



**ФОНДАЦИЈА  
ЗА РАЗВОЈ НА  
ПОКАПНАТА  
ЗАЕДНИЦА**



**LOCAL  
COMMUNITY  
DEVELOPMENT  
FOUNDATION**

**LOCAL COMMUNITY DEVELOPMENT  
FOUNDATION STIP  
STRATEGIC PLAN  
2021-2025**



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## PROFILE

Local Community Development Foundation Stip is funded in 2006 as a legal successor of the NGO Support Center Stip. The Foundation primarily bases its activities in the Municipality of Stip and the Eastern planning region, but the influence is also expanded to the whole territory of the Republic of Macedonia. Furthermore, the Foundation has cooperation with organizations outside of Macedonia for topics related to its mission. Local Community Development Foundation Stip is the first Community Foundation in Republic of Macedonia.

As a foundation dedicated to the community LCDF works in the following sectors: decentralization, good governance, rule of law, lobbying and advocacy, youth, human rights, transparency and accountability and promotion of philanthropy.

In the scope of the work, LCDF has established good cooperation with the civil society organizations from Macedonia and the neighboring countries, local and national institutions, business sector and media. The activities of the Foundation are aimed towards the benefit of the citizen, civil society organizations, local and state institutions, business sector, active youth, media and donors.

LCDF is working to increase the impact of the civil society sector in development and implementation of public policy, increasing the responsibility of the citizen in resolving local problems (priorities) and expanding its influence outside of Republic of Macedonia. In relation to its mission and vision the activities that the Foundation does are organization of public events, research and analysis, development of methodologies, dissemination of information, organization of citizen and budget forums, debates, trainings, workshops and consultations on the topics of, lobbying and advocacy, administrative and financial management of CSO's, project cycle management, decentralization, non-formal education, evaluation, human rights and youth activism.

In order to establish good cooperation with the local governments and strengthen the process of decentralization, LCDF worked on increasing the budget transparency of the Municipalities, analysis of the infrastructural investments in the Municipality of Stip and monitoring of the public procurement processes. Moreover, one of the main activities the Foundation does is increasing the transparency and accountability of the Municipalities in the processes of allocation of funds to CSO's. In this area the practices of the LSGU's were analyzed and new methodologies for allocation of funds to CSO's were



developed and adopted in municipalities all over the country. On the other hand, other than increasing the transparency of the LSGU's, LCDF's main objective is to increase the citizen participation in decision making processes. For this purpose the Foundation organized project and budget forums in several Municipalities in Republic of Macedonia. Furthermore, LCDF developed a comprehensive analysis of the citizen participation in decision and policy making processes and the existing mechanisms for participation and their efficiency. The Foundation also worked on encouraging local economic development, strengthening the employability capacities of women from ethnic minorities and connecting them to the business sector. The mission of LCDF is also focused on support to local CSO's and strengthening their institutional capacities, internal procedures and financial sustainability.

In the previous period, LCDF was established as a trusted partner of the citizen in support of local initiatives and actions.

In the field of youth, development of youth capacities, support of youth and youth organizations, LCDF is a Regional Office of the National Youth Council of Macedonia since 2014. With the objective to emancipate youth, empower youth activism and support of youth and youth initiatives, LCDF established and continuously support the Youth Club and all its activities. The Youth Club works on youth initiatives, exhibitions, public events and trainings (on the topics of, new media, internet activism, leadership and team work, mediation, photography), but one of the main activities of the Youth Club is the debate program, public debates and debate tournaments for youth. The Youth Club brings together 40 high school students that are regularly involved in the debate program.

One of the main projects in the field of youth is the project Youth Bank Stip which aims towards empowering young people to be involved in initiatives and fundraising events and re-granting the gathered funds towards solving youth problems or supporting youth initiatives.

The key achievements of the Foundation are the development and adoption of methodologies for transparent allocation of funds from the LSGU's to the CSO's in 24 Municipalities in Republic of Macedonia. The project "Get trained, get support, get a job" increased the employability capacities of about 100 women from ethnic minorities 15 of which were employed by the end of the project. The Analysis of the current practices of using the mechanisms for consultations with the citizens in public policy making on local level and its effectiveness is the first comprehensive analysis in Republic of Macedonia on this topic and the youth projects develop different skills of more than 50 young people yearly.



