across 35 municipalities. Besides Skopje Centar, the municipalities that led in receiving donations were Bitola, Ohrid, Kumanovo, Štip, Tetovo and Strumica.

The percentage of instances in most of the regions slightly decreased in comparison with 2014, which reflects the overall decrease in number of instances. The most significant change is a more than 12% increase in the number of donations directed to national level or that affected multiple regions.

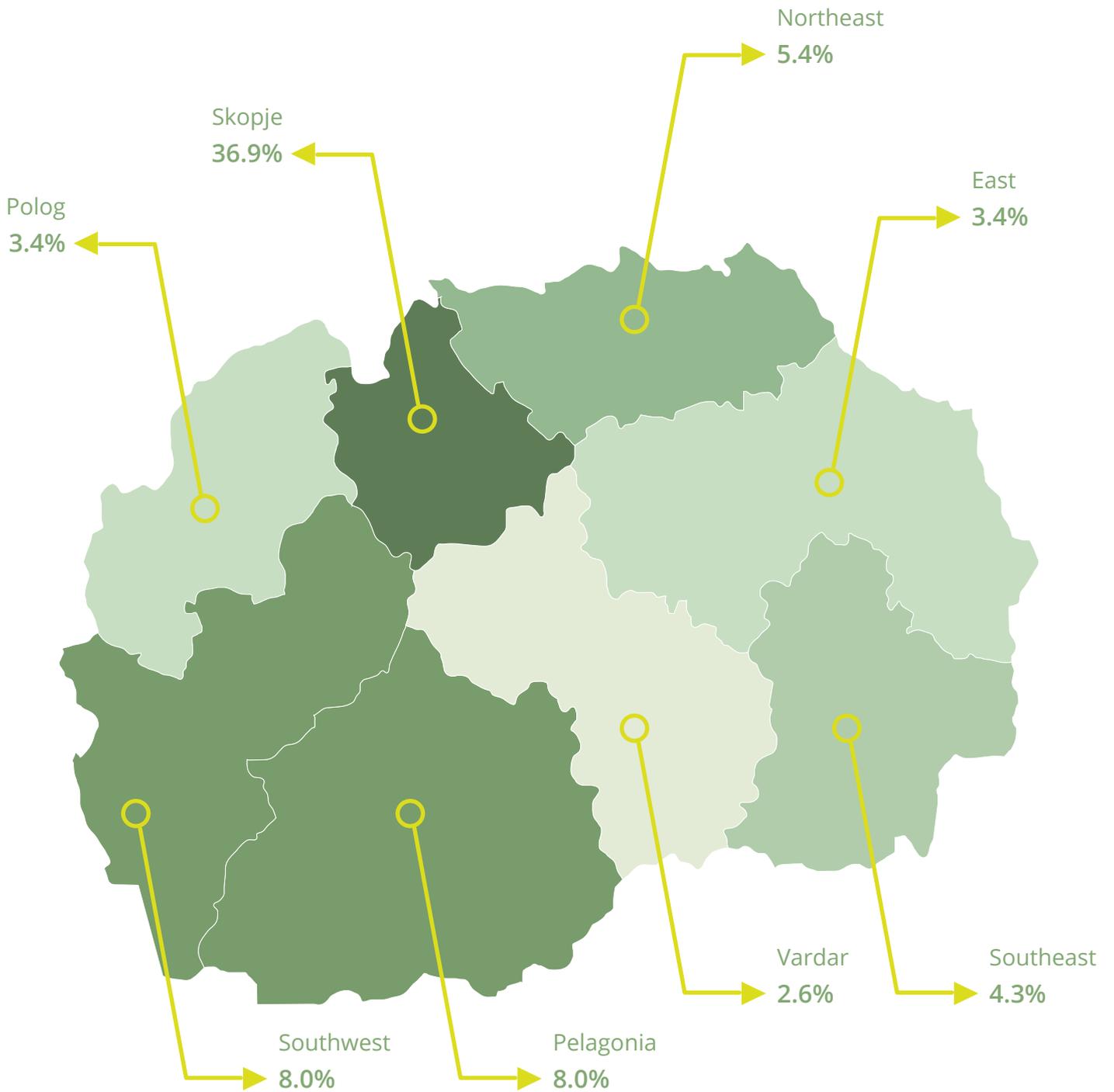
Looking at the geographic distribution by region over the past three years, two trends can be noted – a continuous decrease in the percentage of donations going to the Skopje region and a continuous increase of donations directed to more than one region.

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TRENDS IN GEOGRAPHIC DISTRIBUTION OF GIVING (% of Instances)

	2013		2014		2015
Vardar	4.6%	≈	4.3%	↓	2.6%
East	7.4%	=	7.4%	↓	3.4%
Southwest	8.8%	≈	9.2%	↓	8.0%
Southeast	4.1%	↓	2.0%	↑	4.3%
Pelagonia	8.8%	↑	10.0%	↓	8.0%
Polog	2.8%	=	2.8%	≈	3.4%
Northeast	1.4%	↑	5.6%	≈	5.4%
Skopje	55.3%	↓	43.2%	↓	36.9%
Throughout Macedonia	6.5%	↑	15.1%	↑	27.4%
Outside of Macedonia	0.5%	≈	0.3%	≈	0.6%

GEOGRAPHIC DISTRIBUTION OF GIVING BY REGION
(% of Instances)



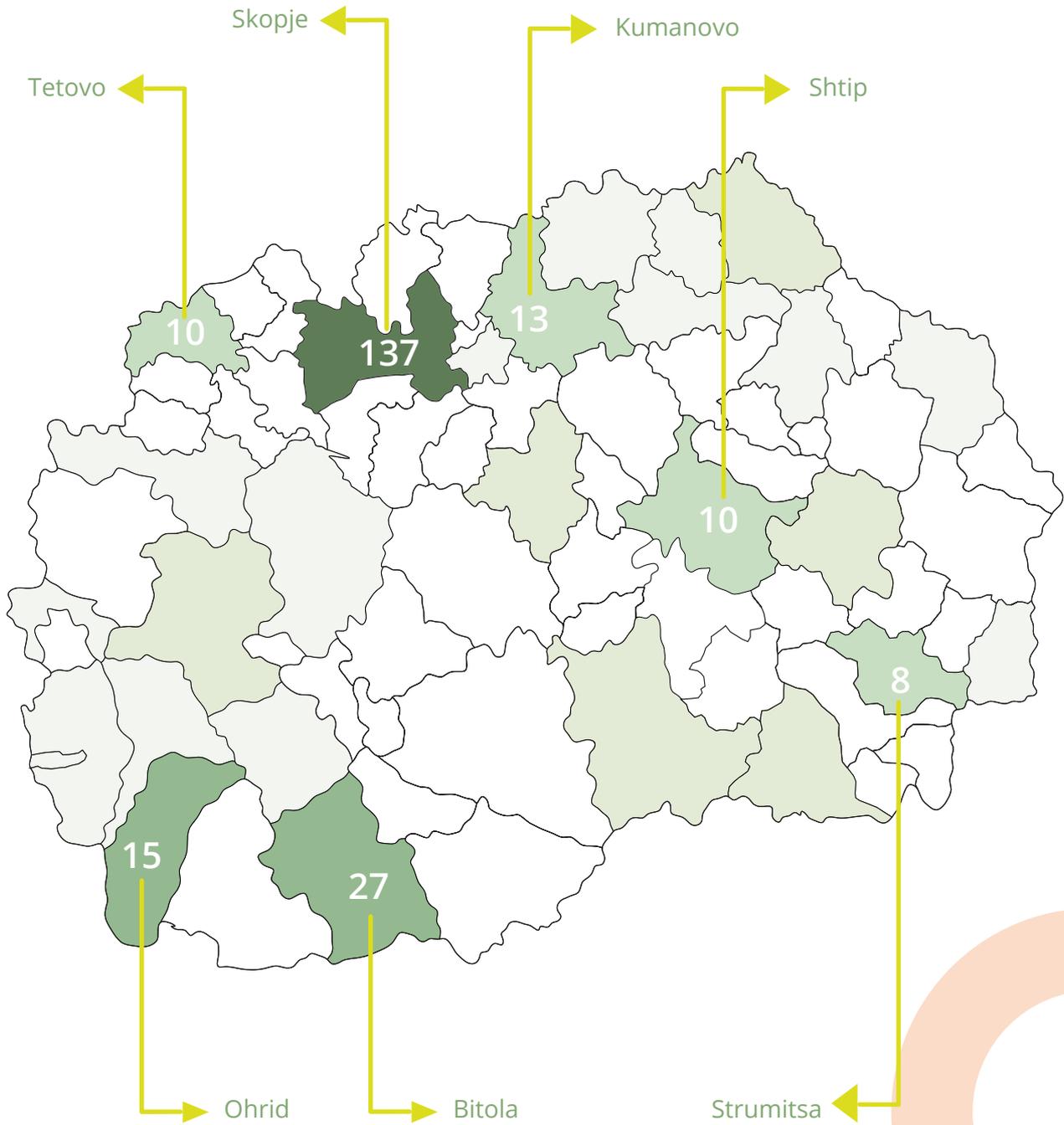
27.4%

Throughout
Macedonia

0.6%

Outside of
Macedonia

GEOGRAPHIC DISTRIBUTION OF GIVING, BY RECIPIENT MUNICIPALITY
(% of Instances)



2 | Overview of the Key Indicators Related to Philanthropy in Macedonia

2.1 | Donors

2.1.1 | Value of Donations

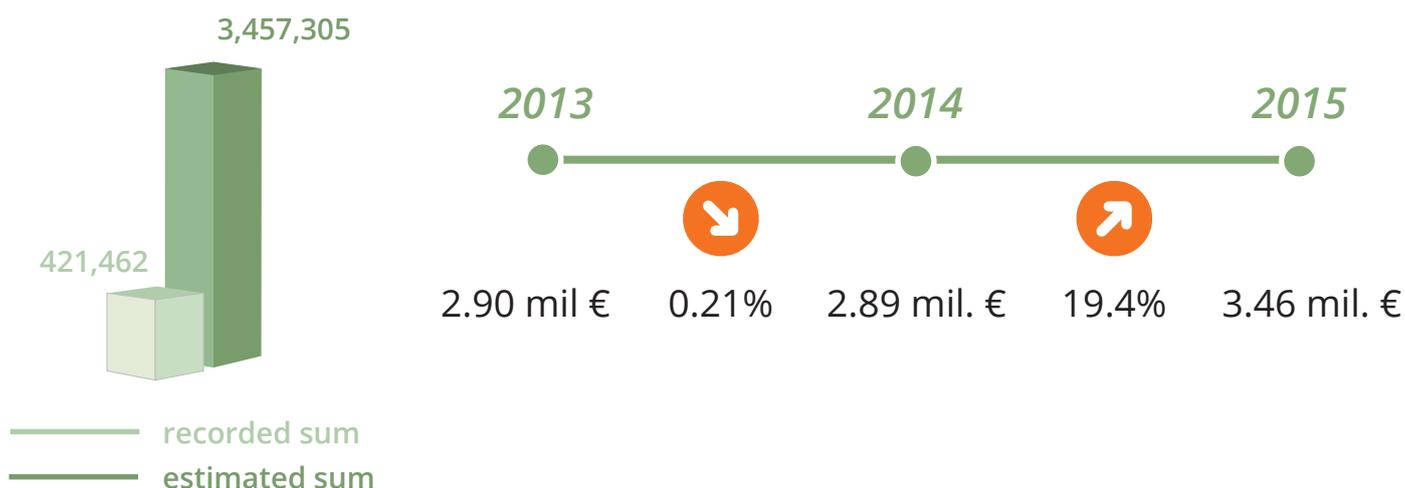
Of the 350 donations (calls, instances, reports and similar) indexed, 14.0% had a monetary value associated with them, which is a slight, but positive increase compared to the 11.9% recorded in 2014. The total value of donations reported by the media was slightly more than 421,460 EUR¹.