For the successful fulfillment of the mission and vision the Foundation cooperates and is a part of several national and international networks including Transatlantic Community Fund Network (TCNF), Global Fund for Community Foundation (GFCF), National Youth Council of Macedonia and the Network for financial sustainability of CSO's.

Local Community Development Foundation Stip has 5 full time employees and has the following technical resources, 6 desktop computers, 2 printers, telephone and fax machine, internet connection, WiFi, copier, LCD projector, 5 laptops, digital camera and other office materials required for professional activity management.

For the target groups, the Foundation offers, technical equipment, library with more than 500 titles, organization of public events, dissemination of information, research and analysis, trainings and consultations. The Foundation also offers support to CSO'S.

Local Community Development Foundation – Stip, in the following period will continue to work as an active partner of the citizen, civil society organizations, institutions and local and central governments the fields of promotion and implementation of the principles of rule of law, good governance, transparency and accountability, promotion and protection of human rights and citizen participation in the processes of decision and public policy making on local and national level.



## EXTERNAL ENVIRONMENT, ANALYSIS AND CHALLENGES

- Impact of Legislation

In the past 20 years, CSOs in Macedonia have made significant progress in terms of affirmation and regulation of the principles and the environment in which CSOs operate. In 2010, a new Law on Associations and Foundations was initiated and adopted, which provides a good basis for establishing and the status of the CSOs in the Republic of Macedonia.

LCDF actively participated in the working groups for the preparation of this Law and immediately after its adoption, in 2011, developed a "Guide through the Law on Associations and Foundations"<sup>1</sup> as a tool that brought CSOs closer to the new legal solutions and enabled easier adaptation according to the new regulation. Since the introduction of the new Law, until nowadays, LCDF provides support and counseling to CSOs for consistent application of legal provisions, especially in the area of registration and preparation of internal documents and management structures.

LCDF, based on its work and regular consultations with CSOs as its target group, has detected that CSOs are very often perceived and treated as commercial entities in everyday practice, by the local and national institutions, which makes their operation difficult and arise problems that take time and a lot of energy to clarify the status and the position of the CSOs, as significantly different from the commercial entities.

Regarding the tax legislation for CSOs, the general conclusion of the civic sector is that the environment is not enabling enough. There is no big difference between CSOs and profitable commercial entities. The challenges CSOs are facing regarding the Law on Profit Tax, the Law on Accounting for Nonprofit Organizations and the Law on Sponsorships and Donations in Public Activities remain unchanged.

The analysis of the Association Konekt<sup>2</sup> concludes that the current solutions are too complicated and not adapted to the needs of the civil sector. This conclusion was confirmed by the LCDF also through consultations, meetings and working groups with CSOs. They especially pointed out that there are too many administrative requirements that significantly make the work of the CSOs harder, take a lot of time and energy. Thus, the CSOs cannot dedicate towards achieving their goals and activities. The proposed measures and opportunities for sponsorships and donations are dysfunctional and CSOs almost never use

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<sup>1</sup> LCDF, Open dialog about the Law on Associations and Foundations: Guide through the Law on Associations and Foundations, 2011, <http://frlz.org.mk/wp-content/uploads/2017/04/VODIC-NIZ-ZAKONOT-ZA-ZDRUZENIJA-I-FONDACII.compressed.pdf>

<sup>2</sup> Konekt: Analysis of the Law on Accounting for Non-profit Organizations, 2017



them at all. Because of this, reforms are needed in terms of public funding, especially from the funds generated from games of chance and lotteries. LCDF became a member of the Management Board of the Network for Financial Sustainability of CSOs in 2017, which in the forthcoming period will advocate for changes in the regulations related to the tax treatment and financial work of the CSOs. As a result, together with other CSOs, LCDF participated in the process of concluding the established practice of "free interpretation" regarding the payment of personal income tax on material and travel expenses. It resulted with unification of such an interpretation and CSOs are no longer obliged to pay a personal income tax on such costs. This is a positive step, since such costs were not recognized as eligible costs in EU-funded projects and were an unnecessary burden for the CSOs.