In spite of this increase, the fact remains that only a small portion of recorded data contained the actual value of the donations. However, using extrapolation, a cautious estimate can be made **that the value of donations for charitable purposes in Macedonia in 2015 was at least 3.46 million EUR**. The graph below shows the recorded and verified value of donations in EUR, as well as the estimated value based on extrapolation from the recorded sums.

Regarding the aforementioned values, it is important to note that they include primarily donations in cash, since the estimated value of in-kind donations and pro-bono services is more difficult to extrapolate. Similarly, although the number of stakeholders willing to share data on the value of donations is increasing, it remains difficult to obtain a higher percentage of specific data². Consequently, it is reasonable to assume that the total value of donations was significantly higher than the estimated sum quoted herein.

VALUE OF DONATIONS (mil €)

TRENDS IN ESTIMATED VALUE OF DONATIONS (mil €)



¹ The sums were recorded in different currencies. The sum thus represents the annual median exchange rate for different currencies.

² Neither donors nor recipients exhibited significant readiness to share information on donated sums. Consequently, increased efforts should be made to educate all stakeholders about the importance of transparency regarding donated sums.

Donations by Type of Donors | 2.1.2

There are two ways to examine the donations provided by various types of donors: by the number of instances and by the recorded sum of donations in cash.

If we consider donations by the number of instances, the data shows that the most numerous are still those from the mass individual category (i.e. donations during campaigns and responses to appeals for support/aid), followed by giving by the corporate sector, and then individual donors. Participation by other types of donors totals 11.4% of instances.

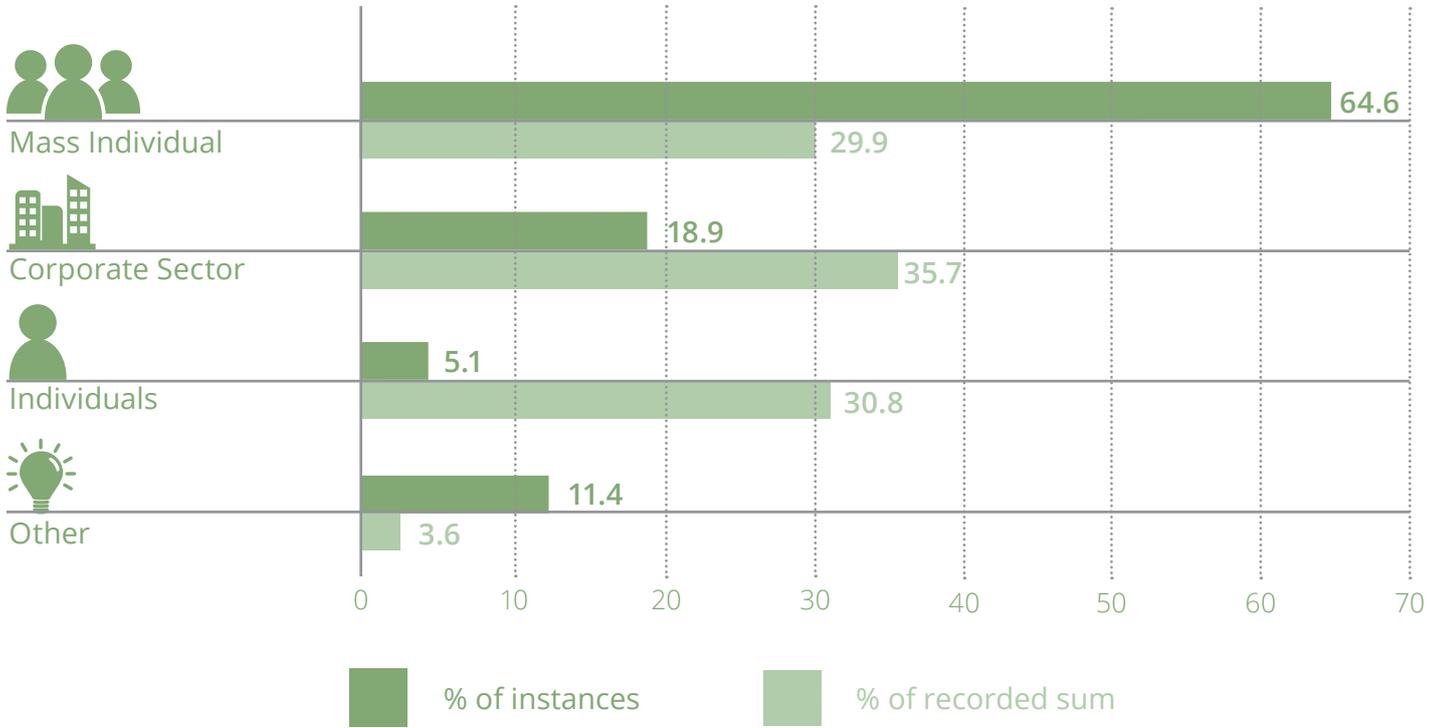
However, the picture changes once we rank donors by percentage of their recorded donated sum. As in previous years, and indeed when looking across most of the countries of this region, the corporate sector takes the lead. Corporate sector is followed by individuals (individual giving where the donor can be identified) and then by mass individual giving in the third rank. Other types of donors provided only 3.5% of the total recorded amount.

Looking back at the types of donors over the last three years, we notice that in the last two years the mass individual category is in the lead in terms of activity (percentage of instances), while there is a drop in the activity level of the corporate sector. Individual donors are remaining at a similar level of activity throughout the three years.

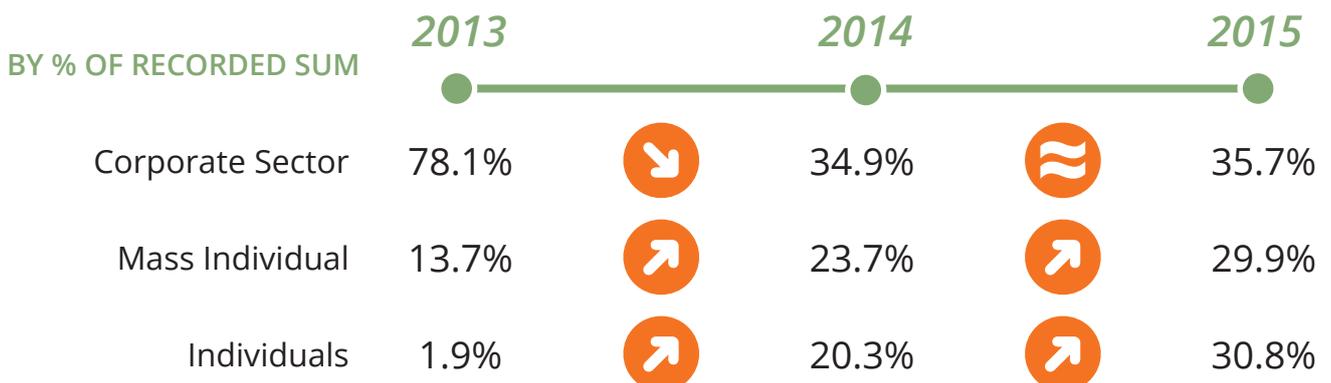
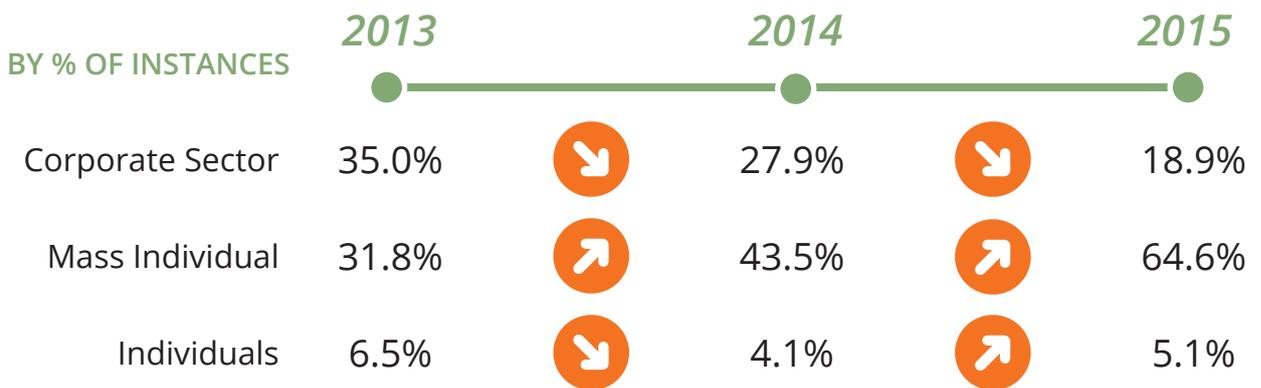
With respect to the recorded amounts donated, corporate sector giving remained on a similar level as in 2014, but is still the lead donor type. There is also an increase in the value of giving by both the mass individual and individual donor types.

The trends that can be noted are that mass individual category of donors continuously increases both level of activity and amount given; individual donors kept a similar level of activity but gave in larger amounts. Finally, the corporate sector decreases activity, but still gives the largest amount.

DONATIONS BY TYPE OF DONORS
(% of instances vs. % of recorded sum)



KEY TRENDS IN TYPES OF DONORS - 2013 to 2015



DONATIONS FROM THE DIASPORA

In 2015, the Macedonian diaspora from all around the world was especially active in the provision of support to the people that were victims of the flooding that happened during 2015 in Eastern Macedonia as well as in the Pelagonia and Polog regions.

*Members of the **Macedonian Club Gotse Delcev in Geteborg, Sweden**, raised around 10,000 SEK to help flood-affected people in Eastern Macedonia. The **St Naum Ohridski Macedonian Church Council from Vienna, Austria**, raised 1,000 EUR to aid floods-affected people in Pelagonia and Eastern Macedonia. In the U.S., one of the fundraising events organized by the **Macedonian diaspora in Michigan** was to raise funds for support of the flood victims in the Pelagonia Region. The **Macedonian diaspora from Mississauga, Canada** organized a fundraising action and raised 9,400 CAD for the support of flood victims in Eastern Macedonia. Also, to support minority communities in an emergency situation, a **group of Albanians from Macedonia living in Switzerland** collected 60,000 CHF for the families in the communities around Tetovo following the floods.*

*Macedonian diaspora is also very proactive in supporting marginalized groups. The **Macedonian diaspora from the UK** collected and donated 2,000 EUR to Primary School Straso Pindz dur in Kavadarci in order to support the inclusive education of children with special disabilities.*

*Yet another great example of community support comes from **Argetim Mahmudi**, an Albanian living in Switzerland who donated 10,000 CHF to the Firefighting Unit of Struga.*

INNOVATIVE WAYS OF GIVING

*With **Pakomak** being dedicated to the support of environmental issues, within their **Recycling – Say Yes** project, 1,500,000 plastic bottles were collected by more than 31,000 pupils from 60 primary schools in 6 municipalities of Skopje. **Pakomak** donated liquid soap to the pupils and shared information about the importance of the sorting and recycling of packaging waste, the time that it takes for garbage to decompose in the environment, and energy efficiency and renewable energy aiming to give the students insights into wayd of protecting the environment.*

*Another innovative way of giving was an individual initiative. A **bride and groom – Boban and Ana** – from Skopje asked all their wedding guests to donate funds to the **Šuto Orizari Children Day Center** instead of bringing them flowers and wedding gifts.*





LONG-TERM DEDICATION TO GIVING

When looking at long term dedication and support, the efforts of *Dimitar Gocevski*, a student from Skopje, must be noted.

Dimitar has been helping homeless people for more than a year. Besides many other initiatives, he started a campaign to provide one homeless person a hot meal and place to sleep for a day. His first beneficiary was Tome Maslarov, who came to Skopje from Strumica trying to find a job.



CAUSE RELATED MARKETING

Continuing with the positive practice of cause related marketing in 2015, several good examples of campaigns were noted in Macedonia.

OKTA initiated the campaign entitled "Chance for Life" and the aim was to improve the conditions Intensive Care Department at the Children's Clinic in Skopje, where the prematurely born babies and the babies with complications are admitted. Citizens donated through purchase of fuel from OKTA petrol stations and a percentage from the sales is contributed to the campaign. In addition to this, donations were also accepted on the special bank account for the campaign in Stopanska Banka, but also through the open telephone lines and donation boxes in OKTA petrol stations.

Zhito Marketi Veles's and Kozuvcanka's „So mal del do golema cel“ (With Small Contribution towards Bigger Goal) campaign had the purpose to raise funds for procurement of a special hand washing station for the Gynecology and Obstetrics Clinic in Skopje. A certain percentage of each bottle of Kozuvcanka mineral water sold was dedicated to the campaign fund. As a result, two hand washing stations were purchased instead of one.



EXAMPLES OF CORPORATE SECTOR DONATIONS

In 2015, large Macedonian companies showed a high level of commitment to help and support the marginalized communities and people in need.

In that sense, Žito Luks ad Skopje, a company that produces flour, bread and baked goods, initiated the campaign entitled "Hrana podarena od srce" (Food Gift from the Heart). This campaign is designed to help institutions that take care for children or people from socially vulnerable categories. One of the institutions that were supported within the frameworks of this campaign in 2015 was the Special Primary School for Children with Intellectual and Physical Disabilities Zlatan Sremec in Skopje.

Another representative example is Stopanska Banka AD Bitola who supported the work of the Association for Treatment of People with Autism, ADHD and Asperger Syndrome Vo Mojot Svet. This association supports the lifelong battle of the thousands of families whose children are diagnosed with autism, ADHD and Asperger's syndrome. As a sign of gratitude towards the management and employees of the bank, children and volunteers of the association donated their drawings to the Stopanska Banka AD Bitola.

Komercijalna Banka ad Skopje also provided support to marginalized communities. The bank donated a washing machine and a dryer to the Daycare Center for Street Children in Šuto Orizari, Skopje.

Significant portion of the donations by the corporate sector in 2015 were aimed to improve treatment conditions in public health facilities in Macedonia. One of the most prominent examples is *Pelisterka AD Skopje*. This company donated medical equipment worth 1,000,000 MKD (app. 16,500 EUR) to three clinical facilities in the country: KARIL- Clinic for Anesthesiology, Reanimation and Intensive Care – Skopje, Clinical Hospital dr Trifun Panovski Bitola and Clinical Hospital in Tetovo. The donation was comprised of state-of-the-art medical equipment that will be used for monitoring of various vital functions of the patients.

Bučim Copper Mine from Radoviš, supported the refurbishment of the Cultural Center Aco Karamanov in Radoviš, sponsored several cultural events and donated a film projector to this institution, thus provided valuable input in the fostering the art and culture in this municipality in Eastern Macedonia.

Another excellent example of how a corporate entity can support both education and art is the collaboration between *Cementarnica Usje ad Skopje* and the Faculty of Fine Arts at the University of Ss. Cyril and Methodius in Skopje. Namely, *Cementarnica Usje AD Skopje* donated cement and other necessary materials along with necessary machines and working tools to the Department of Sculpture of the Faculty of Fine Arts. This donation will surely encourage artistic expression and create opportunities and space for creative work of young artists.

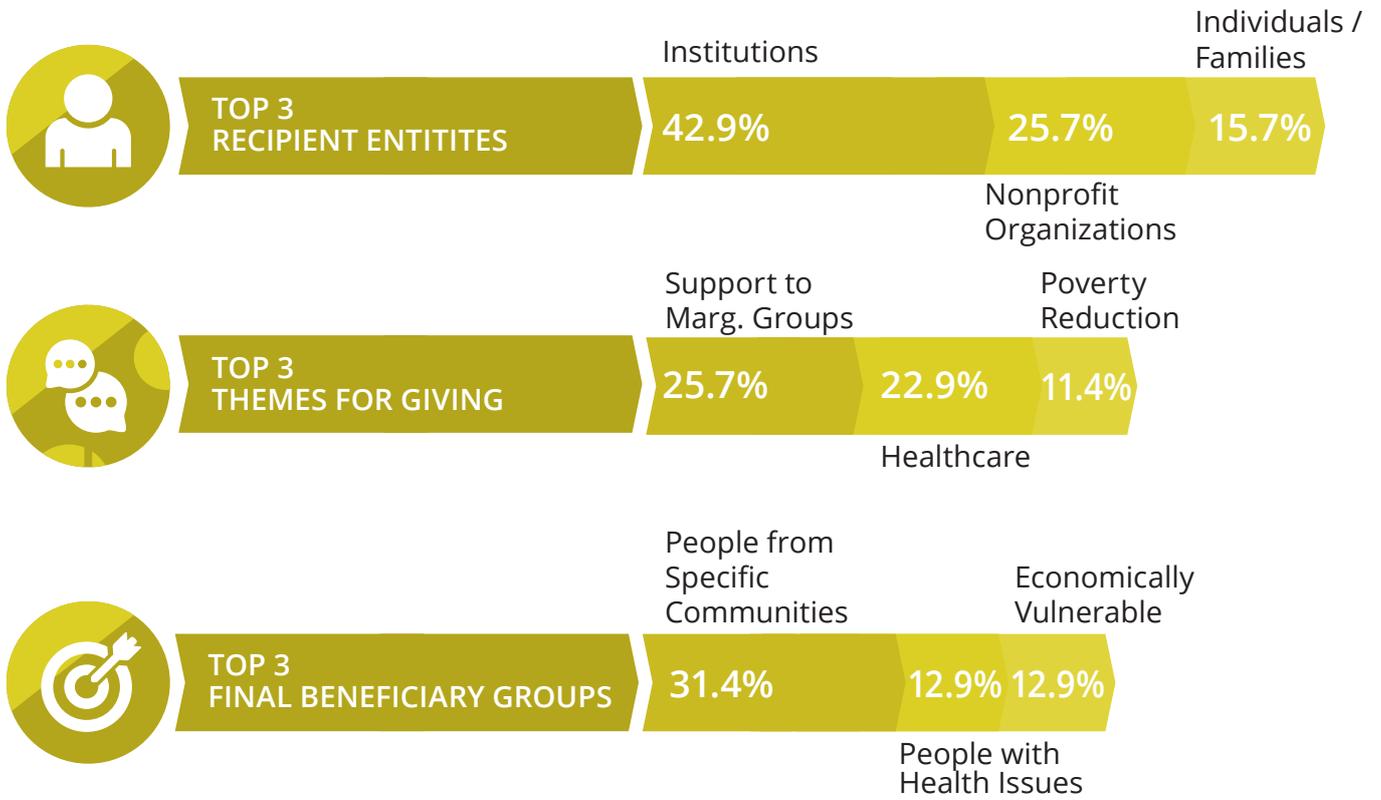
The celebration of the 130th anniversary of the *Tikves winery*, which took place in 2015 and coincided with this year's Festival of Young Wine, had a socially responsible dimension and presents an interesting example of giving. *Tikves* motivated the guests to donate by presenting a gift – a bottle of young wine for each donation. A total of 130,000 MKD (approx. 2,100 EUR) were raised on the occasion. *Tikves* matched this donation, thus doubling the amount to 260,000 MKD (app. 4,200 EUR) and used it to purchase equipment and refurbish the premises of the day centers operating as a part of the Republic Center for Support of Persons with Intellectual Disability – PORAKA.

The company *Pakomak* from Skopje has established itself as a leader in supporting environmental initiatives, especially waste management. In that sense, in 2015, *Pakomak* donated 500 plastic waste bins worth 2,000,000 MKD (approx. 32,500 EUR) to Lavčanka and Nedopirlivi settlements in Bitola, a waste collection truck to Tetovo Municipality and 50% of the funds needed for the purchase of a street sweeping vehicle. *Pakomak* also donated 50 plastic waste bins to Tetovo Municipality.