- Financial sustainability

The financing and sustainability of the civil sector remains largely dependent on foreign donors due to the economic situation of the state and, in particular, the national policies towards the civil sector. The funds from the state intended for support of the civil sector are very small. Legally binding decisions and procedures for transparency of the allocation of budget funds to CSOs still do not exist. There is a stepping stone in terms of creating transparent procedures for allocating funds from municipal budgets, but it is necessary those procedures to be consistently respected.

In the past period, LCDF worked with 24 municipalities in the Republic of Macedonia to prepare Methodologies for allocating funds to CSOs from municipal budgets. The participatory approach in the preparation of methodologies, including all stakeholders - local CSOs, municipal administration and councilors from the municipal councils, resulted with development of methodologies adapted to the local context in each of the municipalities involved, acceptable to all stakeholders and finally adopted as a formal procedure for granting funds to CSOs in these municipalities. In the upcoming period, LCDF will continue to monitor the processes of allocation of funds in these municipalities.

What remains as a challenge in the upcoming period is greater utilization of the opportunities that the business sector can offer in the local community and stimulating philanthropy.

On this side, LCDF has a leading role in the region, as the first Community Foundation. In the past years, LCDF has established the concept of Youth Bank, as an opportunity for youth participation in initiating local actions and solving local youth problems, as well as encouraging local philanthropy. More importantly, LCDF is the only organization at this time that has been recognized as a potential for

development of local philanthropy and has become part of the Balkan Community Foundations Network, which strengthens the leading position of LCDF in this area of action. In the next period, it is necessary to emphasize corporate giving, instead of the established practice of individual ones.

Some of the measures of the Ministry of Labor and Social Policy also anticipate CSOs as possible users, although currently the conditions for use are generally planned and adjusted for commercial entities. For certain measures, CSOs are not planned as possible users, which limit the ability to use such potentials.

The social entrepreneurship is one of the possible models to secure diversification of funds and sustainability of the organization. The social entrepreneurship as a concept in North Macedonia is new and is becoming mainstream in the last few years, when the CSOs perceived it as a possible problem-solving model for their target groups.

The National Strategy for Development of Social Enterprises in Republic of North Macedonia (2021-2024)<sup>3</sup> defines the main objectives and activities for the period of 2021-2024, with aim to create legal, financial, and institutional framework for development of social enterprises in Republic of North Macedonia.

The potential volume of social enterprises' activities is wide and covers diverse spectra of economic, social and environmental issues.

- Cooperation with institutions

In the recent period, consultative processes for improving the cooperation between the civil society sector and the Government of the Republic of Macedonia were very active. As a result, a Council for Cooperation with Civil Society Organizations was formed, and a process for preparation of a Strategy for cooperation of the Government with the civil sector started. Such processes have made a shift in terms of cooperation between the national institutions and the civil sector, and some of the government agencies and institutions are more open and cooperative with the CSOs. However, there is still a need to express a clear political will for development and support of the civil sector. CSOs must be involved in ongoing debate and dialogue with state institutions and engage as partners and active stakeholders in the processes of planning and implementation of strategic priorities at all levels in the country.



LCDF has established its position regarding the cooperation with the national institutions, as a participant in the ongoing processes, especially in the area of youth issues. As a Regional Office and a member of the National Youth Council of Macedonia (NYCM), LCDF actively participates in the consultative processes for the new Law on Youth in cooperation with the Agency for Youth and Sport.

At local level, the interest of the local authorities for bigger participation of the citizens and cooperation with CSOs and including them in consultative and advisory committees and bodies is visible. However, the LCDF Analysis <sup>4</sup>in 2016 shows that citizen participation is mostly seen as a process of informing citizens about the work of the local government, while participation in the decision-making process is reduced to individual behavior, not to a larger social problem. Hence, the challenge that remains at the local level is to improve the qualitative participation of citizens and CSOs in policy making and decision-making on important issues in the local community.