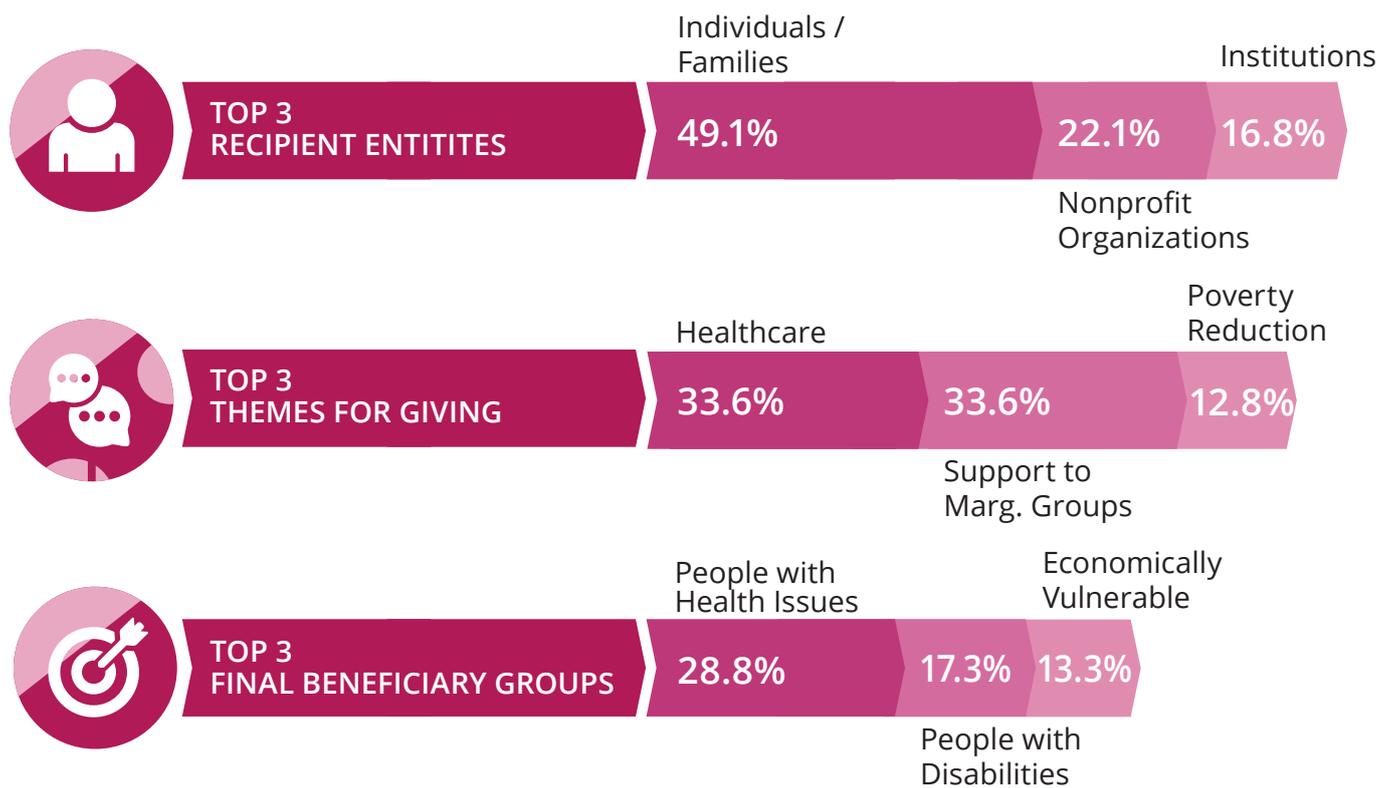
2.1.3 | Profiles of the Most Common Types of Donors



CORPORATE SECTOR



MASS INDIVIDUAL



KEY POINTS:



- Although the number of instances decreased, the overall value of donations increased by 19.4% from 2014 to 2015.
- In 2015, the most active donor types were mass individual (64.6%), followed by the corporate sector (18.9%) and individuals (5.1%).
- By value of donation, the corporate sector led with a 35.7% share in the total recorded amount, followed by individuals with 30.8%, and individuals with the similar share of 29.9%.
- Diaspora giving stayed on a very similar level in comparison to 2014; diaspora participation in 2015 was 3.0% by number of instances, while recorded value of donation is 6.6%.
- Trends noted include: the mass individual category of donors continuously increased both level of activity and amount given; individual donors kept a similar level of activity but gave larger amounts; and, the corporate sector decreased activity, but still gave the largest amounts.

2.2 | For What Purpose Are Donations Made in Macedonia?

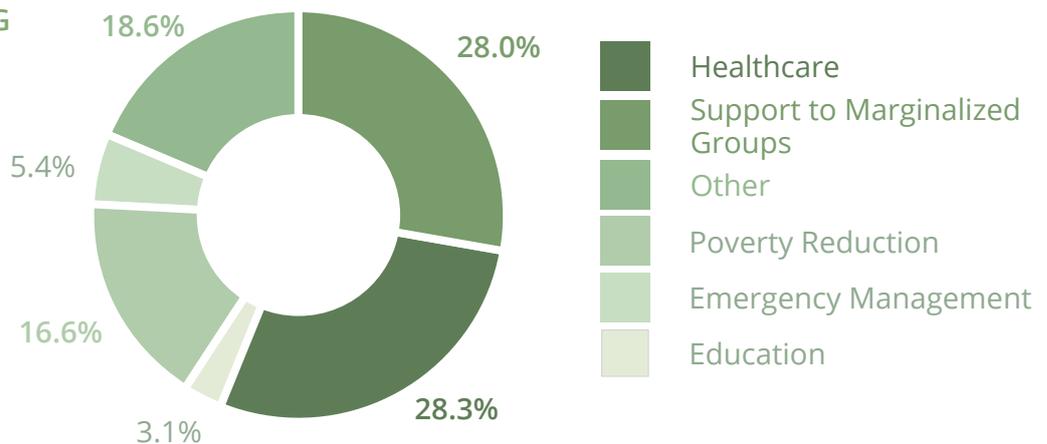
2.2.1 | What Themes Are Important to Donors in Macedonia?

The three key themes to which donations were directed in 2015 continued to be healthcare, support to marginalized groups and poverty reduction. Additionally, in response to the floods in the country as well as refugee crisis in the region, emergency management³ came up as a fourth topic by number of instances, supported more than education.

The ranking of themes by number of instances hasn't changed in comparison to 2014, with healthcare still in the lead despite the drop in the number of instances, and education still rounding out the bottom five. The differences in percentages vary but suggest that donors' interest has increased in support to marginalized groups and poverty reduction, but unfortunately is in on the decrease when it comes to education.

Moreover, the range of themes remained broad and includes culture, sport, cultural heritage, community development, religious activities, public infrastructure, human rights, environment, and seasonal giving. This year, the percentage of instances for all themes other than the top five (including emergency management) was slightly lower - at 18.6%.

KEY THEMES OF GIVING
(% of Instances)



BREAKDOWN OF OTHER THEMES (by % of Instances)

less than 0.5%	0.5 to 1%	1 to 3%	3 to 5%
<ul style="list-style-type: none"> Heritage Human Rights 	<ul style="list-style-type: none"> Community Development Sport 	<ul style="list-style-type: none"> Culture and Arts Environmental issues Public Infrastructure Religious Activities 	<ul style="list-style-type: none"> Seasonal Giving

³ While emergency management is represented by 5.4% of instances, we, as noted before chose to include it in overall overview, as this percentage is high enough to change the statistics of giving. For example, if the emergency management would not be included in the overview, change in the percentage of instances given for education would be 3.3% instead of 3.1%, which is a statistically insignificant change.

CHANGES IN THE KEY THEMES FOR GIVING 2013 - 2014 (% of Instances)	2013		2014		2015
Support to Marg. Groups	35.9%	↘	25.8%	↗	28.0%
Poverty Reduction	20.7%	↘	16.9%	↗	20.7%
Healthcare	16.6%	↗	30.2%	↘	28.3%
Education	8.8%	↘	6.6%	↘	3.1%

KEY POINTS:

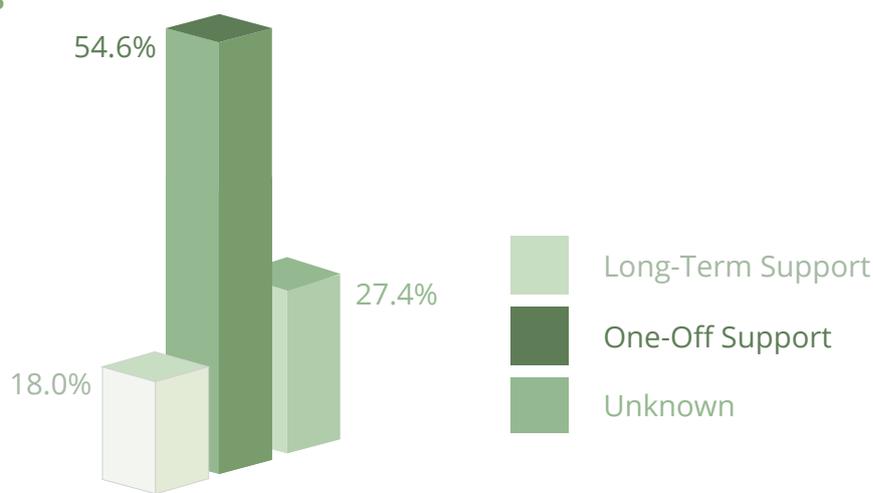


- The four key themes supported were: healthcare, support to marginalized groups, poverty reduction and emergency management, which left education behind at the fifth place. The instances directed to these themes add up to 81.4% of recorded instances.
- The range of other supported themes remained quite broad.
- Except for emergency management, which arose from situations unique to 2015, the ranking of themes by number of instances hasn't changed.
- Even though healthcare was still first place, the percentage of instances directed to this theme dropped. A similar trend occurred with education, while the marginalized groups and poverty reduction themes noted increases from 2014. Therefore the only clear trend that can be noted is decreased support to education, which is similar to other countries in the region.

2.2.2 | Use of Donations

The data on how donations have been used facilitates deeper insight into whether they are provided as one-off support (goods and materials, humanitarian assistance) or are intended to assist in pursuing longer-term solutions to specific problems. In line with the methodology and recorded data, we divide the use of donations into three categories: long-term support, one-off support and donations for unknown purposes⁴. An overview of donation categories is presented in the graph below.