At this level, LCDF has a significant position as an active participant and partner of the municipalities, primarily as a leader in creating transparent policies and procedures for supporting CSOs and their project activities in 24 municipalities. Additionally, in 2017, LCDF became a partner of the Municipality of Stip in the initiative for establishing the Solidarity Fund, and actively participates with a representative in the Local Coordinative Body for Protection against Discrimination in the Municipality of Stip. In 2018, the partnership position with the municipality was expanded with participation in the work of the Commission for Social Care and the Commission for evaluation of project applications from CSOs for obtaining funds from the municipal budget. The partner position is also strengthened through the facilitation of the process of creating a Strategy for Local Economic Development of the Municipality of Stip.

- Cross-sectoral cooperation

The political events in the past period have imposed the need of civil sector to increase mutual cooperation and creation of coalitions and networks for joint actions. The role of the civil society and civic activists in the social and political processes during 2016 and 2017 increased the challenge of the civil sector in terms of getting the confidence of the citizens. Direct linking with their beneficiaries and target groups and mobilizing wider public to engage in their activities and work becomes even more challenging

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<sup>4</sup> LCDF: [Analysis of the current practices of using the mechanisms for consultations with the citizens in public policy making on local level and its effectiveness](http://frlz.org.mk/wp-content/uploads/2017/04/Analysis-of-the-current-practices-of-using-the-mechanisms-for-consultations-with-the-citizens-in-public-policy-making-on-local-level-and-its-effectiveness.pdf), 2016, <http://frlz.org.mk/wp-content/uploads/2017/04/Analysis-of-the-current-practices-of-using-the-mechanisms-for-consultations-with-the-citizens-in-public-policy-making-on-local-level-and-its-effectiveness.pdf>



for CSOs, especially if we have in mind the tendency of the foreign donors to bureaucratize the grand management work.

Through the participation and establishment of working groups, focus groups and consultations with CSOs, there is a conclusion for increased interest in the civic sector for networking and joint advocacy for specific issues of interest to the civil sector. In the past couple of years, LCDF has attempted not only to be an active participant, but also an initiator of joint platforms in front of the EU Delegation related to existing practices and problems faced by EU project implementers.

In the upcoming period, the focus of the LCDF remains to strengthen and increase the intensity of co-operation in the civil sector in order to act more effectively in front of decision-makers and their target groups.



## SWOT Analysis

### STRENGTHS

- Recognisability of the LCDF
- Human resources
- Working experience
- Expertise in the key working area of LCDF
- Continuity
- Stability
- Compact team
- New teams
- Organization's portfolio
- Regional office of NYCM
- Self- assessment
- Regular strategic and annual planning
- Ability to collect information
- Ability to build coalitions and networks for joint actions
- Active involvement of public
- Access and cooperation with local and national institutions
- Policies for human resource management
- Procedures for preventing conflict of interest
- Financial policies and procedures
- Web page
- Institutional memory
- Practices for financial management

### OPPORTUNITIES

- Securing institutional grant
- Focus on working with youth
- Participation in regional projects
- Strong position as only strong CSO in Eastern Planning Region
- Lack of strong CSO working on environmental issues
- Support for social entrepreneurship
- Increasing funds from foreign donors
- Erasmus + programme
- Interested volunteers
- Donors have local focus

### WEAKNESSES

- Lack of vehicle
- Insufficient promotion of the work of the foundation
- Insufficient technical equipment, IT security and skills for IT security.
- Public relations
- Lack of capacity building plan for employees
- Non purpose assets
- Lack of volunteering programme
- Lack of activities for promotion of philanthropy (Youth Bank)
- Insufficient activities on regional level (outside MK)
- Lack of lobby in international institutions
- Not clear management roles in the organization
- Not developed internal system for M&E of the Foundation
- Lack of divers funds
- Lack of written strategy/ action plan for advocacy initiatives (with more options)
- Improved monitoring of implementation of the advocacy initiatives
- Not prepared policy paper adapted to the needs of different target groups.

### THREATS

- Frequent elections
- Complicated procedures of the donors
- Lack of trust in CSOs



In the following period, Local Community Foundation Stip will be focused on strengthening the institutional capacities of the organizations through:

- Development of Volunteer Program;
- Development of an effective system for organizational monitoring and evaluation;
- Targeted trainings for the employees;
- Development of fundraising plan;
- Improvement of the PR and communication with the public;
- Networking;
- Improvement of the IT security of the organization;
- Establishing of LCDF as a partner in international projects.
- Development and testing models for re-usage of textile waste.