USE OF DONATIONS
(% of Instances)



CHANGES IN THE USE OF DONATIONS - 2013 TO 2015
(% of Instances)

BY % OF INSTANCES	2013		2014		2015
Long-Term Support	30.8%	↘	28.6%	↘	18.0%
One-Off Support	54.8%	↘	53.5%	↗	54.6%
Unknown	14.3%	↗	17.9%	↗	27.4%

⁴ Under the category of “long-term support” we include: capital investments, equipment, investment in services, scholarships (human resource investments), research and development, raising social awareness; in the category of “one-off support” we include, humanitarian aid, seasonal donations, medical treatments for individuals/families, and material and consumables. It is not always possible to determine the purpose of a donation, because the available data, for example, may indicate that an institution/organization has been supported without specifying the donation’s purpose.

LONG-TERM SUPPORT



Only a few companies in Macedonia have established mechanisms within their CSR strategies/programs for long-term and strategic support of various community initiatives.

*Komercijalna Banka ad Skopje is one of the leading companies in provision of such support. In 2015, for its fifth consecutive year, Komercijalna banka supported the project *Podobra socijalizacija na decata i mladite so posebni potrebi* (Better socialization of children and juveniles with special needs). The continued cooperation with the Red Cross through the bank's support to this project confirms their efforts for a long-term and systematic approach to improving the condition of vulnerable categories in the community.*

KEY POINTS:



- The highest percentage of instances in Macedonia remains directed to one-off support. The corporate sector continues to be more oriented to strategic investments than other type of donors.
- The most common long-term investments by far are instances of the purchase of equipment, followed by capital investments, and finally services. There were also a certain number of instances directed towards scholarships.
- The most frequent one-off donations were for medical treatments and surgeries, materials and consumable goods and humanitarian assistance.
- Over the last three years, trends that can be noted are an increase in the number of one-off instances, a decrease in long-term investments and a significant increase in the number of instances where it was not possible to determine the use because of the lack of data in media reports.

2.3 | Who Are Supported by Donors in Macedonia?

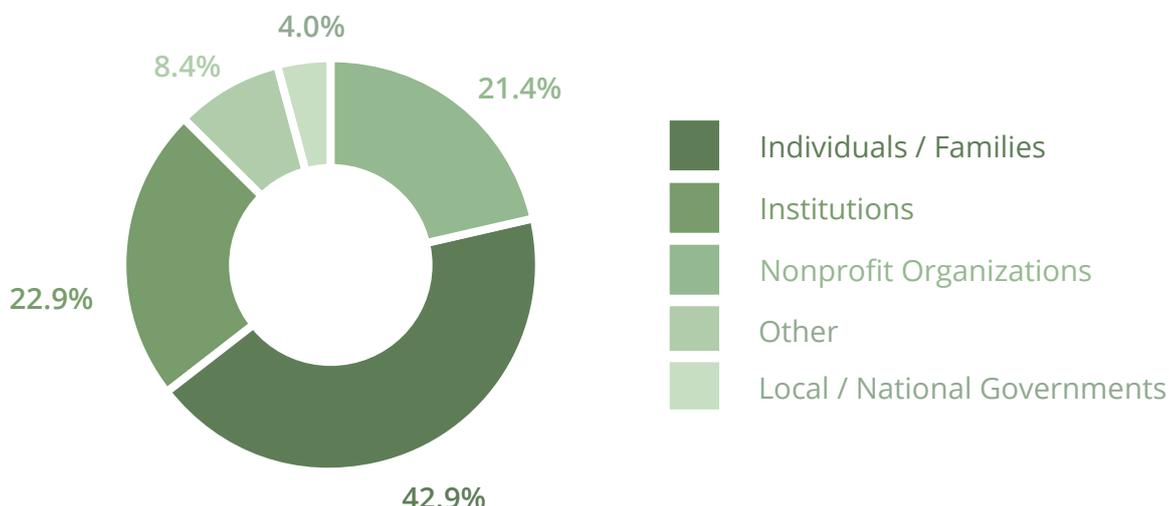
2.3.1 | Who Are Trusted as Recipients of Donations?

Recipient entities (often also referred to as partners) show how donors choose to channel their donations, thus indirectly revealing whom they trust⁵.

In 2015, the principal recipients were, as in previous years, individuals / families, followed by institutions and nonprofit organizations (associations and foundations) and local/national governments. The Other category included religious communities and unknown recipients.

In 2015 we observed sudden increase of amounts of giving to religious entities; however deeper analysis showed that this is the result of only one big donation; it is also the first instance of such giving in three years. Therefore, we are not including religious entities in the list of top recipients, but will continue to follow the developments in this area in the future.

TYPE OF BENEFICIARY ENTITIES
(% of Instances)



KEY CHANGES IN TYPES OF BENEFICIARY ENTITIES
- 2013 to 2015

BENEFICIARY ENTITIES (% of Instances)	2013		2014		2015
Institutions	32.3%	↗	34.3%	↘	22.9%
Nonprofit Organizations	27.7%	↘	14.1%	↗	21.4%
Individuals / Families	24.9%	↗	36.8%	↗	42.9%
Local / National Governments	4.6%	≈	3.8%	≈	4.0%

⁵ Donation recipients/partners generally further distribute support to beneficiaries, that is, they use them for the benefit of particular target groups.

BENEFICIARY ENTITIES (% of Recorded Value)	2013		2014		2015
Institutions	34.3%	↗	63.7%	↘	29.4%
Nonprofit Organizations	18.5%	↘	13.5%	↗	16.0%
Individuals / Families	21.8%	↘	7.8%	↘	4.1%
Local / National Governments	13.2%	≈	13.0%	↗	31.0%

KEY POINTS:



- In 2015, the top four types of recipient entities by percentage of instances were individuals / families (42.9%), institutions (22.9%), nonprofit organizations (21.4%), and finally local / national governments (4.0%).
- Viewing it from the perspective of the value of donations, the leading position goes to local / national governments, followed by institutions, nonprofit organizations, and individuals / families at the end. The notable change in comparison to 2014 is that this year larger amounts were donated to local and national governments and smaller to institutions
- If we combine the data for institutions and local / national governments, with both categories under the control of the state, we reach the conclusion that 26.9% of instances and 60.4% by value of donations were, in fact, directed to the state. While both percentages are slightly lower than in 2014, state remains the biggest recipient of philanthropic donations.
- When reflecting on the last three years, the only trend that can be noted is continuous increase of percentage of instances directed to individuals/families. Number of instances directed to other main recipients fluctuates.
- When we look for changes to the percentage of value of donations, the only trend is continuous decrease in amount given to individuals/families. Amounts donated to other recipients fluctuate.
- It is however important that both percentage of instances and percentage of amount donated to nonprofit organizations, while not reaching the level of 2013, have increased in comparison to 2014.



NONPROFIT ORGANIZATIONS IN 2015

The category of nonprofit organizations includes local civil society associations, foreign organizations, such as UNICEF, and private foundations. The percentage of instances of giving to nonprofit organizations increased in 2015 (21.4%), although it is still not on the level it was in 2013 (27.7%).

The percentage of the recorded value of donations to nonprofit organizations also increased from 13.5% in 2014 to 16.0% in 2015. Again, this is less than in 2013 (18.5%), but still a positive development.

*Additionally, there was a positive trend of both an increased total number of organizations that received donations during 2015 and an increased number of organizations and foundations receiving multiple donations from various donors in 2015. Organizations that received multiple donations in 2015 include: *Poraka Nasa Kumanovo, Red Cross Macedonia, Red Cross Skopje, Republic Center for Support of Persons with Intellectual Disability – PORAKA, SOS Children's Village Macedonia, Special Olympics of Macedonia, Šuto Orizari Day Center for Education and Care of Street Children, Vo mojot svet CSO, Wilson Macedonia and Zlatna Ripka Make-A-Wish Foundation.**

Similar to previous years, the largest number of donations to nonprofit organizations in 2015 came from the corporate sector, followed by mass individual donations. The percentage of donations from other donors were very small.

The themes most frequently emerging from giving to nonprofit organizations are support to marginalized groups, health and poverty reduction, seasonal giving and emergency management.

The range of final beneficiary groups for which organizations received support remained broad. It included primarily people with disabilities and children without parental care, people with health issues, economically vulnerable people, people living in other countries, and people from a specific community.

*In terms of fundraising and cooperation with donors, it seems that the *SOS Children's Village Macedonia*, with a focus on children without parental care was one of the most successful in 2015. *SOS Children's Village* in partnership with *Sparkasse Bank* and *Media Print Macedonia* started the "*Od srce za srce*" (*From heart to heart*) campaign, and called all children to send in their drawings, poems and essays. 100 of the best submissions were chosen through Facebook voting and published in a book, while the profit of book sales was donated to the nonprofit for the purposes of organizing summer vacation for children. Besides that, citizens were called to donate themselves via sms text messages or bank account.*

*Several successful fundraising campaigns and events were organized for the *Šuto Orizari Day Center for Education and Care of Street Children*, like *Humanity Without Borders (Humanost bez granici)* during which shoes, hygiene and food products were successfully collected. Also, Skopje fashion designer *Irina Toševa*, with help of children from *Šuto Orizari Day Center*, created a collection of unique hand bags. All the income from the bag auction was donated to the Center.*

Another great example of a fundraising campaign and cooperation with other associations comes from PORAKA Nasa Kumanovo association. In cooperation with the Inner Wheel Club Kumanovo and Kumanovo Rotary Club, the Kreiraj podobroe utre. Doniraj malku - pomogni mnogu (Create a better tomorrow. Donate a little - help a lot) fundraising campaign was organized on Maršal Tito square, where all visitors could purchase Easter eggs decorated by the members of the PORAKA day center for persons with special needs, with all the income donated to the day center for persons with special needs run by PORAKA Nasa association.