**Vision:**

Local communities are organized, proactive and capable to impact the improvement of the quality of life and well-being.

**Mission:**

Effective citizen participation in the processes of public policy making and implementation.

**Strategic priority 1:**

➤ Strengthening and consolidation of the civil society

- *Strategic goal 1:*

Improved position of the civil society organizations for effective advocacy of the interest of their target groups;

**Estimated results:**

- 1.1 Strengthened capacities of the civil society organizations for collecting and data processing;
- 1.2 Strengthened capacities of the civil society organizations for lobbying and advocacy;
- 1.3 Strengthened capacities of the civil society organizations for monitoring of public policies;
- 1.4 Strengthened capacities for inter sectorial cooperation and cooperation with local institutions;

**Activities:**

- 1.1. Trainings for representatives of civil society organizations for collection and data processing;
- 1.2. Trainings for representatives of civil society organizations for evidence based advocacy;
- 1.3. Dissemination of information;
- 1.4. Consultations;
- 1.5. Mentorship;
- 1.6. Networking events;

- *Strategic goal 2:*

Strengthened institutional and financial sustainability of grass root CSO's;

**Estimated results:**

- 2.1. Strengthened capacities of the civil society organizations for organizational management (internal procedures, rules and systems);
- 2.2. Strengthened capacities of the civil society organizations for project cycle management;
- 2.3. Strengthened capacities of the civil society organizations for fundraising;
- 2.4. Improved transparency and accountability of grass root CSO's;
- 2.5. Improved recognisability and connectivity of local civil society organizations with their constituents;
- 2.6. Improved practice of the mechanisms for inclusion of the target groups in the work of grass root CSO's;
- 2.7. Applied good practices for effective citizen participation in local communities;
- 2.8. Improved methods and practices of fund allocation to CSO's from the budget of LSGU's;

**Activities:**

- 2.2 Help Desk for legal support of CSO's;
- 2.3 Mentorship of CSOs;
- 2.4 Trainings and workshops for strengthening of the capacities of CSO's for financial management;
- 2.5 Consultations;
- 2.6 Small grants for CSO'S;
- 2.7 Baseline study of CSO's
- 2.8 Lobbying

- *Strategic goal 3:*

Empowered citizen activism for solving local problems in local communities;

**Estimated results:**

- 3.1. Improved identification of local problems and initiation of local citizen actions;

3.2. Shared mechanisms for mobilization of the public for solving the local communities problems;

**Activities:**

- 3.1 Analysis of local problems through consultation of the community (meetings, establishing non-formal group - community leaders);
- 3.2 Support to non-formal groups in solving local issues;
- 3.3 Small grants for development of local citizen initiatives;
- 3.4 Networking and advocacy;

**Strategic priority 2**

➤ Encouraging the further decentralization of society

*Strategic goal 1:*

Strengthened role of the Municipal Council in the local governance;

**Estimated results:**

- 1.1 Strengthened capacities of Municipal Councils;
- 1.2 Improved access to information for the work of Municipal Councils;

**Activities:**

- 1.1 Trainings for municipal councilors for decentralization;
- 1.2 Trainings for municipal councilors for the role of the councilor as a decision maker;
- 1.3 Trainings for Municipal Councilors for the role of the councilor as a communication with the public;

- *Strategic goal 2:*

Improved practice of the mechanisms for consultation of citizen before decision making;

**Estimated results:**

- 2.1 Adopted new mechanisms for citizen participation on local level;
- 2.2 Improved information of the citizen for participation and the role of the Municipal Councils;

**Activities:**

- 2.1 Establishment of Advisory Boards;
- 2.2 Establishment of Local Committees for Environment protection;
- 2.3 Media campaign;
- 2.4 Activities for consultation of the councilors and the citizens;
- 2.5 Sharing good practices events among the municipalities in Republic of Macedonia;

- *Strategic goal 3:*

Increased impact of the citizen in the decision and policy making processes on local level;

**Estimated results:**

- 3.1 Developed and adopted recommendations from the monitoring of the work of the local governments;
- 3.2 Strengthened capacities of civil society organizations for monitoring of the work of the local governments;

**Activities:**

- 3.1 Trainings for representatives of CSO's for monitoring and advocacy;
- 3.2 Development of policy briefs;
- 3.3 Media campaigns;
- 3.4 Lobbying for adoption of the recommendations;
- 3.5 Development of monitoring reports;
- 3.6 Development of comparative analysis;

### Strategic priority 3

Participation in creating conditions for economic development of the communities;

- *Strategic goal 1:*

Secured participation of all stakeholders in the process of creation public policies for Local Economic Development and monitoring of their implementation;

**Estimated results:**

- 1.1 Effective participation of citizen, civil society organizations and business sector in planning the local economic development;
- 1.2 Developed Local Economic Development Strategy;
- 1.3 Created and adopted recommendations for promotion and implementation of strategy for Local Economic Development;

**Activities:**

- 1.1 Support to the LSGU in the process of planning local economic development;
- 1.2 Support in the development of Local Economic Development Strategy;
- 1.3 Continuous monitoring of the implementation of the Local Economic Development Strategy;
- 1.4 Development of monitoring reports;
- 1.5 Development and lobbying of recommendations from policy briefs;

- *Strategic goal 2:*

Contribution towards creating preconditions for increasing the employability of the Eastern planning region;

**Estimated Results:**

- 2.1 Developed database for the level of employability, work skills, demographic data and experience of the unemployed;
- 2.2 Analysis of the conditions for social entrepreneurship;
- 2.3 Established social enterprise;



#### **Activities:**

- 2.1 Collection of data for the unemployment;
- 2.2 Cooperation with the institutions – Agency for Employment;
- 2.3 Participation in social entrepreneurship initiatives;
- 2.4 Development of business plan for establishing social enterprise;
- 2.5 Building partnerships with key stakeholders for establishing social enterprise;

- *Strategic goal 3:*

Research and promotion of sustainable models for reusage of textile waste as possibility for business of socially vulnerable groups.

#### **Estimated Results:**

- 3.1 Analysis of current situation of collection and reusage of textile waste in Stip;
- 3.2 Promoted circular economy and models for inclusion of persons in social risk on labor market, by usage of textile waste;
- 3.3 Established cooperation among stakeholders in development of business models for usage of textile waste;
- 3.4 Awareness raised of local community for recycling, especially of textile waste;

#### **Activities:**

- 3.1 Research of current situation with textile waste in Municipality of Stip;
- 3.2 Informative and educational campaign for possibilities offered the reusage of textile;
- 3.3 Mapping the key stakeholders and persons in social risk.

### **Strategic priority 4**

- Empowerment of youth participation and activism in the Eastern planning region

#### *Strategic goal 1:*



Functional Local Youth Councils in the Eastern planning region;;

**Estimated results:**

- 1.1. Strengthened internal capacities of the members of the Local Youth Councils for lobbying and advocacy;
- 1.2. Established Local Youth Councils in the Municipalities from EPR;
- 1.3. Adopted and improved internal management procedures in the Local Youth Councils;
- 1.4. Developed and adopted recommendations for the improvement of the status and the work of the Local Youth Councils;

**Activities:**

- 1.1 Analysis of the current state of the Local Youth Councils;
- 1.2 Continuous monitoring of the work of the Local Youth Councils;
- 1.3 Building capacity workshops for the members of the Local Youth Councils;
- 1.4 Mentorship;
- 1.5 Consultations;
- 1.6 Monitoring reports;

*Strategic goal 2:*

Contribution towards development of local youth policies and monitoring of their implementation in the Eastern Planning Region;

**Results:**

- 2.1. Initiated Local Youth Strategies in the Eastern Planning Region;
- 2.2. Strengthened capacities of youth organizations for monitoring and advocacy;
- 2.3. Strengthened capacities of local youth organizations;
- 2.4. Solved youth issues;

**Activities:**

- 2.1 Youth Bank and other initiatives;

- 2.2 Dissemination of information;
- 2.3 Support of local youth initiatives;
- 2.4 Trainings for representatives of youth organizations;