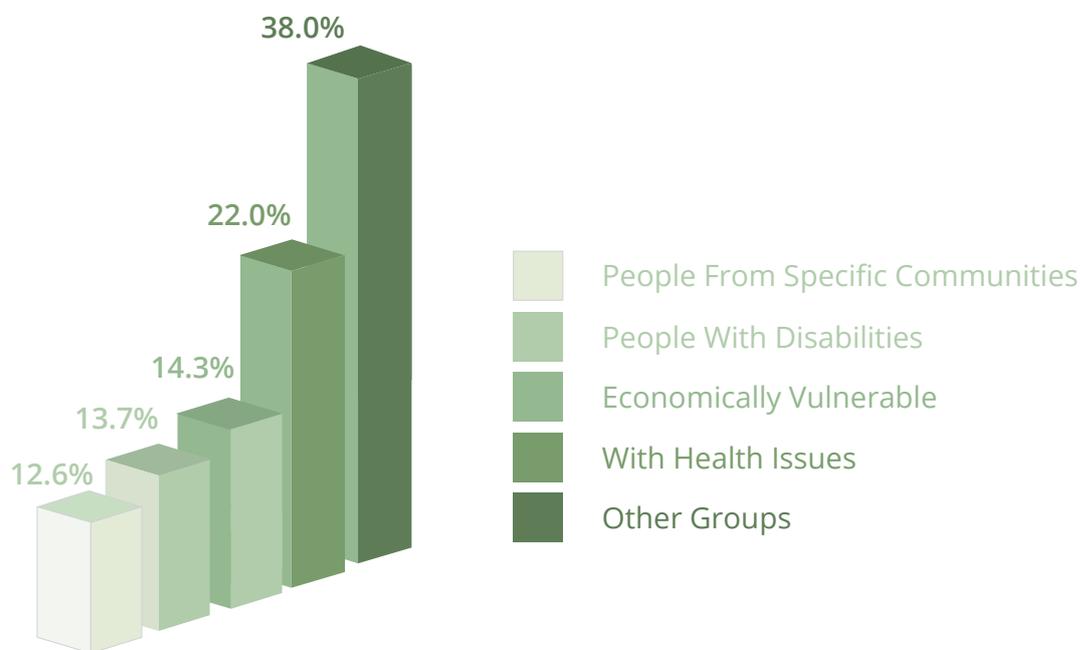
2.3.2 | Who Benefits from Donations?

When we looked into the final beneficiaries in 2015, the four key groups that emerged were people (adults, youth and children) with health issues, the economically vulnerable, people with disabilities and people from specific local communities.

The range of beneficiary groups remained quite broad and an additional 12 final beneficiary groups were targets of giving in Macedonia in 2015.

It should be mentioned here that 7.4% of instances was directed to people from other countries, meaning refugees coming from Syria and other countries, which were passing through Macedonia.

KEY FINAL BENEFICIARY GROUPS (% of Instances)



BREAKDOWN OF OTHER THEMES (by % of Instances)

0 to 1%	1 to 2%	2 to 5%	over 5%
<ul style="list-style-type: none"> Homeless Talented Children and Youth Women and Children with Infants 	<ul style="list-style-type: none"> Elderly Single Parents People from Religious Communities 	<ul style="list-style-type: none"> General Population At-Risk Children and Youth 	<ul style="list-style-type: none"> Children/Youth Without Parental Care People from Other Countries Unknown

CHANGES IN BREAKDOWN OF FINAL BENEFICIARY GROUPS (% of Instances)

	2013		2014		2015
Economically Vulnerable	21.2%		18.0%		14.3%
People with Health Issues	15.7%		28.6%		22.0%
People With Disabilities	10.6%		11.0%		13.7%
People from Specific Communities	7.8%		13.6%		12.0%

OTHER WAYS TO DONATE

Besides the “traditional forms” of giving that we are used to seeing all the time, some imaginative examples remind us of how huge peoples’ nobleness can be.

The Association of People with Wilson’s Disease - Macedonia organized the Give a Hand (Podaj Raka) humanitarian race to raise funds for purchase of reagents for the early detection of Wilson’s disease. The registration fee of 250 MKD served as the donation for the race that took place on October 3. The event was organized as a part of observing World Day of Wilson’s Disease.

KEY POINTS:

- The top 4 final beneficiary groups (economically vulnerable, people with health issues, people with disabilities and people from specific communities) comprised 62.0% of the overall number of instances of giving in 2015.
- The percentage of instances benefitting other beneficiary groups (38.0%) is significantly increased compared to 2014 (29.8%), which might point out to more equal spread and better recognition of other final beneficiaries. Nevertheless, it remains to be seen if this is a trend, or a one year fluctuation.
- There are a certain number of instances where was not possible to determine key final beneficiary groups, due to insufficient data provided in media records.
- Over the past three years, we can note a continuous drop in the percentage of instances benefitting economically vulnerable people. The percentages of instances of other key final beneficiary groups fluctuate.

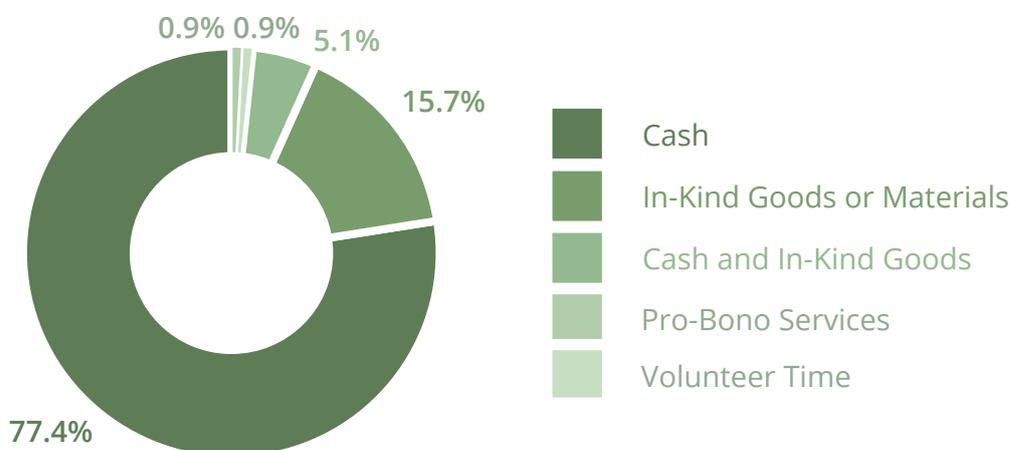
2.4 | How Is Giving Done in Macedonia?

2.4.1 | What Is Donated?

There were no significant changes from 2014 in the type of support that donors provide. Cash donations still dominate as the preferred method of giving followed by in-kind giving.

A significantly lower percentage of instances were recorded as mixed donations (cash and in-kind), while there were very few instances involving pro-bono services and volunteering. Still, it is encouraging that pro-bono services continue to be documented.

TYPE OF BENEFICIARY ENTITIES (% of Instances)

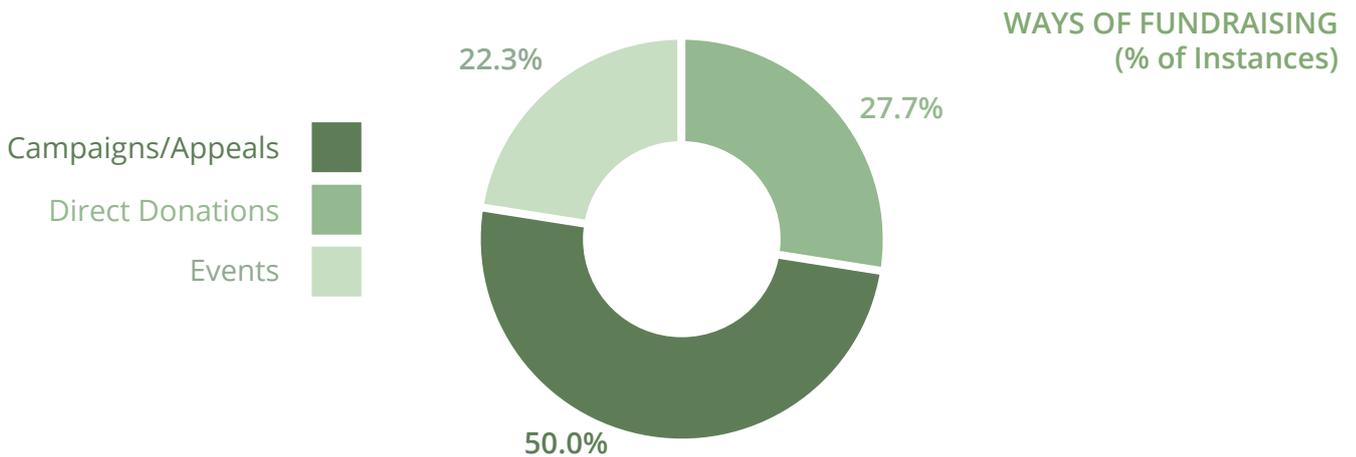


KEY POINTS:

- Cash donations were the most frequent (77.4%) and have slightly increased in comparison to 2014.
- In-kind donations in goods and materials appeared in a smaller percentage (15.7%).
- Volunteer time as donations is underestimated because media very often hesitate to report on that. Media perceive it as less attractive, while the companies rarely report on their staff volunteering efforts considering it a part of employee strategy. We believe that this is the reason for such a small percentage in volunteering instances, and that it does not reflect the real picture. Similar is with pro-bono services.

Ways of Fundraising | 2.4.2

For easier analysis, the ways of fundraising have been divided into four categories: direct donations (cases in which donors selected the final beneficiary), campaigns/appeals, giving during events, and calls for applications. The available data shows that donations were most frequently given as response to appeals and during campaigns, followed by direct donations, and finally on events.



CHANGES TO KEY WAYS OF FUNDRAISING - 2013 to 2015

	2013		2014		2015
Direct Donations	52.1%	↘	33.2%	↘	27.7%
Events	27.2%	↗	35.8%	↘	22.3%
Campaigns / Appeals	20.3%	↗	30.7%	↗	50.0%
Calls for Applications	0.5%	≈	0.3%	≈	0.0%

KEY POINTS:

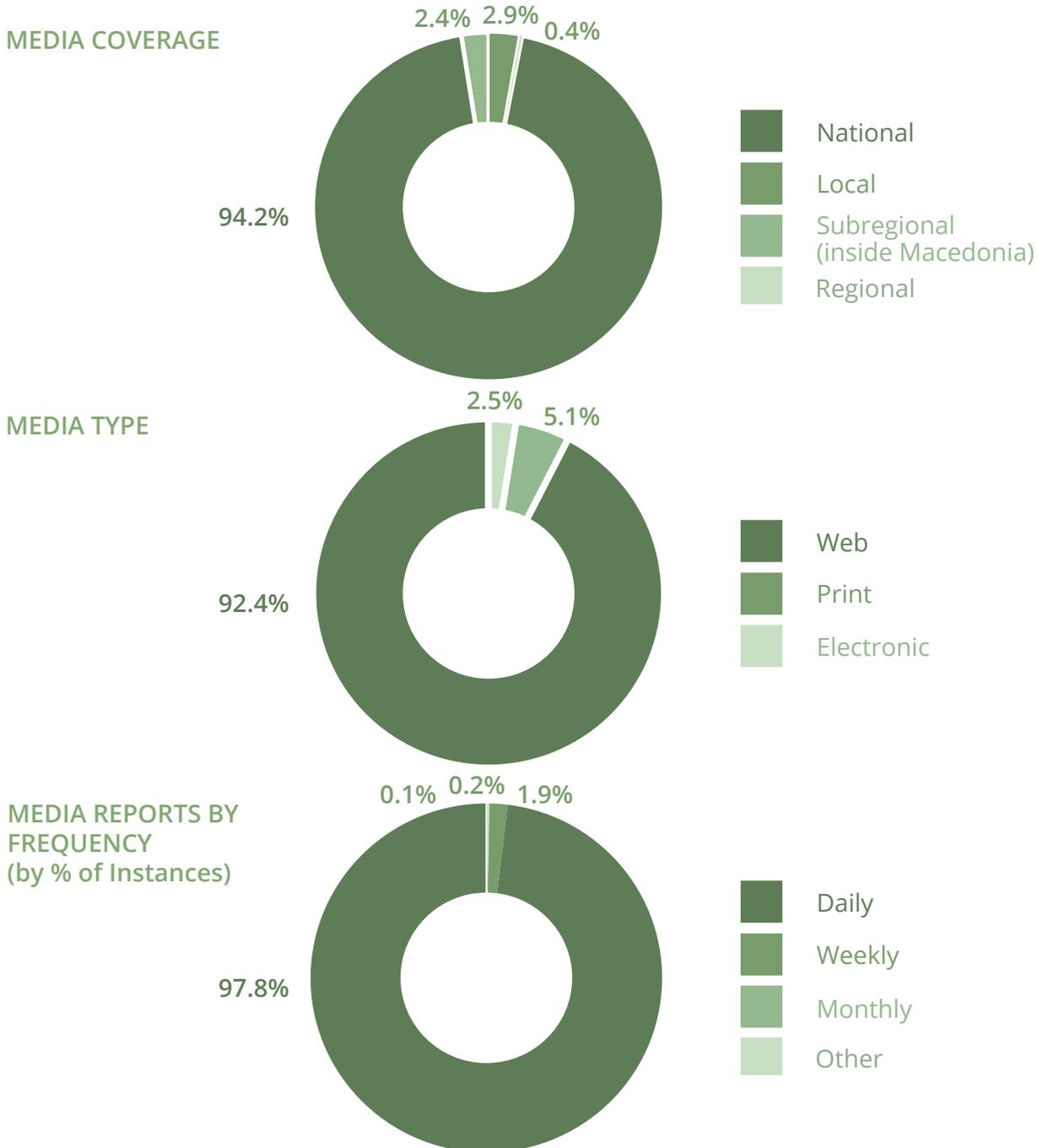
- Two trends that can be noted over the three years are a continuous decrease in the percentage of direct donations and a continuous increase in using campaigns and appeals as way to fundraise.
- Fundraising through events has fluctuated through the years.
- In difference to the previous two years, there were no recorded calls for applications.

2.4.3 | Media Coverage

As shown in the graphs below, the vast majority of the reports of donations were published in the web media (92.4%), followed by print (5.1%) and electronic (2.5%) media. In comparison with 2014, we observed an increase in the number of media records in web media, and a decrease in the number of broadcasts and articles in electronic and print media.

Regarding territorial coverage, in 2015, most reports were recorded in national media, although this percentage is somewhat smaller than in 2014. Significantly fewer reports were recorded in local media and sub-regional media within the country. But in comparison with 2014, the number of articles in local media increased from 0.3% in 2014 to 2.9% in 2015.

It is also noteworthy that in 2015 a small number of reports on donations in Macedonia were printed in the foreign media, i.e. in the media of other countries in the region. Of the total number of media reports, 1.0% was reported by media registered in other countries.



Kurir.mk, Lider.mk and Vecer.com.mk stand out as the web media that presented the largest number of reports. Present with less, but still large number of reports are Mia.mk, Sitel.com.mk and Plusinfo.mk. In the print media field, Utrinski vesnik clearly led in its coverage of giving, followed by Nova Makedonija and Večer. The electronic media that broadcasted the most reports were Kanal 5, Alfa TV, MTV1 and Makedonsko radio.

In the analysis of media coverage, it is interesting to look at the placement of and time allocated to the reports, because both indicate the importance given to philanthropy.

The data from 2015 shows that regarding the placement chosen for the report, in printed media, only 8.8% were placed on one of the first five pages, which is less than in 2014. A bigger percentage (14.7%) were found between the fifth and tenth pages, while 30.9% of reports were placed after page ten. For some number of articles, information on the placing was not available.

Looking at print media, we found it encouraging that unlike 2014, small (less than ¼ page) reports were less frequent (36.1%) than medium sized articles (57.4%). The percentage of large size articles, however, was smaller than in 2014 (6.6%).

This suggests that there were no significant changes in the way philanthropy as a theme is viewed by the media. Reports remain often incomplete, making it difficult to understand basic information such as who had made the donation, for what purpose or to which type of beneficiary.

About to the reported value of donations, there was a small increase in the percentage of reports in which the value of the donation was recorded - from 10.0% in 2014 to 11.9% in 2015.

KEY POINTS:



- The majority of reports on philanthropy were published in web media (92.4%), followed by the print media (5.1%), while the electronic media remained far behind the other two in the number of reports broadcasted (2.5%).
- The national media, with over 94.2% of reports, continued to hold the lead in the number of reports, with the local, sub-regional and regional media trailing far behind.
- The data on the placement devoted to reports in the media, as well as size of the reports, point to the fact that philanthropy is still considered a side topic. In addition, published reports were generally incomplete in terms of providing details of the donation.
- Finally, the percentage of reports which indicated the sum of the donation has seen increase: from 10.0% in 2014 to 11.9% in 2015.

3 | Annexes

3.1 | Annex 1: Methodology

The methodology for this report was inevitably conditioned by the viable options for collecting data. Research on this topic worldwide shows that the only completely reliable source of information on level of giving for charitable purposes is collected by tax authorities. For many reasons it was not possible to use this source of information in any of the Western Balkans countries.

As mentioned previously, Catalyst has opted for alternative ways of collecting data, using primarily media data as well as other available data sources. Concretely, the data used as the basis for this report was gathered by monitoring the electronic, printed and on-line media on the local, regional and national levels in the period from January 1 through December 31, 2015

There are three key limitations to this methodology. First, this method does not provide comprehensive data because the media does not report on all charitable instances and giving. Second, media reports often do not provide all data of importance in following the development of philanthropy (most often the media does not publish the amount donated and/or collected). Third, there is a potential limitation in the credibility of data published by the media.

The first limitation cannot be overcome at this time. Where the second and third limitations are concerned, Catalyst seeks to overcome them by cross-analyzing various media⁶, and then conducting additional research, for example by checking the reporting by companies' and nonprofit organizations (if available to the public). The acknowledged limitations notwithstanding, we feel that there are two facts that justify our analysis:

- Our figure, although not comprehensive, provides a **minimum** value of relevant indicators. If, for example, we discuss the number of charitable instances, we can state with certainty that the number that we show is the minimal number of instances that have taken place and that the actual figure is certain to be higher. The same is true for cash amounts, actors and the like. Hence, this data may be used as indicators of the **minimal degree of philanthropy development** in a specific country.
- Continued observation will show a **rise and/or drop in numbers and change in data** related to our selected indicators. Therefore, continued monitoring over years will point out **trends in philanthropy development** as well as trends in media reporting on the subject.

Catalyst will continue to enhance this methodology. Catalyst also plans to establish contacts with state authorities (tax authorities, and other offices with relevant statistical data) to discuss the importance of this data and explore ways of increasing the number of reliable data sources. Under current conditions, we are of the opinion that the methodology allows for preliminary insight into philanthropy in Macedonia.

⁶ Various media report on the same donations, and by comparing data from several media reports, we are able to obtain more accurate and thorough data.

Factors and indicators showing degree of philanthropy development | 3.1.1

It is difficult to estimate the degree of philanthropy development in an environment in which precise data is not collected and continuous monitoring is not done. Catalyst has thus created an initial list of factors that may help elucidate various aspects of giving: instances/initiatives for charitable giving; methods of collecting cash donations; the themes of giving; donation recipients and beneficiaries⁷; donors; actors⁸; and media coverage.

In order to use the data collected for comparative analysis (both across the countries and within a certain country over multiple years) and given the factors identified above, it was necessary to define quantitative and qualitative indicators for each factor. The indicators we used are presented in the following table:

Factor	Indicator
Instances of charitable giving	<ul style="list-style-type: none"> Number of instances of charitable giving in one-year period; Geographic distribution (% of instances per region in relation to the total number of instances); % of instances of cash donations in relation to the total number of instances; % of instances of in-kind donations/services in relation to the total number of instances.
Methods of collecting cash donations	<ul style="list-style-type: none"> Different groups (types) of methods of fundraising for donations in cash; % of representation of different types of methods; Emergence of new methods for fundraising/donations in cash.
Purpose of charitable giving instances	<ul style="list-style-type: none"> Theme or Purpose of the support; Number (in %) of instances per purpose; Emergence of new themes; Use of donations per theme.
Donation recipients and beneficiaries	<ul style="list-style-type: none"> Types of donation recipients; Number of instances involving recipients in the state sector (% in relation to the total number); Number of instances involving recipients in the civil sector (% in relation to the total number); Number of instances involving recipients from other groups (% in relation to the total number); Types of beneficiaries; Number of instances directed to different groups of beneficiaries (% in relation to the total number of instances); Emergence and number of new beneficiary groups.
Donors	<ul style="list-style-type: none"> Number of instances per type of donor (% in relation to the total number of instances); Number of instances per different recipients and per type of donor; Number of instances per theme and per type of donor; Number of instances per beneficiary groups and per type of donor.
Value of donations for charitable purposes	<ul style="list-style-type: none"> Total value of charitable donations; % of instances with a recorded sum of donation; % of donated amount per type of donor; % of donated amount per type of recipient; % of donated amount per theme.
Actors	<ul style="list-style-type: none"> Type and number of different actors; Emergence of new actors.
Media	<ul style="list-style-type: none"> Total number of media reports; Number (in %) of media reports per media type; Number (in %) per territorial coverage (national, regional, local); Number of reports treated as substantial per media type (printed, electronic).

It is likely that during preparation of the research, which we hope will continue for several years, some of the factors we analyze will change or come into sharper focus, and it is possible that new factors may emerge. For the time being, we believe that the factors listed above offer a solid starting point in determining the state of charitable giving in each of the countries that we monitor.

⁷ While these two categories may seem the same, they very often differ in practice. Donation recipients are usually registered legal entities (such as institutions, nonprofit organizations, local governments, etc.) that seek support for a particular purpose. Recipients may also be individuals or families. Beneficiaries on the other hand, may be various groups for whose benefit the support is requested. For example, if the recipient of a donation is a local hospital, the beneficiaries are people of that local community. If the donation recipient is a school, the beneficiaries are children/youth of a certain age who attend that school. If the donation recipient is a nonprofit organization that works with people with disabilities, the beneficiaries are people with disabilities, etc. Insights into the recipients of donations shows public perception of who "deserves" support and whom they trust.

The range of beneficiaries show which groups are considered to be vulnerable (in any way) by the public and over time will indicate how much public awareness of the issue has changed.

⁸ Under actors we understand not only donors, but also those who appeal for assistance and those who, in any way, take part/participate in philanthropy. As a rule of thumb, an increase in the number of actors leads is understood to advance public awareness of the importance and role of charitable giving in the society.

3.2 | Annex 2: Changes in the Legal-Fiscal Framework

The legal and fiscal framework for philanthropy is certainly an additional factor. This primarily implies clear and harmonized definitions within the legal framework that pertains to:

- Public benefit and organizations acting for public benefit. This means that relevant laws have to include a clear and harmonized definition of purposes of benefit for the public (like: culture, education, human rights, etc.). Also, definitions of organizations acting for public benefit should be clear and harmonized.
- Appropriate, clearly defined, easy to prove and attain in administrative sense both to the private sector and individuals.

A regulated legal/fiscal framework represents significant progress in the development of philanthropy and points out that state recognized philanthropy as an important issue. Regulations, in a way, support the development of philanthropy. Experience shows that proper regulations are not the only prerequisite for monitoring of giving, however the fact is that unclear legal/fiscal conditions discourage its development. This creates and maintains the perception of the public that philanthropy is a kind of "gray zone" which enables fraud (although experience to date proves that abuses are not as frequent as they are thought to be). Given that other stakeholders have been working in this field for years, Catalyst didn't analyze the situation in Macedonia, but opted to state the section of the "Tax Regulations of Significance for Philanthropy Development" publication of the SIGN network. Before that section, we provided an update – the only change in legal framework since 2013.

Update on legal framework - 2014

The Law on Donations and Sponsorships was amended in 2014, but many terms and conditions, such as the procedure for obtaining public benefit recognition for certain projects or activities in order to be eligible for tax and other benefits, remain poorly defined or are not fully implemented in practice (deduction of VAT on phone and SMS donations for instance). On a positive note, the procedure that individuals must follow to claim tax benefits for donations was simplified and went into effect in 2014 as such.

Tax Regulations of Significance for Philanthropy Development" publication of the SIGN network (2013)

The text of this appendix has been taken from the publication "Tax Laws of Significance for Philanthropy Development in the South-East Europe Countries" prepared for the SIGN Network by Dragan Golubović, PhD. This appendix includes a segment related to Macedonia while the text of the complete publication is available at <http://www.sign-network.org/activities/advocacy-for-policy-changes>

Law on Donations and Sponsorship. The **Law on Donations and Sponsorship of Public Benefit Activities** (Law on Donations and Sponsorship) sets out a comprehensive framework on issues pertinent to donations and sponsorship, including **tax benefits** provided for corporate and individual donors (*infra*)⁹. The Law has the status of **general/subsidiary law** (*lax generalis*) in respect to any other law (*lex specialis*) which may govern some aspects of donations and sponsorship (Article 5). Civil society organizations ("associations of citizens" and foundations)¹⁰ are eligible to receive donations if they engage in activities which support and promote **public benefit** purposes (*infra*). In addition to CSOs, other **domestic legal entities**, including public institutions, state bodies, and local municipalities may also be the recipients of donations (Article 3(1)7, 7(1). Exceptionally, **foreign legal entities** may also be the recipient of donations (Article 7(2)). The Law requires a donor and a grantee to enter into an **agreement** in writing (*ad solemintatem*). The subject matter of the agreement may be donations in **money, in-kind and services** (Article 3(1)1). Any legal or natural person, domestic or foreign alike, may be a donor insofar as their activities do not violate the Constitution, law and the international agreements of which Macedonia is a signatory (Article 6).

⁹ "Official Gazette of the Republic of Macedonia", No. 47/06, 86/08, 51/11.

¹⁰ CSOs in Macedonia operate mostly in the form of associations and foundations.

At the donor's request, the Ministry of Justice, with the approval of the competent line ministry, will issue a **decision** which will confirm that a donation in question will serve a public benefit purpose as defined by the Law. Originally, the Law provided that the Ministry must issue a decision within 15 days following the request, otherwise it was presumed that a positive decision was issued. However, the 2011 amendments to the Law introduced a more elaborate and time-consuming procedure in this respect (Article 21, as amended in 2011).

Corporate Income Tax. Corporations can deduct **up to 5%** of their **taxable income** for qualifying public benefit purposes (Article 14 (1), Law on Donations and Sponsorship). While the Law appears silent on the issue of **carry-over donations** i.e., whether the unspent donation can be carried to subsequent fiscal years, based on information from local CSOs, tax authorities allow for such a practice. The Law does not specifically address the issue of the tax status of **institutional grants** to CSOs which engage in public benefit activities.

Personal Income Tax. Individuals may deduct **up to 20%** of their **taxable income** for giving to qualifying public benefit purposes, but in any event may not deduct more than 24,000 dinars, which is around **400 Euro** (Article 13 (1), Law on Donations and Sponsorship). However, with the 2009 amendments to the Personal Income Tax Law, which holds the employers responsible for paying personal income taxes of their employees, the foregoing tax exemptions practically apply only to giving by individuals who are not employed, but rather provide some free-lance, short term consultancy service, usually under international development projects. This legislative development has significantly limited tax incentives for individual giving.

Gifts Tax. CSOs which engage in qualifying public benefit activities are **exempted** from gifts and inheritance taxes on goods and objects they receive; insofar they use them to further their **main objectives** (Article 16(1)). Income generated from gifts is not taxed in the course of five years following the transfer of gift to the grantee (Article 16(2)).

Value Added Tax. VAT is not levied on goods and services purchased with donated money, but is rather recovered from the state budget. Although the procedure for VAT exemptions works in practice, not all companies are aware of the current exemption mechanisms and often times refuse to engage in donation transactions without VAT being paid by a customer. Even though the law provides that SMS/telephone call donations are also exempted from VAT, providers of telecommunication services have not been able to utilize this exemption to date. VAT is also not levied on tickets for humanitarian events.

Reporting requirements. Both the **donor** and the **grantee** are subject to specific **reporting requirements** with respect to donation, the details of which are set out in the Law, which they have to file with the tax authority within 30 days following the execution of the agreement (Article 19(3)). In addition, following the execution of the agreement, the grantee is obliged to issue to the donor a receipt in writing, the form of which is to be detailed by regulation issued by the Minister of Justice (Article 4).

Public Benefit Status. The Law introduces the somewhat confusing distinction between public benefit activities and public benefit **goals**. Public benefit activities are deemed activities in the following areas: human rights protection, education, science, information-based society, culture, sport, medicine, social protection and protection of people with special needs, blood donation, child protection, animal protection, environmental protection, as well as other activities defined by law to benefit the public (Article (Article 3(1)3). The notion of public benefit goals entails support to and encouragement of activities in the following areas: protection of human rights, promotion of culture, morality, education, science, development of information and knowledge-based society, sport, environmental protection, socio-humanitarian activities, civil society development, promotion of blood donation, promotion of international cooperation, as well as other activities defined by law to benefit the public (Article 2, 3(1)4).

On the other hand, the **Law on Associations and Foundations**¹¹ provides for a comprehensive framework for granting the status of public benefit organizations. CSOs may obtain **public benefit status** if they "perform

¹¹ "Official Gazette of the Republic of Macedonia", No. 52/10.

public benefit activities, implement programs and projects on a central and/or local level, independently or in cooperation with state administration bodies and municipal bodies, the bodies of the municipalities in the City of Skopje and the City of Skopje, as well as if they use the financial resources for realization of activities" (Article 73). The Law provides a list of public benefit activities, which is significantly **broader** than the one set out in the Law on Donations and Sponsorship (Article 74, Law on Associations and Foundations).¹² An association or a foundation shall obtain the status of public benefit organization if: it is registered in accordance with the provisions of this Law; public benefit activity is the main income code in its operations; its activities and actions are directed at the general public and the interests of the community; it has the necessary organizational structure in accordance with this Law; it has human resources capacities required for the activity in accordance with law; it has appropriate financial resources, i.e. total assets or annual income amounting to at least 1.500 EURO in Denar equivalent according to the exchange rate of the National Bank of Macedonia; it has rules in place governing conflict of interests and transparency of its work; it is not in bankruptcy or liquidation and does not have its bank account frozen (Article 75). A separate body, the Commission of Public Benefit Organizations, decides on granting the status of public benefit (Article 76). The Law envisages that public **benefit organizations** shall enjoy **additional tax benefits**, as compared to CSOs which operate without public benefit status, without further references in this respect (Article 88).

Use of Donations. The **Law does not** provide for a specific **time-line** in which a donation must be utilized—nor does it set a specific **threshold** with respect to the organization's overhead expenses.

Volunteering. The Law on Volunteering does not allow for a corporation to be a host of volunteer activities, even outside of its business premises (Article 6).¹³

SUMMARY OF OUTSTANDING ISSUES IN MACEDONIA

DONATION AND SPONSORSHIP LAW:	CSO FRAMEWORK REGULATION:
<ul style="list-style-type: none"> • Excessive administrative requirements imposed on the donor and the grantee; • Overall high and disproportional transactional costs for executing and supervising the use donations incurred on all parties involved (the donor, the grantee and the supervising authority); • No specific rules with respect to institutional grants to CSOs; • The concept of public benefit is somewhat confusing and not consistent with the CSO framework regulation; • The concept of public benefit is not consistently applied within the line ministries; • Tax incentives for individual giving are limited to the non-employed; • No specific carry-over rules for donations. 	<ul style="list-style-type: none"> • No clear tax benefits arising from the status of public benefit organization; • Initiative to exempt donors to public benefit organizations registered under the Law on Associations and Foundations from the duty to file a request with the Ministry of Justice under way.

¹² This includes: development of democracy, civil society, and human rights; help and protection of persons with physical or mental handicaps, persons with developmental disabilities and persons with special needs; protection of children and youth; protection of marginalized persons and their social inclusion; protection from drug abuse, sexually transmitted diseases, juvenile delinquency, alcoholism, prostitution and human trafficking; health, health promotion and medical care; art, culture, and protection of cultural heritage; amateur sport; protection of the environment and sustainable development; local and infrastructure development; science, education, and training in the educational process; development of ethics and moral; humanitarian and social aid, reduction of poverty; disaster management; protection and care of animals; consumers' protection; promotion of philanthropy and volunteering; and other public benefit activity determined by this or other law.

¹³ Official Gazette of Republic of Macedonia No. 85/2007

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